



City of Garden Ridge

9400 Municipal Parkway
Garden Ridge, Texas 78266-2600
(210) 651-6632
Fax (210) 651-9638

AGENDA

REGULAR CITY COUNCIL MEETING, FEBRUARY 1, 2017 AT 6:00 P.M.

The Garden Ridge City Council will meet in a regular session on Wednesday, February 1, 2017 at 6:00 p.m. in the City Council Chambers, 9400 Municipal Parkway, Garden Ridge, Texas. This is an open meeting, open to the public, subject to the Open Meetings Law of the State of Texas, and as required by law, notice is hereby posted on January 27, 2017 before 5:00 p.m., providing time, place, date and agenda thereof. The meeting facility is wheelchair accessible and accessible parking spaces are provided. Requests for accommodations or interpretative services must be made 48 hours prior to this meeting.

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Proclamations, Recognitions and/or events
 - a) Proclamation
 - i. Teen Dating Awareness Month
 - b) Employee recognitions and/or City events
 - i. Recognitions for City employees
 - c) Upcoming City events
5. Citizen's Participation - Limit remarks to three (3) minutes per citizen

Rules for Citizen's Participation:

The City Council welcomes citizen participation and comments at all of their Council Meetings. As a courtesy to your fellow citizens and out of respect to our elected officials, we request that if you speak, that you please follow these guidelines.

- a) Direct your comments to the entire Council, not to an individual member, nor to the audience.
- b) Show the City Council the same respect and courtesy that you would like to be shown.
- c) Limit remarks to three (3) minutes per citizen during Item 5 and to three (3) minutes per citizen during Item 8.
- d) Citizens' comments will be limited to one (1) hour in Item 5 and thirty (30) minutes in Item 8.
- e) Citizen comments may be deferred to a specific Business Item set forth in Section 7, below, if such comments pertain to such Business Item.

*NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject **must be limited** to a proposal to place the subject on the agenda for a future meeting and any response to a question posed to the Council is limited to either a statement of specific factual information or a recitation of existing policy. TEX. GOV'T CODE § 551.042.*

6. Consent Agenda

THE FOLLOWING ITEMS MAY BE ACTED UPON IN A SINGLE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THESE ITEMS WILL BE HELD UNLESS REQUESTED BY A MEMBER OF CITY COUNCIL. PUBLIC COMMENT ON CONSENT AGENDA ITEMS MAY BE HEARD DURING CITIZEN'S PARTICIPATION, BUT COMMENTS HEARD DURING CITIZEN'S PARTICIPATION DOES NOT MEAN THAT THE ITEM WILL BE CONSIDERED OUTSIDE THE CONSENT AGENDA.

- a) Approval of Minutes
 - i. January 4, 2017 City Council Regular Meeting
- b) Financial Statement and Investment Report –December 31, 2016
- c) State of the City
 - i. City Administrator Monthly Activity Report
 - Sign approvals since prior Council meeting
 - Community Center usage and financial report
 - Building Permits issued to date for residential, commercial and minor Construction projects
 - ii. Library Monthly Activity Report
 - New Patrons
 - Old Patrons
 - Library activities and classes
 - iii. Water Manager Monthly Activity Report
 - Water pumping/usage from city wells
 - Water system infrastructure maintenance, repairs and/or projects
 - Water and/or Drought Management
 - iv. Public Works Monthly Activity Report
 - Street and Right-Of-Way Maintenance
 - Drainage Facility and Easement Maintenance
 - Animal Control (domestic and wild)
 - Public Works Projects
 - v. Police Department Monthly Activity Report
 - Traffic Enforcement
 - Criminal activity within city

ACTION ON THE CONSENT AGENDA

7. Business Items

The following items are for discussion, consideration and action.

- a) Action on items pulled from the Consent Agenda
- b) Fiscal Year 2016 Audit report (period ending September 30, 2016)
 - i. Receive a presentation and review
 - ii. Consider approval of the Fiscal Year 2016 Audit Report
- c) City Engineer Projects Update:
 - i. CIP Project for 2013
 - a) Status report
 - ii. CIP Project for 2015
 - a) Status report
 - b) Trinity Wells pumpage and infrastructure
 - iii. CIP Project for 2016
 - a) Status report
 - b) Prioritization of additional projects
 - c) Seal coating of Municipal Parkway
 - iv. Water Master Plan
 - v. Sewer System (FM 2252)
- d) City Engineer recommendation and possible award of bid for City of Garden Ridge 2016 Well No. 9 & 10 Site Improvements for Trinity Wells #9 and #10 infrastructure
- e) Discussion and possible direction concerning correcting the drainage at the Woods of Garden Ridge and Bindseil Drainage Lane.
- f) 2016 Racial Profile Report
 - i. Receive a presentation of the 2016 Racial Profile Report
 - ii. Consider approval
- g) General Election May 6, 2017
 - i. Approval of Ordinance 198-022017, an Ordinance to order a General Election on May 6, 2017 for the City of Garden Ridge for the purpose of electing the Mayor and Aldermen to City Council, Places Two and Three; such election shall be a Joint Election between the City of Garden Ridge and the Comal Independent School District; making provisions for the conduct of such election and resolving other matters related to the conduct of such election.

- h) Oak Wilt:
 - i. Resolution 404-022017 of the City Council of the City of Garden Ridge, Texas, adopting policies and procedures establishing a cost share program to reimburse property owners for a portion of their costs for certain oak wilt abatement measures and providing for an effective date for Reimbursement Rebate Program.
 - ii. Enforcement of Ordinance 71-112016
 - iii. Request for City participation in oak wilt mitigation in active event on Glen Cove.
- i) Deer/Wildlife Management
 - i. Discussion and possible approval on the creation of a Wildlife Management Committee.
 - a) Approval of Ordinance 196-022017 of the City Council of the City of Garden Ridge creating a Wildlife Management Advisory Committee for the purpose of studying the feasibility of managing the wildlife populations, particularly White-Tailed Deer, and tasked with the development of a plan to mitigate impacts caused by wildlife and to reassure the quality of life for residents of Garden Ridge; providing for the purpose and duties of the advisory committee, composition and term of office and providing an effective date
 - ii. Discussion and possible approval of the creation of a Wildlife Management Commission.
 - a) Approval of Ordinance 196-022017 of the City Council of the City Of Garden Ridge creating a Wildlife Management Advisory Commission for the purpose of studying the feasibility of managing the wildlife populations, particularly white-tailed deer, and tasked with the development of a plan to mitigate impacts caused by wildlife and to reassure the quality of life for residents of Garden Ridge; providing for the purpose and duties of the Advisory Commission, composition and term of office and providing an effective date.
 - iii. Update on status of Deer Management Survey
- j) Planning and Zoning Commission Recommendations and Possible Action:
 - i. Resignation of Frank Dansby, Planning and Zoning Commissioner, Place 4
 - ii. Update on Master Land Use Plan
 - iii. Update on Sign Ordinance amendments
- k) Quarry Commission Recommendations and Possible Action:
No report.
- l) Water Commission recommendations and Possible Action:

- i. Request from Mary Longloy, 9207 Cipriani Way, for a 50% reduction of water bill for the billing period of October 24 through November 21, 2016
- ii. Amendments to Ordinance 54-032016, Section 15.03-Requirements, b. Policy(4)(b)and (c) , (6), (7) and c. Inspections (1), (2) and (3) with amendments being for the purpose of updating ordinance to align with TCEQ rules and administrative in nature
- m) Impact Fee Committee recommendation and update:
 - i. Receive recommendation for acceptance of Wastewater Study, Master Plan, and Impact Fee in the amount of \$5,689.
 - ii. Adoption of Resolution 403-022017 establishing Notice of Public Hearing on Land Use Assumptions and Capital Improvements Plan relating to Possible Adoption of Impact Fees (Wastewater Master Plan and Impact Fee Study)
 - iii. Update on Impact Fee adoption process.
- n) Community Center:
 - i. Proposed amendments to Rental Contract (postponed from December 7, 2016 and January 4, 2017, City Council Meetings).
- o) City Council Communication Projects:
 - i. City Council Idea/Suggestions
 - ii. Citizen Concern/Input Process
 - iii. Update on communication efforts between City and citizens
- p) Status Reports:
 - i. Animal Control Ordinance amendments
 - ii. Personnel Policy
- q) Update from the Garden Ridge Parks Committee:
 - i. City Parks plan
 - ii. Update on Walking Trails
- r) Future Agenda Items requested by City Council:
 - i. Rolling Agenda

8. Citizen's Participation – Limit remarks to three (3) minutes per citizen
See "Rules for Citizen's Participation" under Item 5.

9. Reports and Comments from Mayor and City Councilmembers

The Mayor and/or City Councilmembers may comment, make general announcements and/or provide progress reports on events, activities and/or committees/board meetings concerning the following:

Northeast Partnership

Schertz-Seguin Local Government Corporation (“SSLGC”)
Cibolo Valley Local Government Corporation (“CVLGC”)
City Water Commission
City Quarry Commission
City Planning & Zoning Commission
Garden Ridge Police Academy Alumni Association
Citizens on Patrol
Garden Ridge Lions Club
Comal County
Comal ISD/Garden Ridge Elementary
Guadalupe County
Bexar County
Alamo Area Metropolitan Planning Organization (“MPO”)
TXDOT
Joint Base Land Use Study-Randolph
Greater Bexar County Council of Cities
Lonestar Light Rail
Northeast Lakeview Friends of Nighthawk
Boy Scouts and/or Girl Scouts

10. Executive Session

The City Council will recess its open meeting and reconvene in Executive Session:

- i. Pursuant to Texas Government Code § 551.074, to deliberate the evaluation and duties of the position of City Secretary in connection with the annual review process as part of the development of the City’s strategic plan.
- ii. Pursuant to Texas Government Code § 551.071 to seek legal advice regarding the applicability of the Texas Open Meetings Act to City boards, commissions and committees.

11. Reconvene

The City Council will reconvene into Regular Session upon conclusion of the Executive Session and may take action as necessary.

12. Adjournment

AGENDA NOTICES:

Decorum Required:

Any disruptive behavior, including shouting or derogatory statements or comments may be ruled out of order by the Presiding Officer. Continuation of this type of behavior could result in a request by the Presiding Officer that the individual leave the meeting, and if refused, an order of removal.

Action by Council Authorized:

The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda,

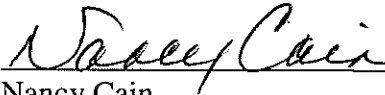
pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

Executive Sessions Authorized:

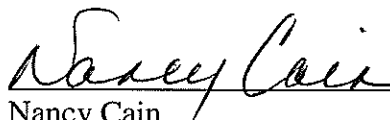
This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

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.


Nancy Cain
City Administrator

This is to certify that I, Nancy Cain, posted this Agenda at 12:45 p.m. on January 27, 2017 on the bulletin board located at the entrance to the Garden Ridge City Hall, 9400 Municipal Parkway, Garden Ridge, Texas.


Nancy Cain
City Administrator

Proclamation

WHEREAS, Nearly 1.5 million high school students nationwide experience physical abuse from a dating partner in a single year; and

WHEREAS, Violent behavior typically begins between the ages of 12 and 18; and

WHEREAS, One in three adolescent girls in the United States is a victim of physical, emotional, or verbal abuse from a dating partner, a figure that far exceeds victimization rates for other types of violence affecting youth; and

WHEREAS, Victimization increases teens' risk for injury, substance abuse, eating disorders, unwanted pregnancy, and suicide; and

WHEREAS, Only 33% of teens who are in an abusive relationship ever tell anyone about the abuse, and 81% of parents surveyed either believe teen dating violence is not an issue or admit they do not know if it is one; and

WHEREAS, Females between the ages 16-24 are more vulnerable to intimate partner violence, experiencing abuse at a rate almost triple the national average; and

WHEREAS, It is essential to raise community awareness and to provide training for teachers, counselors, and school staff so that they may recognize when youth are exhibiting signs of dating violence; and

WHEREAS, The Crisis Center of Comal County is working together with its citizens to promote healthy teen relationships, and calling upon youth and adults to observe "Teen Dating Violence Awareness Month" with activities and conversations about respectful and non-violent relationships in their homes, schools, and communities.

WHEREAS, NOW THEREFORE BE IT RESOLVED that the Mayor Pro Tem of Garden Ridge, Texas, do hereby proclaim the month of February as

TEEN DATING AWARENESS MONTH

In Witness Whereof, I hereunto set my hand and official seal of the City of Garden Ridge this 1st day of February, 2017.

John McCaw, Mayor Pro Tem

City Administrator

From: Ron Eberhardt
Sent: Wednesday, January 18, 2017 10:56 AM
To: City Administrator
Subject: FW: Knack Cox

Another nice "That a boy" I would like to have presented at the next meeting please.

Thank you

Ron Eberhardt
Chief of Police
City of Garden Ridge
9400 Municipal Parkway
Garden Ridge, Texas 78266
Ph; (210) 651-6441
Fax; (210) 651-1639

From: Armstrong, William T. [<mailto:William.T.Armstrong@usdoj.gov>]
Sent: Wednesday, January 18, 2017 10:44 AM
To: Ron Eberhardt
Cc: Cox, Knack S.
Subject: Knack Cox

Chief Eberhardt – Good Morning

I just wanted to send you a brief email about TFO Knack Cox. The other day (01-10-2017), I was able to witness Knack at work in federal court on a 2013 case. Although a majority of our cases never make it to the courtroom, a few do. Partly because of Knack's calm demeanor and professionalism on the stand, the defendant was found guilty on trafficking charges (with the judge asking the AUSAs to seek perjury charges as well). Federal court can be a different standard from state court and normally stressful for the majority of folks. I just wanted to commend Knack on a job well done.

Take care and let us know if anything is needed over here at DEA

Todd

Todd Armstrong
Supervisory Special Agent
DEA San Antonio DO
Office: 210-442-5654
Cell: 210-669-9357



City of Garden Ridge

9400 Municipal Parkway
Garden Ridge, Texas 78266-2600
(210) 651-6632
Fax (210) 651-9638

MINUTES OF CITY COUNCIL REGULAR MEETING, JANUARY 4, 2017

Members Present:

Mayor Nadine Knaus
Mayor Pro-Tem John McCaw
Councilmember Todd Arvidson
Councilmember Bryan Lantzy
Councilmember Larry Thompson
Councilmember Shelby Trial

Member Absent:

None

City Staff Present:

Nancy Cain, City Administrator
Cynthia Trevino, City Attorney
Ron Eberhardt, Police Chief
Royce Goddard, Water Department Manager (arrived late due to water leak)
Steven Steinmetz, Public Works Director
Shelley Goodwin, City Secretary

Commission Chairs Present:

None

1. Call to Order

With a quorum of the City Council members present, Mayor Knaus called the regular meeting of the Garden Ridge City Council to order at 6:00 p.m. on Wednesday, January 4, 2017, in the City Council Chambers of the Garden Ridge City Hall, 9400 Municipal Parkway, Garden Ridge, Texas 78266.

2. Pledge of Allegiance

Councilmember Trial led the Pledge of Allegiance.

3. Proclamations, Recognitions and/or events**a) Employee recognitions and/or City events****i. Recognitions for City employees**

Nancy Cain, City Administrator, stated the Water Department crew received a thank you for assistance with a water meter.

b) Upcoming City events

Nancy Cain, City Administrator, stated the Household Hazardous Waste and Shred Day will be held on Saturday, April 29, 2017.

4. Citizen's Participation- 3 minute limit per citizen

No one wished to speak.

5. Consent Agenda

THE FOLLOWING ITEMS MAY BE ACTED UPON IN A SINGLE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THESE ITEMS WILL BE HELD UNLESS REQUESTED BY A MEMBER OF CITY COUNCIL. PUBLIC COMMENT ON CONSENT AGENDA ITEMS MAY BE HEARD DURING CITIZEN'S PARTICIPATION, BUT COMMENTS HEARD DURING CITIZEN'S PARTICIPATION DOES NOT MEAN THAT THE ITEM WILL BE CONSIDERED OUTSIDE THE CONSENT AGENDA.

- a) **Approval of Minutes**
 - i. **December 7, 2016 City Council Regular Meeting**
- b) **Financial Statement and Investment Report –November 30, 2016**
- c) **Recognition of Employee completing 90-day probationary period and receipt of 5% salary increase fee for:**
 - i. **Brian Horne, Public Works, effective January 2, 2017**
- d) **State of the City**
 - i. **City Administrator Monthly Activity Report**
 - Sign approvals since prior Council meeting
 - Community Center usage and financial report
 - Building Permits issued to date for residential, commercial and minor Construction projects
 - ii. **Library Monthly Activity Report**
 - New Patrons
 - Old Patrons
 - Library activities and classes
 - iii. **Water Manager Monthly Activity Report**
 - Water pumping/usage from city wells
 - Water system infrastructure maintenance, repairs and/or projects
 - Water and/or Drought Management
 - iv. **Public Works Monthly Activity Report**
 - Street and Right-Of-Way Maintenance
 - Drainage Facility and Easement Maintenance
 - Animal Control (domestic and wild)
 - Public Works Projects
 - v. **Police Department Monthly Activity Report**
 - Traffic Enforcement
 - Criminal activity within city
 - Code Compliance Enforcement

Councilmember Trial stated he wanted Agenda Items 5. d) iv and 6. d) v. pulled off the Consent Agenda to be considered separately.

Motion: A motion was made by Councilmember Lantzy, seconded by Councilmember McCaw, to approve the Consent Agenda items 5 a)-6 d)iii, remaining items to be considered separately. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

6. Business Items

The following items are for discussion, consideration and action.

a) Action on items pulled from the Consent Agenda

iv. Public Works Monthly Activity Report

- Street and Right-Of-Way Maintenance
- Drainage Facility and Easement Maintenance
- Animal Control (domestic and wild)
- Public Works Projects

Councilmember Trial stated he pulled this item off the Consent Agenda to recognize Eric Lowman for his work on the Council Chambers sound system. He also inquired about the vandalism in the Paul Davis Park and whether there is a need for a camera.

Steven Steinmetz, Director of Public Works, stated the Police Department found the vandalism and then notified him. He stated everything has been fixed and cleaned, but doesn't feel currently there is a need for a camera.

Motion: A motion was made by Councilmember Lantzy, seconded by Councilmember Trial, to approve item 5. d) iv. pulled from the Consent Agenda. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

v. Police Department Monthly Activity Report

- Traffic Enforcement
- Criminal activity within city
- Code Compliance Enforcement

Councilmember Thompson inquired about the process of the tree trimming and whether citations have been written yet for violators.

Ron Eberhardt, Chief of Police, stated currently Public Works is taking care of the tree trimming notifications, but once Public Works is finished and the trees have not been taken care of, then the violators will receive a citation.

Councilmember Thompson stated he has received 2 letters from Congressman Smith's office regarding a mailbox for mail pickup in Garden Ridge. The 1st letter was regarding receiving the letter and the 2nd letter was stating that they are continuing to work on this issue.

Motion: A motion was made by Councilmember Trial, seconded by Councilmember Thompson, to approve item 5. d) v. pulled from the Consent Agenda. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

- b) **City Engineer Projects Update:**
 - i. **CIP Project for 2013**
 - i. **Status report**
 - ii. **CIP Project for 2015**
 - a) **Status report**
 - b) **Trinity Wells pumpage and infrastructure**
 - iii. **CIP Project for 2016**
 - a) **Status report**
 - b) **Prioritization of additional projects**
 - c) **Seal coating of Municipal Parkway**
 - iv. **Water Master Plan**
 - v. **Sewer System (FM 2252)**
 - vi. **Hickory Bend**

Garry Montgomery, River City Engineering, reviewed his memo (see attached memo) for each CIP project. He stated the Trinity Well #9 & #10 Site Development bid opening is scheduled for late January, so during the February City Council meeting there will be an award of bid. He stated the Commercial Wastewater Service Planning should take an estimated two Impact Fee Committee meetings until a recommendation is made. He also stated he recommends the application of the seal coating on Municipal Parkway be performed when the pavement is warm and dry like during Spring Break when the traffic is reduced.

The City Council agreed by consensus to move forward with the seal coating of Municipal Parkway.

c) Request for City's consideration to correct drainage on Valley Park (Request from Shane Thomas, 21652 Valley Park).

Nancy Cain, City Administrator, stated Mr. Thomas has asked for this item to be pulled from the agenda, until further notice.

d) Oak Wilt:

- i. **Request for City participation in oak wilt mitigation in active event on Glen Cove**

Nancy Cain, City Administrator, stated the City of Garden Ridge has been notified about a case of Oak Wilt. She stated the State Forest Services has provided options for treating and containing the case. She stated the treatment option is trenching, but that option can be very expensive. She also stated a resident that is affected by this case of Oak Wilt is heading up a way to help contain it.

Jerry Barucky, stated he has been affected by the case of Oak Wilt and has been doing some research on trenching and is asking the City to assist with the cost. He provided a letter to the City Council (see attached letter) regarding the potential cost and research. Mr. Barucky asked the City Council for financial assistance with offsetting the cost of containing the Oak Wilt.

Lillian Barucky, stated if this case is not contained it could be very destructive to our community.

Councilmember Arvidson left the dais due to a conflict of interest (affidavit filed).

Cynthia Trevino, City Attorney, stated the City has a duty to fund City emergencies, but not sure if this issue would qualify. She stated she will do some research regarding the qualification. She also stated

if the City could be involved then it would need to be set up as a grant program with guidelines and application process.

The City Council discussed holding a Special Meeting regarding Oak Wilt, setting up a Go Fund Me account so residents can contribute, and other ways the City can provide assistance in these types of circumstances. The City Council also stated when it comes to trenching in the City right-of-way, they are responsible and also consider creating a budget line in the upcoming budget cycle.

e) Deer/Wildlife Management

i. Update on the Deer Management Trap, Transport and Process Program/Permit

Ron Eberhardt, Chief of Police, reported the nets have been down since December 15, 2016. He stated currently 80 deer have been trapped.

ii. Update on Petition received on December 7, 2016

Nancy Cain, City Administrator, stated the City received a petition to stop the netting, trapping and killing of deer in the City of Garden Ridge, Texas on December 7, 2016. She stated 42 people signed the petition, but only 9 were residents of the City of Garden Ridge.

iii. Discussion and possible approval of Ordinance 196-012017 of the City Council of the City Of Garden Ridge creating a Wildlife Management Advisory Committee for the purpose of studying the feasibility of managing the wildlife populations, particularly white-tailed deer, and tasked with the development of a plan to mitigate impacts caused by wildlife and to reassure the quality of life for residents of Garden Ridge; providing for the purpose and duties of the Advisory Committee, composition and term of office and providing an effective date.

The City Council discussed the Volunteer Interest Forms they received and the number of residents who provided the required resume. They also discussed the difference between a committee and commission, and a need for a balance of both for and against the issue to serve and work together. The City Council discussed the options for dealing with the overabundance of deer population and the relocation requirements. They also discussed sending out another survey and a group of residents meeting together to do education, deer counts, and look at all methods of dealing with deer population.

The City Council agreed by consensus to continue the collection of applications, to send out another survey, and not to appoint a committee or commission at this time.

iv. Discussion and possible consideration of appointments to the Wildlife Management Advisory Committee.

The City Council did not discuss this item due to the consensus of the previous item.

f) Consider pledging to It's Time Texas Community Challenge, which recognizes that a healthy community is more united, more productive, more prosperous, and committed to the health of the community.

Mayor Knaus stated she received a 2017 Community Challenge to unite for a healthy community. She stated the City can earn points for taking the challenge. She stated it is a way for Texas communities to demonstrate their commitment to healthy living.

The City Council agreed by consensus to support and enter the It's Time Texas Community Challenge.

- g) Update and possible consideration of Resolution 401-122016 banning the use of pesticides containing glyphosate on City owned and maintained property (postponed from December 7, 2016 City Council Meeting).**

Councilmember Trial asked for this Item to be pulled until further notice.

h) Community Center:

- i. Proposed amendments to Rental Contract (postponed from December 7, 2016, City Council Meeting).**

Councilmember Lantzy stated this item needs to be postponed until February 1, 2017 so he can review the new changes.

Ron Eberhardt, Chief of Police, stated 5.c. needs to be changed to \$40 to match the hourly rate for Comal County hourly rate for security.

The City Council agreed by consensus to postpone the agenda item until February 1, 2017.

i) City Council Communication Projects:

- i. City Council Idea/Suggestions**
- ii. Citizen Concern/Input Process**
- iii. Discussion on communication efforts between City and citizens**

Nancy Cain, City Administration, reviewed the City Council Communication items and stated there were no Citizen Concern/Input Process forms this month.

Shelley Goodwin, City Secretary, reviewed memo regarding Better Communication for Better Government. She also reviewed the iVolunteer Garden Ridge campaign for getting residents involved.

The City Council reviewed the communication and iVolunteer Garden Ridge and that the Boards, Commission and Committees be expanded to show a list of the current Commission vacancies and candidates.

j) Status Reports:

- i. Animal Control Ordinance amendments**
- ii. Sign Ordinance amendments**
- iii. Personnel Policy**

Cynthia Trevino, City Attorney, provided an update on the Animal Control Ordinance amendments, Sign Ordinance amendments and Personnel Policy. She stated the Animal Control Ordinance amendments are being reviewed by Staff and the Sign Ordinance amendments will be reviewed by Planning and Zoning Commission this month.

Councilmember Trial suggested Human Resource Agencies who work on personnel policies be used to work on the City's personnel policy.

The City Council discussed the option of sending out a RFP for creating a personnel policy and the cost.

The City Council agreed by consensus to bring back the details of possible RFP and cost of another company creating a personnel policy.

k) Update from the Garden Ridge Parks Committee:

- i. City Parks plan**
- ii. Update on Walking Trails**

Councilmember Trial stated the Parks Committee is planning to hold a Ribbon Cutting Ceremony at the end of February for the celebration of the new playground equipment. He would like to invite the Mayors from the surrounding cities.

l) Update on the City of Garden Ridge Elections

Nancy Cain, City Administrator, reviewed the Election Candidate Calendar-At-A-Glance for the upcoming May 6, 2017 City of Garden Ridge General Election.

m) Planning and Zoning Commission Recommendations and Possible Action:

No report.

n) Quarry Commission Recommendations and Possible Action:

No report.

o) Water Commission recommendations and Possible Action:

No report.

p) Future Agenda Items requested by City Council:

- i. Rolling Agenda**

The City Council reviewed the Rolling Agenda and items returning at the February City Council Regular Meeting.

7. Citizen's Participation – Limit remarks to three (3) minutes per citizen

Ken Kneupper, 8891 Schoenthal Rd., stated the last deer survey was created with the help of Texas Parks and Wildlife and feels the next survey should be too. He also reminded residents that the deer are property of the State.

Cindy Segovia, 8435 Twisted Oaks, stated Texas Parks and Wildlife has someone on staff that can create surveys. She also suggested the City Council do a Press Release regarding the survey.

8. Reports and Comments from Mayor and City Councilmembers

The Mayor and/or City Councilmembers may comment, make general announcements and/or provide progress reports on events, activities and/or committees/board meetings concerning the following:

**Northeast Partnership
Schertz-Seguin Local Government Corporation ("SSLGC")
Cibolo Valley Local Government Corporation ("CVLGC")
City Water Commission
City Quarry Commission
City Planning & Zoning Commission
Garden Ridge Police Academy Alumni Association
Citizens on Patrol
Garden Ridge Lions Club**

**Comal County
Comal ISD/Garden Ridge Elementary
Guadalupe County
Bexar County
Alamo Area Metropolitan Planning Organization (“MPO”)
TXDOT
Joint Base Land Use Study-Randolph
Greater Bexar County Council of Cities
Lonestar Light Rail
Northeast Lakeview Friends of Nighthawk
Boy Scouts and/or Girl Scouts**

Councilmember Thompson stated the Citizen on Patrol Academy classes will begin in January and be held on Tuesday nights from 6 p.m. till 9 p.m. He stated there are still a few places available.

Councilmember Arvidson stated Comal ISD will be holding a Bond Election which would include a new High School.

Councilmember Arvidson stated the Boy Scouts, Girl Scouts and Eagle Scouts are working on a chess board project for the City.

Councilmember Trial stated he attended the Comal ISD Meeting on December 15, 2016. The meeting discussed Bond options and two of the options included a high school in the Garden Ridge area.

Councilmember Trial stated he has questions for the Planning and Zoning Commission but no way to ask them since they did not give an update. He requested the questions be added to the minutes and put on the next City Council Regular Meeting.

Mayor Knaus stated the NEP is holding a reenactment of the Freedom Riders. This event begins in Selma and ends in Kirby. The end will be held at Cowboys Dance Hall with a celebration where Nate Evans and the Temptations will be playing; the cost is \$48 for VIP and \$28 for general admission.

10. Executive Session

The City Council will recess its open meeting and reconvene in Executive Session:

- i. Pursuant to Texas Government Code § 551.074, to deliberate the evaluation and duties of the position of Public Works Director in connection with the annual review process as part of the development of the City’s strategic plan.**
- ii. Pursuant to Texas Government Code Chapter § 551.071 (legal advice) to deliberate upon and seek legal advice related to the roles and responsibilities of the Mayor.**

Mayor Knaus announced the City Council will recess into Executive Session at 8:29 pm, in accordance with Section Code 552.074, to deliberate the evaluation and duties of the position of City Administrator and Section Code 551.071 to deliberate and seek legal advice related to the roles and responsibilities of the Mayor.

Mayor Knaus adjourned the Executive Session at 9:34 p.m. and the City Council reconvened back into regular session.

11. Reconvene

The City Council will reconvene into Regular Session upon conclusion of the Executive Session and may take action on any item posted for Executive Session, as necessary

No action taken.

12. Adjournment

There being no further business, the Wednesday, January 4, 2017 Garden Ridge City Council regular meeting was adjourned at 9:35 p.m. by Mayor Knaus.

John McCaw
Mayor Pro Tem

ATTEST

Shelley Goodwin, TRMC
City Secretary



MEMORANDUM

DATE: DECEMBER 27, 2016
TO: CITY OF GARDEN RIDGE – CITY COUNCIL
FROM: RIVER CITY ENGINEERING (RCE) *ADN*
RE: PROJECT UPDATES FOR JANUARY 2017 COUNCIL MEETING

2013 CIP Project – Warranty Repairs

The contractor will schedule the seal coating for this repair once paving has begun in the new CIP project area, in early spring. The contractor has agreed to repair a section of the roadway on Timber Rose that has failed near Bluebell as part of their warranty repair.

2015 CIP Project – Waterlines, Street and Drainage

Waterline installation continues in the Sumac Cove area of the project. Drainage and pavement repairs are underway throughout the project area. Curbing will continue once pavement and subgrade repairs are complete. Paving will begin once all curbing, driveways and topsoil placement has been completed in the Teakwood to Fairview portion of the project.

Six pay requests have been approved for this project totaling \$1,093,751.70. No change orders have been requested or approved at this time.

Construction staking has begun in the Gloxinia area of the project. Waterline trenching will begin in this location in the next few days.

2016 CIP Project – Street improvements

Survey work has been completed on the Park Lane area. The construction documents are in process.

Well 9 & 10 Site Development

We have received TCEQ approval for the plans and specifications on this project. We are finalizing edits to the bid documents and establishing bid dates. We plan to advertise for bid by the end of this week, December 30, 2016.

The bid opening will be scheduled to make an award recommendation at the February Council Meeting.

Commercial Wastewater Service Planning

Committee meeting scheduled for January 19

Begin design and establish agreement with CCMA

Verify TxDOT right-of-way expansion limits

Water Master Plan Update

The water master plan report has been completed. The report will be discussed at the next Impact Fee Committee meeting scheduled for January 19

Hickory Bend Drainage – Retaining Wall Project

Work has been completed on this project by Border Construction Services. The final inspection was held December 22, 2016

Seal Coat and Striping Municipal Pkwy

We recommend preparing a request for proposal (RFP) for this project and advertising for bid. Of the two bids requested by local contractor only one was responsive to the City's requirement. We also recommend completing this work in the spring. Typically, you seal coat in the March to August timeframe. The application of the seal coat is most effective when the pavement is dry and warm. This work could be scheduled for Spring Break to take advantage of the reduced traffic if Council wishes to provide a schedule in the RFP.

Members of the Garden Ridge City Council,

As you know, we are currently facing a serious oak wilt situation threatening nearby properties in the Glen Cove area. An instance of oak wilt has been located in a couple of trees at 20803 Glen Cove. The owner of that property decided that he would not participate in trenching services prescribed by the state Forest Service Oak Wilt expert, Bob Edmonson.

In October, Jerry Barucky took on the responsibility of researching factors and options for addressing this problem. He met with seven immediate adjacent property owners and our Garden Ridge City Administrator, and he had the utilities locators for electric and communications lines outline the paths of their lines around the Ashley and adjacent properties. He arranged visits from four contractors that could provide the trenching services prescribed. Though it took a while to get back their rough estimates, he assembled their suggestions and responses and summarized their recommended approaches and costs, outlining potential pros and cons, in the **attached document**. You'll see that solutions and ultimate costs can vary depending on the type of soil that the trench will go through.

While the summary provides more detailed factors considered in determining options and costs, a short version of the potential possible costs for each of four of the property owners surrounding the Ashley property who will have the potential trench running through their property is as follows:

1. **Buchner:** From \$1,000 to as much as \$4,800, trench and backfill, no restoration
2. **Eardley:** From \$3,000 to more than \$9,200, includes restoration of fence portions, lawn and sprinkler system
3. **Barucky:** From \$6,200 to \$9,600 includes restoration of fence portions, lawn & sprinkler system
4. **Berg:** Approximately \$5,200 includes partial restoration and repair of portion of driveway

He recently provided a summary of the possible trenching options and costs to adjacent property owners. The affected owners having trenching done will be deciding soon on their courses of action. Some of these owners will find it difficult to meet the financial burden of this project. To ensure that their decisions are based on the most effective, rather than just the cheapest, options, we are collectively asking the City of Garden Ridge to help offset the cost of this trenching effort.

We are asking the City to provide support for 25% of the costs up to a total of \$6,000. The reimbursement would be prorated among those properties undertaking trenching based on the charges each incurs for their portion of the project. Failure to contain this oak wilt immediately will engage an ever widening number of properties, with expanded trenching costs to homeowners and City far beyond the current effort.

We will need to know your response as quickly as possible since we wish to complete the work by the end of January to stop the disease spreading through the root systems to our properties

Helmut Buchner – 20506 Bat Cave Rd

Todd Arvidsson – 20506-2 Bat Cave Rd

George Berg – 20806 Glen Cove

Eric Eardley – 20807 Glen Cove

Casey Lowe – 20811 Glen Cove

Jerry Barucky - 20806 Woodland Cove

Jim Roberts – 20810 Woodland Cove

Mark Mattison – 20814 Woodland Cove

Potential Costs Involved in Oak Wilt Trenching Project

A short version of the potential possible trenching costs for three of the property owners surrounding the Ashley property, as outlined by the Texas Forest Service expert, who will have the trench running through their property is as follows:

Total for three properties: \$16,000 if total rocksaw; \$24,600 if backhoe and hoe-ram are used

By Individual Property:

20506 Bat Cave Rd.: From \$1,000 for a shallower 54" rocksaw trench to as much as \$4,800 for a 72" backhoe and hoe-ram trench

20807 Glen Cove: From about \$7,800 for rocksaw to about \$9,200 for backhoe & hoe-ram (includes restoration of fence, lawn, and sprinkler system)

20806 Woodland Cove: From \$7,200 for rocksaw to \$9,600 for backhoe and hoe-ram (includes restoration of fence, lawn and sprinkler system)

Additional costs for trench extension across Glen Cove to Garden Ridge Club property:

Property across Glen Cove (20806, 20810, 20814): From \$5,200 for rocksaw to \$7,400 for backhoe and hoe-ram (includes restoration of fence, lawn and sprinkler system)

These trenching costs are in addition to the disruption to homeowners' lives and landscaping. Nevertheless, this must be done to save our oaks and stop the expansion to other areas of the FW neighborhood.

TRENCHING OUTLINE RECOMMENDED BY STATE FOREST SERVICE



Bond 2017 Options

(as presented to Board of Trustees – December 15, 2016)



OPTION A

HIGH SCHOOL #4
Capacity: 900 Students

\$109_M

HIGH SCHOOL #5
Capacity: 2,500 Students

\$141_M

ELEMENTARY
Design Only

\$2_M

Land

\$4_M

Buses

\$3_M

M/O

\$3_M

\$262_M BOND

No Tax Impact

Pros +

- + No tax increase
- + Eases overcrowding at SVHS & CHS
- + Funds two new high schools
- + Funds elementary prototype design
- + Funds only the immediate needs for land, buses and existing facilities

Cons -

- Does not fund elementary school construction
- Less for land, buses, and existing facilities



OPTION B

HIGH SCHOOL #4
Capacity: 900 Students

• **\$109^M**

HIGH SCHOOL #5
Capacity: 2,500 Students

• **\$141^M**

ELEMENTARY SCHOOL #19

• **\$34^M**

ELEMENTARY SCHOOL #20

• **\$34^M**

Land

• **\$6^M**

Buses

• **\$6^M**

M/O

• **\$3^M**

\$333^M BOND

Tax Impact + **\$0.03**

Pros +

- + Funds two new high schools
- + Funds two new elementary schools
- + Provides funds for land, buses and M&O

Cons -

- Requires tax increase
- Earliest elementary schools can open is 2022



9TH GRADE CENTER OPTION C

HIGH SCHOOL #4
Capacity: 900 Students

\$109_M

Land

\$6_M

Buses

\$6_M

M/O

\$3_M

\$124_M BOND

No Tax Impact

Pros +

- + No tax increase
- + Elimination of HS#5 reduces operational cost
- + Addresses growth at CHS
- + Addresses most immediate needs for land, buses and existing facilities

Cons -

- No new HS for South 281 area
- Opens combined Middle School with 1,200 students
- South 281 to SVHS transportation issues continue
- Off-site 9th grade center creates considerable logistical issues
- Requires increase in staff
- Affects academic performance



OPTION D

Land

\$6_M

Buses

\$6_M

M/O

\$3_M

\$15_M BOND

No Tax Impact

Pros +

- + No tax increase
- + Addresses most immediate needs for land, buses and existing facilities
- + Reduces impact on operations budget by eliminating the need to staff and open new campuses

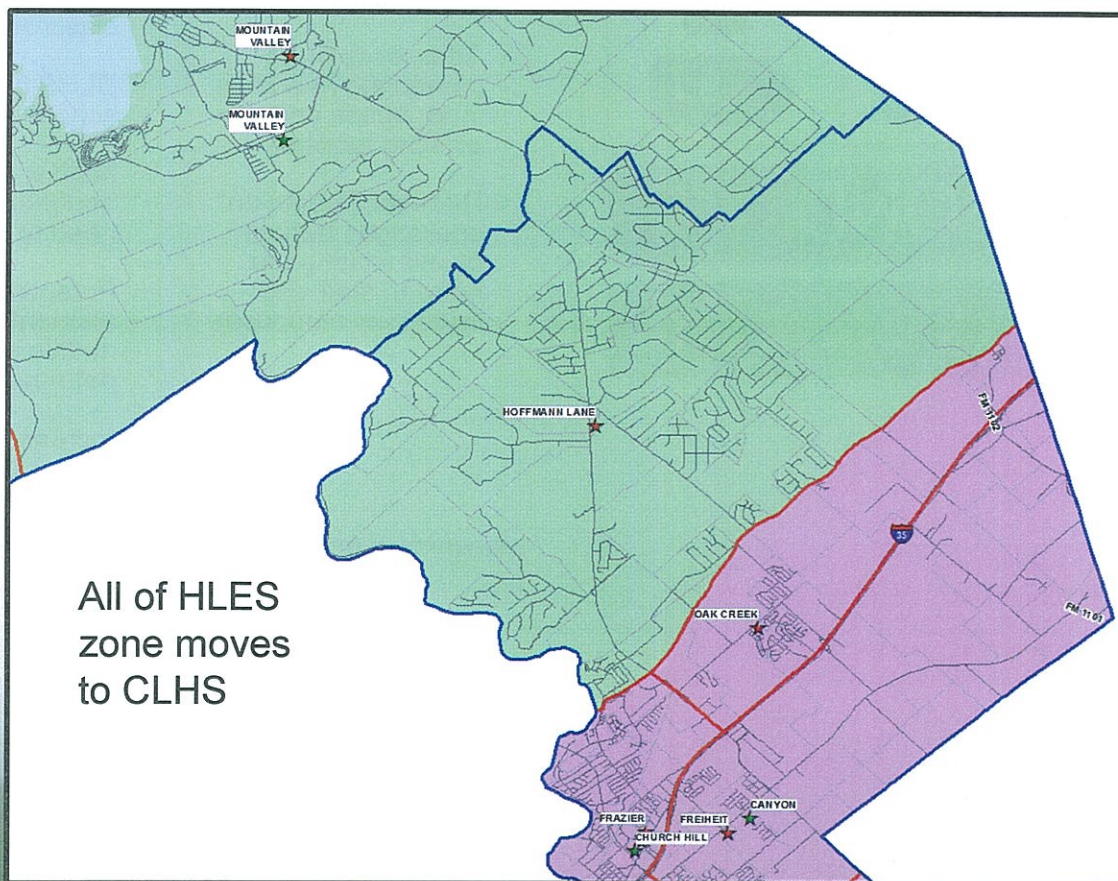
Cons -

- Requires 18 portable classrooms at CLHS
- CLHS becomes 6A school overnight
- Middle School boundaries will also need to be adjusted
- Potentially can split elementary and middle school feeder patterns
- Increased transportation cost of up to \$600,000



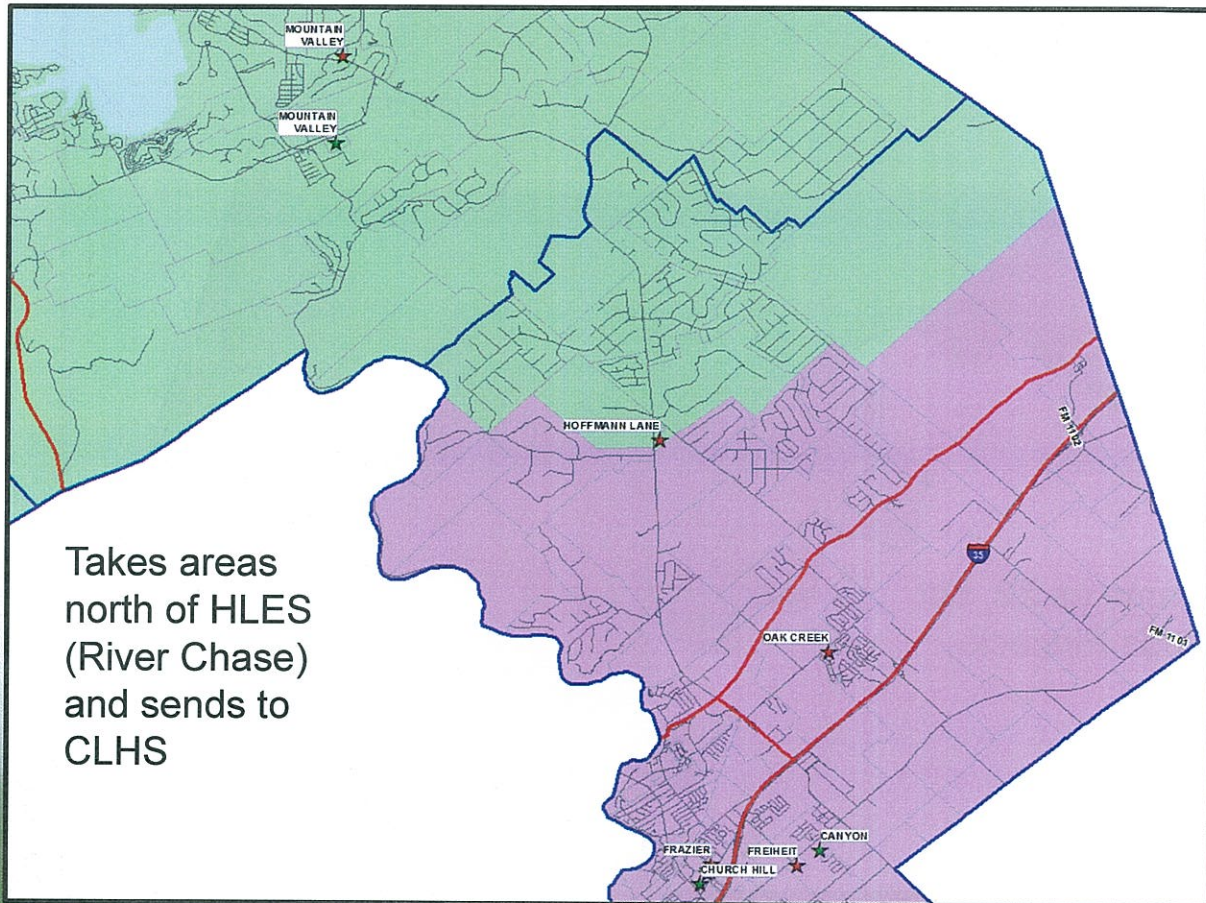
OPTION D: CHS – CLHS Enrollment Balancing Scenario 1

SCHOOL	CAPACITY	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
CANYON	2,450	2,290	2,294	2,349	2,412	2,488	2,620	2,862	3,055	3,190	3,363	3,440
CANYON LAKE	1,375	1,933	1,857	1,889	1,917	1,936	1,944	2,074	2,149	2,219	2,312	2,338



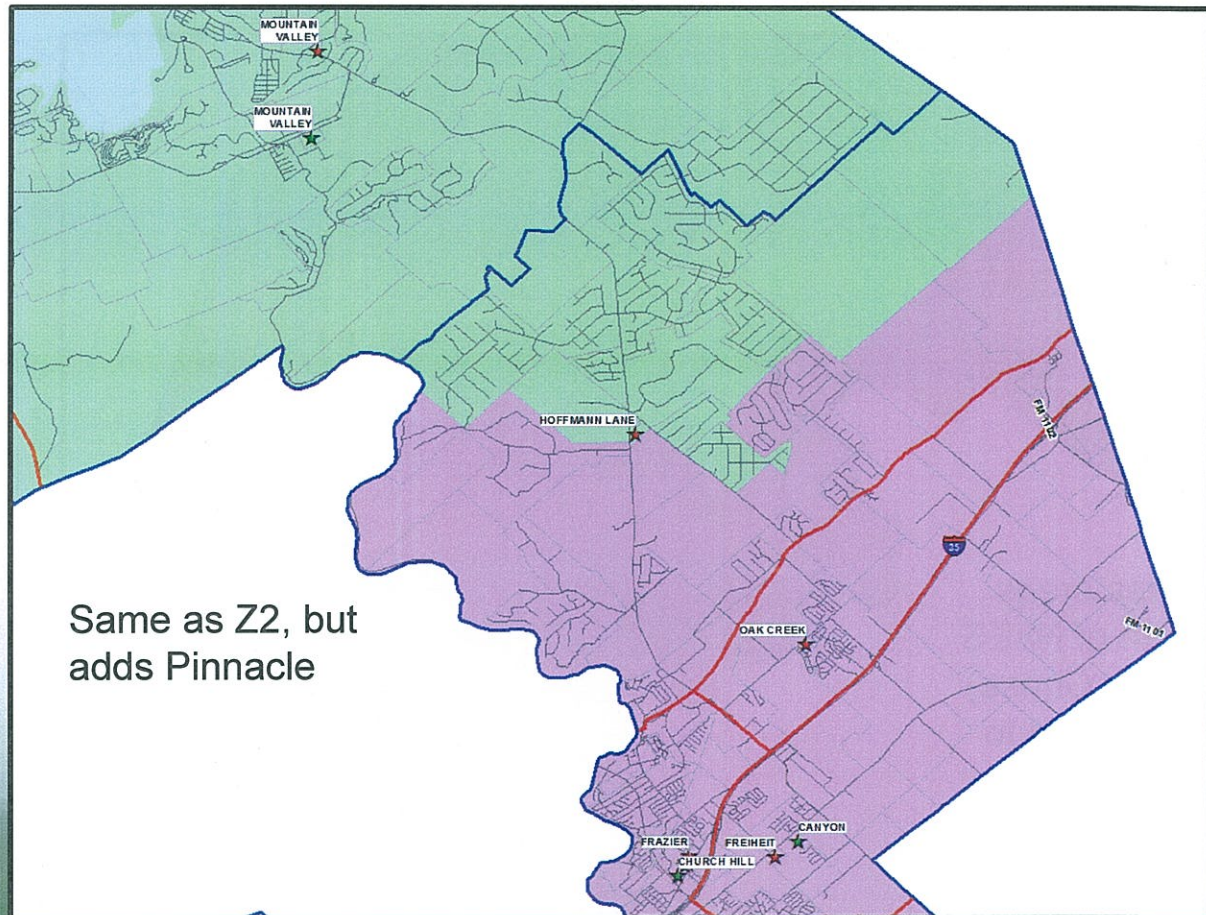
OPTION D: CHS – CLHS Enrollment Balancing Scenario 2

SCHOOL	CAPACITY	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
CANYON	2,450	2,558	2,546	2,601	2,666	2,740	2,876	3,134	3,342	3,488	3,673	3,752
CANYON LAKE	1,375	1,803	1,747	1,788	1,817	1,842	1,849	1,960	2,022	2,083	2,161	2,186



OPTION D: CHS – CLHS Enrollment Balancing Scenario 3

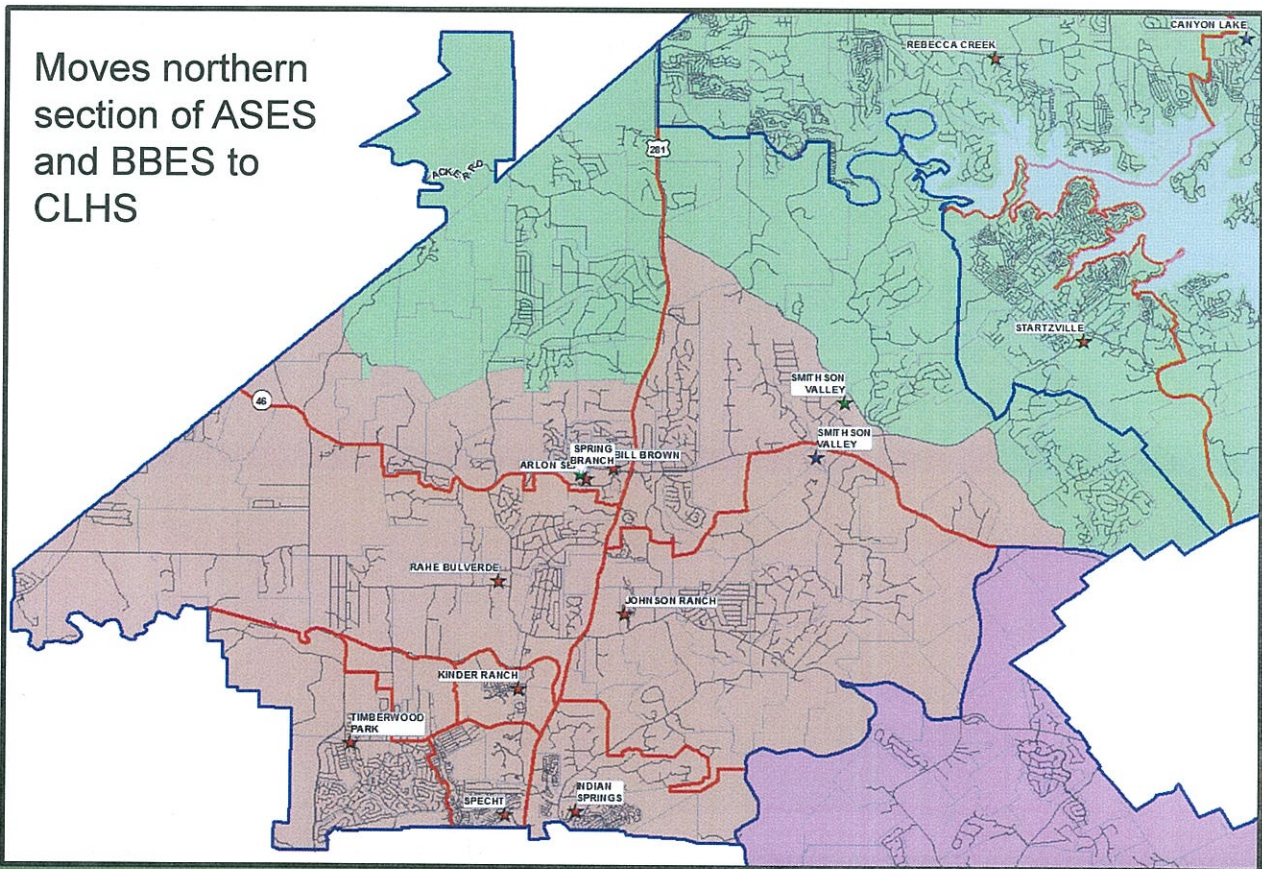
SCHOOL	CAPACITY	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
CANYON	2,450	2,482	2,476	2,534	2,600	2,677	2,812	3,066	3,270	3,413	3,595	3,674
CANYON LAKE	1,375	2,044	1,979	2,029	2,080	2,125	2,163	2,299	2,390	2,476	2,567	2,611



OPTION D: SVHS – CLHS Enrollment Balancing Scenario 1

SCHOOL	CAPACITY	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
CANYON LAKE	1,375	1,933	1,857	1,889	1,917	1,936	1,944	2,074	2,149	2,219	2,312	2,338
SMITHSON VALLEY	2,450	2,352	2,419	2,577	2,681	2,820	3,016	3,135	3,308	3,531	3,625	3,830

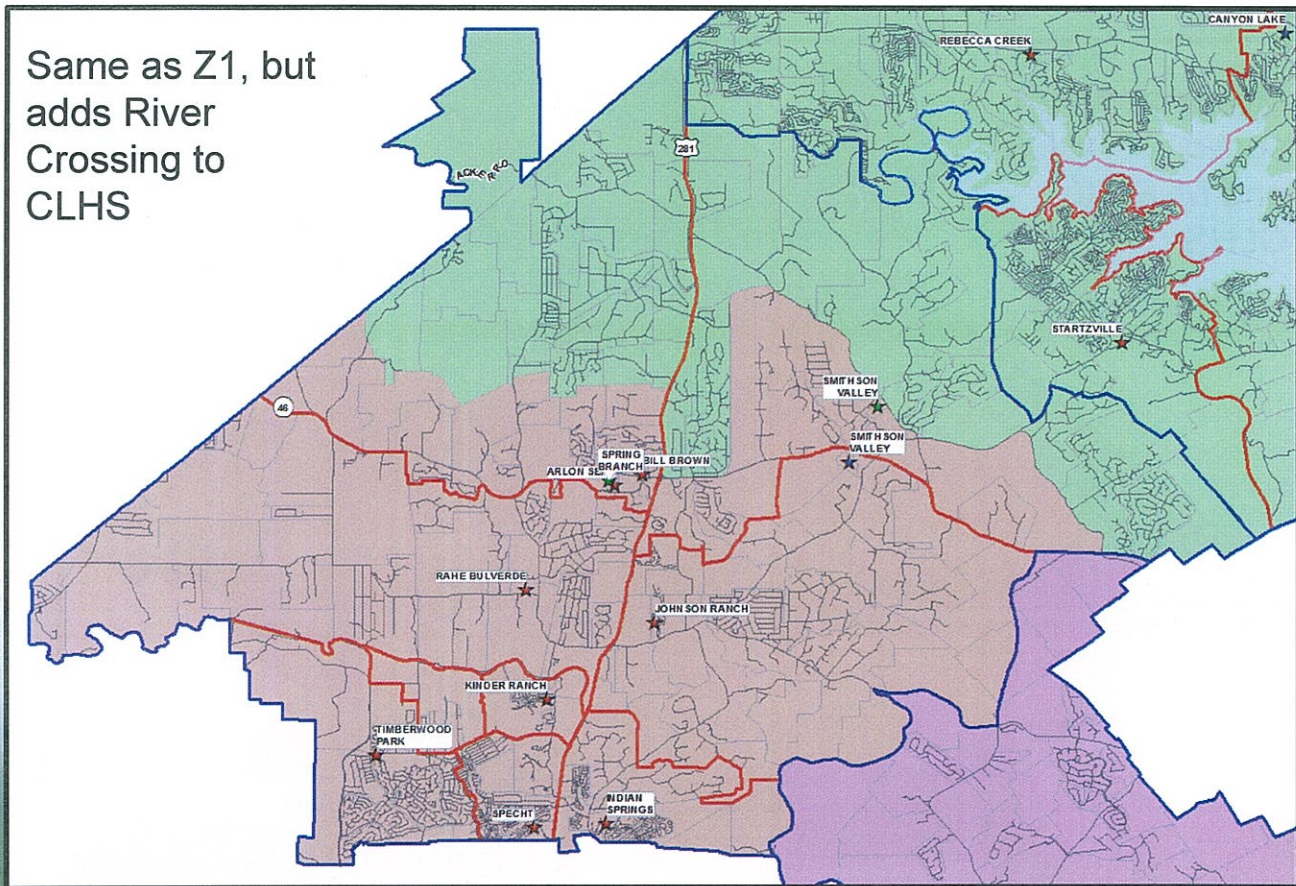
Moves northern
section of ASES
and BBES to
CLHS



OPTION D: SVHS – CLHS Enrollment Balancing Scenario 2

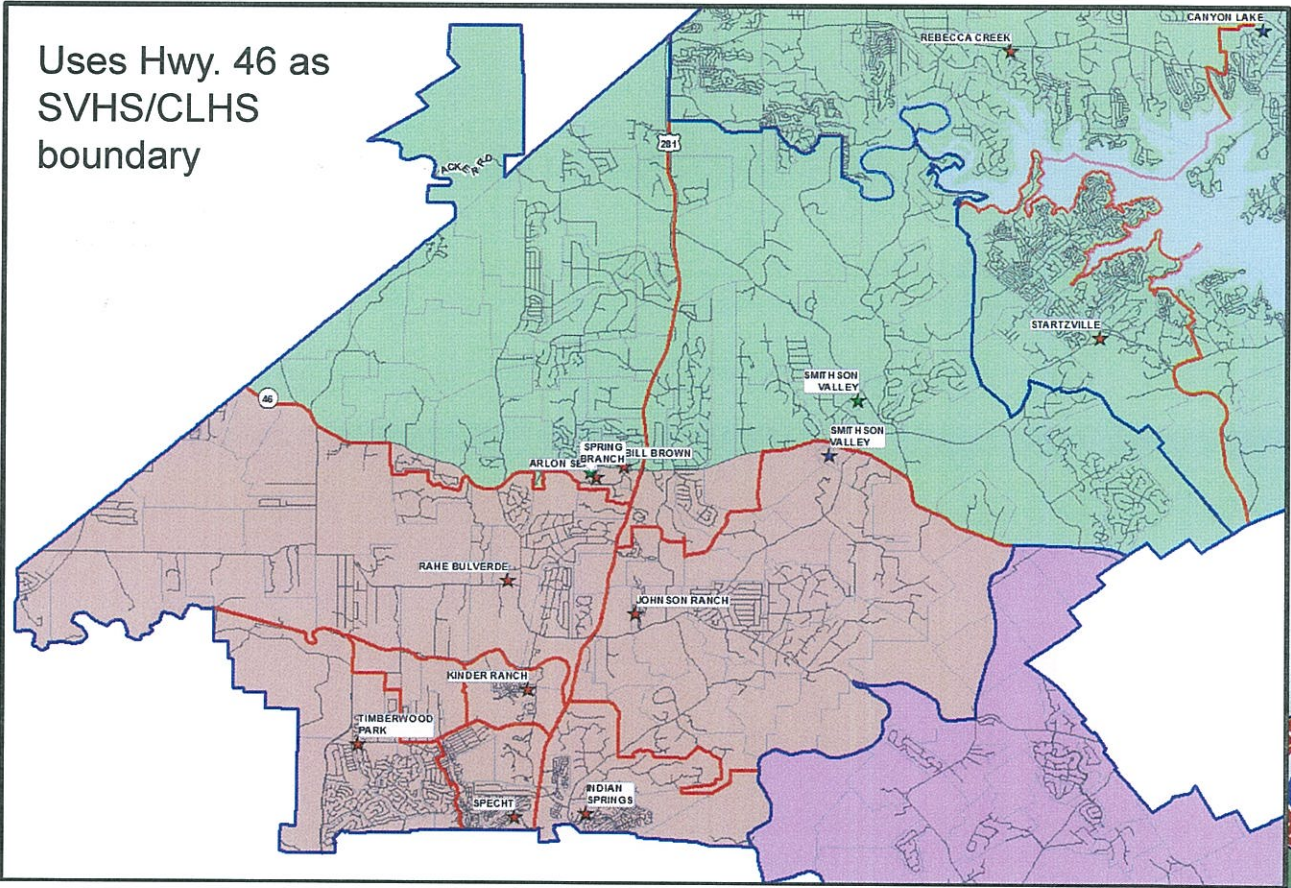
SCHOOL	CAPACITY	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
CANYON LAKE	1,375	1,803	1,747	1,788	1,817	1,842	1,849	1,960	2,022	2,083	2,161	2,186
SMITHSON VALLEY	2,450	2,214	2,277	2,426	2,527	2,662	2,855	2,977	3,148	3,369	3,466	3,670

Same as Z1, but
adds River
Crossing to
CLHS



OPTION D: SVHS – CLHS Enrollment Balancing Scenario 3

SCHOOL	CAPACITY	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
CANYON LAKE	1,375	2,044	1,979	2,029	2,080	2,125	2,163	2,299	2,390	2,476	2,567	2,611
SMITHSON VALLEY	2,450	2,049	2,115	2,252	2,330	2,442	2,605	2,706	2,852	3,051	3,138	3,323



\$150,000 Oak Wilt fund total goal

Oak Wilt fund goal - resident portion	\$100,000
Oak Wilt fund goal City portion - (Budget 2017-2018)	\$50,000
Approximate number of homes in the City	1400
Assessment per home to achieve \$100k resident portion	\$71.43
Round up assessment per home	\$72.00

Example

	Rounded up to nearest \$1,000	
Oak Wilt fund falls below \$100k	\$85,400	\$86,000
Oak Wilt fund shortage from \$150k goal	\$64,600	\$65,000
Two thirds of shortage assessed to residents	\$42,636	\$43,000
One third of shortage assessed to City	\$21,964	\$22,000

\$43,000 Assessment (per household - 1400 households)

\$30.71

Rounded up assessment per household

\$31.00

When P&Z refers to the “Bracken Area”, what has P&Z defined as the boundaries of the “Bracken Area”?

There is a rock wall on the southeast side of FM2252 across from the ‘Forest of Garden Ridge’ subdivision. Will P&Z consider designating that wall for historic preservation?

What changes to existing zoning has P&Z identified?

Based on the remaining open properties in the City, what is P&Z’s population timeline projections?

Has P&Z produced a prioritized list of projects for the foreseeable future? I’d like to see P&Z produce a Gantt chart to visually show their plans for the next three years.

The “Vision of the Future” document has been out in the public for close to three months, what revisions to this document does P&Z recommend?

Has P&Z talked to TXDOT about the FM2252 expansion? How much would it cost to lay down a quiet road surface within our City limits? Can TXDOT insert a median? Has P&Z considered future turn lanes?

I would like P&Z to keep an ongoing list and map of the number and location of vacant residential lots still available for build out? Can P&Z please give us their ad valorem projections for the next 10 years?

Has P&Z compiled a list of desirable and undesirable types of businesses for the City.

Has P&Z compiled a list of architectural parameters for new business construction.

What is P&Z’s plan for future Town Hall meetings to discuss commercial businesses?

Another way to increase our ad valorem taxes is to create infrastructure improvements that raise our property values. Has P&Z explored this possibility with real estate professionals?

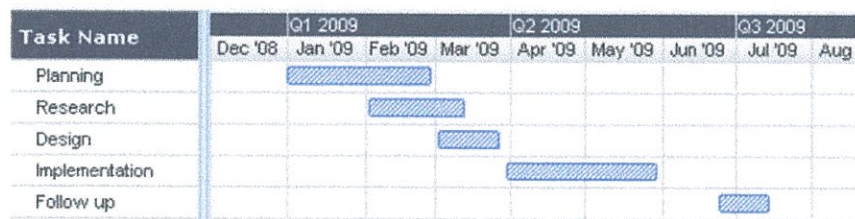
When will P&Z bring City Council a list of objectives as a result of meeting with a Professional Planner?

What is a Gantt chart?

A Gantt chart, commonly used in project management, is one of the most popular and useful ways of showing activities (tasks or events) displayed against time. On the left of the chart is a list of the activities and along the top is a suitable time scale. Each activity is represented by a bar; the position and length of the bar reflects the start date, duration and end date of the activity. This allows you to see at a glance:

- What the various activities are
- When each activity begins and ends
- How long each activity is scheduled to last
- Where activities overlap with other activities, and by how much
- The start and end date of the whole project

To summarize, a Gantt chart shows you what has to be done (the activities) and when (the schedule).



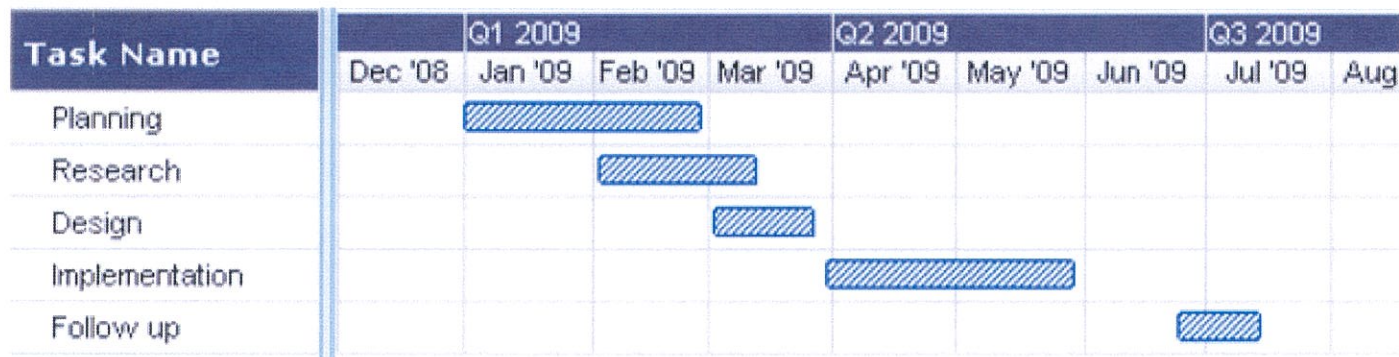
A simple Gantt chart

What is a Gantt chart?

A Gantt chart, commonly used in project management, is one of the most popular and useful ways of showing activities (tasks or events) displayed against time. On the left of the chart is a list of the activities and along the top is a suitable time scale. Each activity is represented by a bar; the position and length of the bar reflects the start date, duration and end date of the activity. This allows you to see at a glance:

- What the various activities are
- When each activity begins and ends
- How long each activity is scheduled to last
- Where activities overlap with other activities, and by how much
- The start and end date of the whole project

To summarize, a Gantt chart shows you what has to be done (the activities) and when (the schedule).



People Services

We support small businesses that cannot afford a part-time / full-time HR professional, we bill at a low flat rate of \$35/hour no long term contracts.

We want to help maximize your small business's performance. Schedule a consultation appointment with one of our

Your Affordable Small Business Human Resource Advisors

Diversity

We are dedicated people service to diversity and inclusion of your company—hire our team to help you harness your employees' talents and cultural traditions—creating an environment where they are valued for their uniqueness creating a true inclusive workplace environment.

HR Consulting

Résumé Service / Career / Job Search
Employee HR Questions
Diversity & Inclusion
Employee / Labor Relations
Workplace Investigations
Policy Review
Employee Handbook (Writing / Review)
Ethics



Human Resource (HR) Consulting

Compensation Strategy

Compensation studies are a service in which we assist organizations in applying fundamental consulting disciplines to the identification and evaluation of appropriate market pay data, internal worth of jobs/positions, organizational considerations, and current fiscal resources to determine recommended job/position classifications and a structured plan of pay level ranges.

TAG can assist with:

- Bonus/Incentive Programs
- Wage Increase Guidelines
- Compensation Strategy

Employee Handbooks/Policies

An update-to-date, legal handbook is essential for all businesses - large or small. An employee handbook communicates policies, benefits and work standards to all employees in a single document. It provides an appropriate means through which the employer can disseminate legally required policies, such as anti-harassment, family and medical leave or drug testing policies. It also provides valuable guidance for supervisors regarding the implementation and enforcement of company policies. This promotes uniform and consistent treatment of employees, thus reducing the risk of discriminatory treatment. Internal policies and procedures can mean the difference between effective and ineffective management.

The Arnold Group can help you design the internal procedures behind your handbook policies and train your managers and supervisors in their part of the process. TAG can audit your current handbook or develop a customized handbook to ensure your content is current, relevant and required. Whether it's just one policy you need to add or an entire handbook, our experienced staff will assist you in developing clear and appropriate policies that are up-to-date and tailored for your industry and company culture.

TAG can assist with:

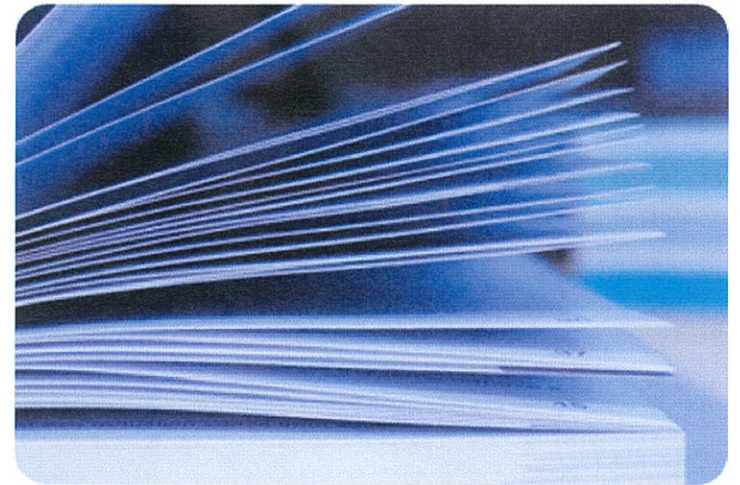
- Communication to Employees
- Legal Compliance

Policy Manual / Employee Handbook

Does your policy manual sit in a drawer, unrevised since it was first authored and rarely consulted by anyone until a full-blown conflict invades the comfortable routine? The procedures and policies that are gathering dust are unenforceable if they have not been effectively communicated and consistently applied.

Is it time to blow the dust off the prototype and determine whether your policies and procedures...

- ▲ Are communicated effectively to all employees, including recent hires
- ▲ Are understood and encourage compliance
- ▲ Satisfy legal requirements
- ▲ Are routinely and uniformly enforced
- ▲ Augment company mission and goals
- ▲ Receive periodic review and maintenance
- ▲ Are consistent with your practices



CITY OF GARDEN RIDGE
MONTHLY ACCOUNT BALANCES & INTEREST RATES
PERIOD ENDED AS OF 12/31/2016

CITY FUNDS	BALANCE	CURRENT INTEREST RATE	QTR AVG INT RATE
GF OPERATING ACCOUNT	\$ 112,643.26	0.0000%	0.0000%
GF MONEY MARKET	242,497.46	0.1500%	0.1500%
TEXPOOL INVESTMENTS	1,076,427.72	0.4570%	0.4157%
ASSET/FORFEITURE - STATE	97.67	0.0800%	0.0267%
ASSET/FORFEITURE - FED	111,645.45	0.1300%	0.1100%
2009 REFI	76,400.22	0.1000%	0.1000%
2009 I&S	45,919.79	0.0500%	0.0500%
2012 REFI	153,120.65	0.1500%	0.1500%
2012 I&S	79,939.66	0.0900%	0.0633%
2015 I&S	26,644.81	0.0500%	0.0500%
2012 CIP PROJECT	30,502.17	0.0500%	0.0500%
2015 CIP PROJECT	266,098.82	0.1500%	0.1500%
STREET IMPACT FEES	6,870.45	0.0500%	0.0500%
CONSTRUCTION BOND	313,048.83	0.1500%	0.1500%
TEXPOOL 2015 CIP PROJECT	5,501,160.75	0.4570%	0.4570%
TEXPOOL STREET IMPROV	31,306.11	0.4570%	0.4157%
PEG CAPITAL FEES	86,007.40	0.0000%	0.0000%
TOTAL CITY FUNDS	\$ 8,160,331.22		
AVERAGE INTEREST RATES - CITY		0.1714%	0.1592%

WATER FUNDS	BALANCE	CURRENT INTEREST RATE	QTR AVG INT RATE
WATER IMPACT FEES	\$ 6,207.26	0.0500%	0.0500%
TEXPOOL WATER INVEST	2,055,699.03	0.4570%	0.4157%
TEXPOOL IMPACT FEES	317,932.41	0.4570%	0.4157%
TEXPOOL WATER RIGHTS	4,926.42	0.4570%	0.4157%
WATER SURCHARGE	144,689.42	0.1500%	0.1500%
OPERATING ACCOUNT	430,165.92	0.1500%	0.1500%
TOTAL WATER FUNDS	\$ 2,959,620.46		
AVERAGE INTEREST RATES - WATER		0.2868%	0.2662%

TOTAL ALL ACCOUNTS	\$ 11,119,951.68		
AVERAGE INTEREST RATES - ALL ACCOUNTS		0.2044%	0.1898%

CITY OF GARDEN RIDGE
CASH & INVESTMENTS STATEMENT
PERIOD ENDED AS OF 12/31/2016

GENERAL FUND	BALANCE
GF Operational Checking	\$ 112,643.26
GF Money Market	242,497.46
TexPool Investments	1,076,427.72
TOTAL General Fund Reserves	\$ 1,431,568.44

WATER FUND	BALANCE
Operational Checking	\$ 430,165.92
TexPool Water Invest	2,055,699.03
TOTAL Water Company Reserves	\$ 2,485,864.95

CITY OF GARDEN RIDGE
STATEMENT OF ACTIVITIES
CURRENT AND YEAR TO DATE AS OF 12/31/2016
PRE-AUDIT

GENERAL FUND	Dec-16	YTD	FY 2017 BUDGET	% OF BUDGET	BUDGET BALANCE
REVENUES	\$ 195,946.68	\$ 442,823.56	\$ 2,680,097.00	16.5%	\$ 2,237,273.44
EXPENDITURES					
ADMINISTRATION	39,342.18	161,484.62	800,993.00	20.2%	639,508.38
COURT	6,037.54	21,328.35	78,022.00	27.3%	56,693.65
POLICE	82,136.82	285,186.72	1,248,554.00	22.8%	963,367.28
PUBLIC FACILITIES	36,201.01	101,178.12	461,510.00	21.9%	360,331.88
COMMUNITY CENTER	5,703.71	10,824.72	60,200.00	18.0%	49,375.28
LIBRARY	4,519.37	11,668.74	59,887.00	19.5%	48,218.26
TOTAL EXPENDITURES	173,940.63	591,671.27	2,709,166.00	21.8%	2,117,494.73
NET POSITION	\$ 22,006.05	\$ (148,847.71)	\$ (29,069.00)		\$ 119,778.71

WATER FUND	Dec-16	YTD	FY 2017 BUDGET	% OF BUDGET	BUDGET BALANCE
REVENUES	\$ 77,295.36	\$ 287,564.72	\$ 1,405,596.00	20.5%	\$ 1,118,031.28
EXPENDITURES	146,347.09	301,986.64	1,549,044.00	19.5%	1,247,057.36
NET POSITION	\$ (69,051.73)	\$ (14,421.92)	\$ (143,448.00)		\$ (129,026.08)

CITY OF GARDEN RIDGE
STATEMENT OF ACTIVITIES - COMMUNITY CENTER
YEAR TO DATE PERIOD ENDED AS OF 12/31/2016
PRE-AUDIT

REVENUES	YTD
RENTALS	\$ 8,100.00
DEPOSITS	6,900.00
DEPOSITS REFUNDED	(2,350.00)
DONATIONS	-
TOTAL REVENUES	<u>12,650.00</u>

EXPENDITURES	
MANAGER FEES	3,590.50
TELEPHONE	141.00
UTILITIES	1,683.73
MAINTENANCE	1,623.36
SUPPLIES	116.97
CLEANING	1,310.00
EQUIPMENT	9.16
MARKETING	-
DONATION EXPENDITURES	-
FACILITY ENHANCEMENTS	-
TOTAL EXPENDITURES	<u>8,474.72</u>

NET POSITION	<u><u>\$ 4,175.28</u></u>
---------------------	---------------------------

City Administrator

From: City Administrator
Sent: Wednesday, January 18, 2017 12:55 PM
To: 'Springer'
Subject: RE: Requesting permission to post GRWC Garage Sale banners
Attachments: City Sign Submission Form.docx

Ms. Springer,

The GRWC request for the placement of 3 signs to advertise the annual garage sale is approved as requested. In regards to the request for placing a message about the sale on the city's marquee please complete the attached Electronic Message Board/City Sign Submission Application. Please feel free to contact me should you have any questions.

Thanks,
Nancy Cain
City Administrator
City of Garden Ridge
administrator@ci.garden-ridge.tx.us
210-651-6632

From: Springer [<mailto:jbbk01@yahoo.com>]
Sent: Friday, January 13, 2017 2:00 PM
To: City Administrator
Subject: Requesting permission to post GRWC Garage Sale banners

Hi Nancy, please see the attached document. We are requesting permission to place our GRWC Garage Sale banners within city limits and related information on the city's marquee.

Please let me know if you have any further questions.

Thank you in advance.

Respectfully,

Jeanie Springer
Chair, GRWC Garage Sale
(210) 885-3483

January 13, 2017

Nancy Cane
Garden Ridge City Administrator
9400 Municipal Parkway
Garden Ridge, TX 78266

Dear Mrs. Cane

The Garden Ridge Women's Club is asking permission to place three signs within the Garden Ridge city limits to advertise our March 11, 2017 garage sale to be held at the city's Community Center.

We would like to post two of them from February 15, 2017 through the date of sale, March 11, 2017. They will be removed by Monday, March 13, 2017. We would like to post one at the site of the city's marquee on FM 2252 and the second sign at the corner of FM 3009 and FM 2252. The third will be a "day of sale" sign near the entrance of FM 3009 to the city buildings at the above address. This third sign will be removed on the day of the event.

We would also like to have a message on the marquee the week before the event. If possible start on March 6, 2017. Please let me know the dates you can arrange. The Garage Sale will begin at 8:30 a.m. and end at 12:30 p.m.

Thank you,

Jeanie Springer
Chair, GRWC Garage Sale

GARDEN RIDGE COMMUNITY CENTER MONTHLY REPORT

2017

December 21st thru January 20th

New Events Booked in Current Month	Charged	8
	No Charge	0

2016-2017

Total Number of Events for the Month	4
Total Number of Days used in the Month	5
Total Number cancelled for the Month	0

2015-2016

Total Number of Events for the Year	74
Total Number of Days Used for the Year	248
Total Number cancelled for the Year	2
Wildflower and Bluebonnet Room	

2013-2014

Total Number of Events for the Year	81
Total Number of days Used for the Year	261
Total Number cancelled for the Year	4
Wildflower and Bluebonnet Room	

Past years	# of Events	# of Days
2011-2012	76	257
2010-2011	72	241
2009-2010	65	208
2008-2009	67	199
2008	53	190
2007	58	183
2006		139
2005		116
2004		81

CITY OF GARDEN RIDGE BUILDING REPORT

12/21/2016 THRU 1/20/2017

MAJOR PERMITS

Permit #	Address	Builder	Sq Ft.	Value \$	Permit Fees
1119 -16	8297 Eskimo Forest	Chesmar Homes	5,047	\$ 656,110.00	\$ 3,978.20
1123 -17	20902 Misty Arbor	Chesmar Homes	5,281	\$ 686,530.00	\$ 4,118.60
1124 -17	8218 Shining Elk	Chesmar Homes	4,997	\$ 649,610.00	\$ 3,948.20
1127 -17	8293 Eskimo Forest	Chesmar Homes	4,723	\$ 613,990.00	\$ 3,801.20
TOTAL			20,048	\$ 2,606,240.00	\$ 15,846.20

MINOR PERMITS

Permit #	Address	Builder	Project	Permit Fees
1117 -16	19510 Creekview Oaks	Infinity Oaks	Pool, Spa, Deck	\$ 721.08
1118 -16	9011 Tuscan Hills	Quality Custom Decks	Patio Cover, Deck	\$ 298.56
1120 -16	8322 Garden Arbor	Tuff Shed	Outbuilding	\$ 100.00
0042 -16	9670 Trophy Oaks	Arie Smith INC	Minor HVAC	\$ 100.00
1121 -16	9015 Tuscan Hills	Keith Zars Pools	Pool, Spa, Deck	\$ 655.16
1122 -17	20479 Wahl Ln.	Backyard Lagoons	Pool, Deck	\$ 687.32
1125 -17	8518 Wild Trace	ATX Solar Solutions	Minor Electric	\$ 125.00
1126 -17	9327 Gardenia Bend	City Fence of SA	Fence	\$ 125.00
0043 -17	22318 Larmona Cv.	Apex Home Energy Services	Minor HVAC	\$ 100.00
1128 -17	8318 Shining Elk	Chambliss Plumbing	Minor Plumbing	\$ 40.00
1129 -17	22411 Oro Viejo Ct.	B&E Contractors INC	Garage	\$ 304.20
TOTAL				\$ 3,256.32

TOTAL MAJOR FEES FOR THE MONTH	\$ 15,846.20
TOTAL MINOR FEES FOR THE MONTH	\$ 3,256.32
TOTAL ALL PERMIT FEES FOR THE MONTH	\$ 19,102.52

TOTAL MAJOR PROJECTS VALUE FOR THE YEAR	\$ 2,606,240.00
TOTAL MAJOR PROJECTS SQ FT. FOR THE YEAR	20,048

TOTAL MAJOR PERMIT FEES FOR THE YEAR	\$ 15,846.20
TOTAL MINOR PERMIT FEES FOR THE YEAR	\$ 3,256.32
TOTAL ALL PERMIT FEES FOR THE YEAR	\$ 19,102.52

Library Report, February, 2017

Activities between December 15 and January 16, 2016:

~There were 677 visits to the library.

~There were 1,111 items checked out.

~We added 23 new patrons.

~34 new items were added to the Library Collection.

Classes and Activities

<i>Littles Story time 12/14/16</i>	<i>05</i>
<i>Story time 12/17 Santa Claus & Elf Pammy</i>	<i>54</i>
<i>Littles Story time 12/21/16</i>	<i>5</i>
<i>Preschool Story time 12/23</i>	<i>0</i>
<i>Preschool & Littles Story Time Canceled 12/18 & 12/30</i>	
<i>Littles Story time 1/04/17</i>	<i>5</i>
<i>Littles Story time 1/11</i>	<i>13</i>
<i>Preschool Story time 1/13</i>	<i>11</i>
<i>Pokemon Club 1/14</i>	<i>20</i>

February

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 10:30, Little's Story time	2 1:00, Adult Coloring Group After School Arts & Crafts, Reg. req'd	3 10:30, Preschool Story time	4
5	6 Science Club	7 Lego Robotics: 3-4:30, 5:30-7:00 pm	8 10:30, Little's Story time Noon – Lunch- n-Learn, Gardening in Central TX for newcomers	9 1:00, Adult Coloring Group Lego Robotics: 3-4:30, 5:30-7:00 pm	10 10:30, Preschool Story time	11 10:00 Pokemon Club , Ages 7-13 Volunteer Luncheon & Murder Mystery
12	13 Science Club	14 Lego Robotics: 3-4:30, 5:30-7:00 pm	15 10:30, Little's Story time	16 1:00, Adult Coloring Group Lego Robotics: 3-4:30, 5:30-7:00 pm	17 10:30, Preschool Story time	18
19	20 Closed, NO Science Club	21 1:30, Card- making with Angie Registration now open for Lego Robotics Session 2 – Begins in March	22 10:30, Little's Story time 1-3 CASA, Information about this great program	23 1:00, Adult Coloring Group	24 10:30, Preschool Story time	25
26	27	28	March			
			1 10:30, Little's Story time	2	3 10:30, Preschool Story time	4

5	6	7 New Session of Lego Robotics: 3-4:30, 5:30-7:00 pm	8 10:30, Little's Story time	9 New Session of Lego Robotics: 3-4:30, 5:30-7:00	10 10:30, Preschool Story time	11
---	---	--	---	---	---	----

Water Commission
As Of 24 January 2017

As of 24 January 2017													
	2016						2017						
	Edwards		Trinity		Total Acre Feet	Quarterly Acre Feet	Edwards		Trinity		Total Acre Feet	Quarterly Acre Feet	
	Gallons	Acre Feet	Gallons	Acre Feet			Gallons	Acre Feet	Gallons	Acre Feet			
January	15,309,000	46.98	431,000	1.32	48.30	170.84	3,046,000	9.35	8,518,000	26.14	35.49	1/1 -1/24	
February	512,000	1.57	19,825,000	60.84	62.41		-	0	-	0	0		
March	3,234,000	9.92	16,359,000	50.20	60.13		-	0	-	0	0		
April	494,000	1.52	18,620,000	57.14	58.66		-	0	-	0	0		
May	4,348,000	13.34	14,693,000	45.09	58.43	211.78	-	0	-	0	0		
June	29,247,000	89.76	1,608,000	4.93	94.69		-	0	-	0	0		
July	38,544,000	118.29	12,725,000	39.05	157.34		-	0	-	0	0		
August	24,439,000	75.00	7,880,000	24.18	99.18		-	0	-	0	0		
September	23,578,000	72.36	1,715,000	5.26	77.62	334.14	-	0	-	0	0		
October	27,951,000	85.78	0	0.00	85.78		-	0	-	0	0		
November	17,929,000	55.02	895,000	2.75	57.77		-	0	-	0	0		
December	14,578,000	44.74	888,000	2.73	47.46		-	0	-	0	0		
TOTAL	200,163,000	614.28	95,639,000	293.51	907.78		3,046,000	9.35	8,518,000	26.14	35.49	0	
EAA Stage 0, - 0%, Available 882.77 Ac/Ft, Unused 268.49 Ac/Ft													
EAA Stage 0, - 0%, Available 682.77 Ac/Ft, Unused 673.42 Ac/Ft													
Current Edwards Permits													682.77
Allocated Pumpage													
Purchase CO00139 P100-767 511,951 Acre Feet													

Current Edwards Permits

Allocated Pumpage	CO00139	P100-767	511.951 Acre Feet
Purchase	BE 00109I	P100-327	2.000 Acre Feet
Purchase	ME 00417D	P101-185	1.301 Acre Feet
Purchase	ME 00479I	P101-315	3.895 Acre Feet
Purchase	UV 00437I	P101-699	2.000 Acre Feet
Purchase	UV 00461I	P101-752	4.000 Acre Feet
Purchase	UV 00478I	P101-801	2.000 Acre Feet
Purchase	UV 00537H	P101-959	2.000 Acre Feet
Purchase	UV 00576I	P102-040	14.000 Acre Feet
Purchase	UV 00630G	P102-146	1.760 Acre Feet
Purchase	BE 00081AE	P100-200	62.000 Acre Feet
Transfer K. Zar Pool	UV00435	P106-186	1.000 Acre Foot
Transfer	CO00118B	P103-312	4.500 Acre Feet
Transfer	CO00119AA	P102-416	2.000 Acre Feet
Transfer	CO00119AA	P102-564	0.660 Acre Feet
Lease M. Friesenhahn	P100-745		65.000 Acre Feet
Lease Lloyd Loehman	P107-429		3.000 Acre Feet
Lease BVFD	1/1/2015 - 12/31/2015		-0.300 Acre Feet

Total Available Edwards Water

682.77 Ac/Ft
222,481,287.2 Gals

Connections: 1,575 Avg. usage per connection: 7,342.22 gals

Avg. Daily Usage: 01/01 - 01/24: 481,833.33 gals

Avg. connections 2016: 1571 Avg. usage per connection for 2016: 188,300.4 gals

Leak Adjustments / month 0 Leak Adjust. YTD 0

Monthly Well Progress Report

Trinity Well Status: Static Level: Jan 1st: 205.2' Jan 24th: 206.1' Diff. of: 0.9'

GPM: 875 Pumping Level: Jan 5th: 170.1' Jan 24th: 171.0' Diff. of: 0.9'

Edwards Wells Status: Static Level: Jan 1st: 136.8' Jan 24th: 137.7' Diff. of: 0.9'

Total Edwards Allocation 682.77 Acre Feet

Public Works

December, 20 2016—January, 20 2017

Street and Right of Way Maintenance

Sign replaced 1
City streets: low hanging tree inspections.
Trim trees: City property.
Paint curbs: Waterwood.

Storm water Drainage Facility and Easement Maintenance

Outfalls inspected: 19
Detention/Retention ponds inspected: 18
Trash pickup: FM 3009/Doerr Ln

Park and City Facility/Property Maintenance

City's rental property: Roof repair/ Electrical socket repairs/clean gutters.
City Hall/ Community Center: Take down decorations.

Animal Control

Domestic Animal Apprehensions:	Dogs 5	Cats 4	YTD Dogs 72	Cats 46
Nuisance Complaint Calls:	0		YTD 0	
Animal Bite Calls :	0		YTD 0	
Deer Carcass Disposals:	8		YTD 179	
Raccoon :	2		YTD 43	
Opossum:	3		YTD 49	
Skunks:	1		YTD 24	
Other:	1 fox		YTD 64	
Hunters for the hungry animal donations: Deer /Wild Hogs			YTD 2	
Total animal control apprehensions/pickups for 2016:			YTD 477	
Animal transferred to adoption agency:	6		YTD 17	
Animals returned to owners:	4		YTD 47	
Animals adopted:	Dogs. 0	Cats 0	YTD 3	
Current animals in city's care:	Dogs. 2	Cats. 4		
Animals ready for adoption:	Dogs. 0	Cats. 0		

Special Note

Oak wilt: None found



GARDEN RIDGE POLICE DEPARTMENT

FEBRUARY DECEMBER 21ST – JANUARY 20TH CALLS FOR SERVICE

Location	Calls	Code	Water	Total
ARROWOOD	2	0	0	2
BAT CAVE ROAD	4	1	0	5
BINDSEIL	1	0	0	1
COUNTRY OAK ESTATES	2	1	0	3
ENCLAVE AT GARDEN RIDGE	2	0	0	2
FM 2252	16	0	0	16
FM 3009	16	0	0	16
FOREST WATERS	7	2	0	9
GARDEN RIDGE ESTATES	15	7	0	22
GEORG RANCH	14	3	0	17
MUNICIPAL COMPLEX	4	0	0	4
NACOGDOCHES LOOP	1	0	0	1
OAK MEADOW ESTATES	2	0	0	2
PARK LANE ESTATES	1	0	0	1
REGENCY OAKS	7	1	0	8
SCHOENTHAL ROAD	4	0	0	4
THE FOREST OF GARDEN RIDGE	3	0	0	3
THE PARK AT GARDEN RIDGE	0	0	0	0
TROPHY OAKS	5	1	0	6
TWISTED OAKS	0	0	0	0
WILD WIND	7	2	0	9
WOODS OF GARDEN RIDGE	0	1	0	1
COUNTY	14	0	0	14
OTHER	2	0	0	2
TOTALS	129	19	0	148

ARRESTS – 12
ALARM PERMITS – 1
CRASHES – 4

ALARMS – 16
SOLICITOR PERMITS – 0

Location	Units	Injury	Fatal	Type
8900 BLK Tuscan Hills Drive	vehicle vs. mailbox	0	0	CR3
9300 BLK Bluebell Drive	vehicle vs. mailbox	0	0	CR3
19100 BLK FM 2252	vehicle vs. deer	0	0	CR2
21100 BLK FM 3009	2 vehicles	1	0	CR3

ENFORCEMENT (198)

**Citations – 73*

**Warnings – 125*

INCIDENTS and ARRESTS

- 12/29/2016- Officers were dispatched to investigate the report of an active disturbance, which resulted in Ofc. Sanchez arresting Iris VanSteenburg for Assault Family Violence. With the assistance of Constable Pct. 3 K-9, drugs were also located and subsequently Ofc. Pelata arrested Christopher Sitter and Michael Miles for Possession of Marijuana <2oz.
- 1/1/2017- After observing behavior from a subject in the parking lot and damage to the parked vehicle, Sgt. Dennis arrested Joseph Villanueva for Public Intoxication.
- 1/4/2017- After being stopped for speeding 54/40, Ofc. McKay arrested Timothy Rafferty for two warrants out of Bulverde.
- 1/7/2017- After being stopped for speeding 59/50, Sgt. Osborn arrested Andres Delgado for Driving While Intoxicated.
- 1/8/2017- After being stopped for a defective headlight, Ofc. Pelata arrested Clint Goodale for Unlawfully Carrying a Weapon and Possession of Marijuana < 2oz.
- 1/10/2017- After being stopped for expired registration, Ofc. Hackenberg arrested Derrick Harris for Possession of Marijuana < 2oz.
- 1/10/2017- After being stopped for speeding 54/40, Ofc. McKay arrested Gypsy Hernandez-Nichols for Driving While License Invalid with Previous Convictions.
- 1/12/2017- After being stopped for defective license plate lamp, Sgt. Osborn arrested Daryn Ballantine for Driving While License Invalid with Previous Convictions.
- 1/14/2017- Ofc. Hackenberg arrested Ricardo Cervantes-Alvarez for Theft \$100 < \$750 while he was actively stealing building materials from a job site.
- 1/16/2017- After being stopped for expired registration, Sgt. Osborn arrested Abel Villagomez for Driving While License Invalid with No Insurance.

CASES FILED WITH DISTRICT ATTORNEY'S OFFICE

- 12/22/16: CASE #: 16-01325 / OFFENSE: Unauthorized Use of Motor Vehicle
- 1/5/17: CASE #: 16-01453 / OFFENSE: Injury to a Child
CASE #: 16-01572 / OFFENSE: Possession of Marijuana < 2oz

TRAINING

- ♦ **"Firearms Proficiency"**
 - Lt. Bellinger
 - Sgt. Cox
 - Sgt. Dennis
 - Sgt. Osborn
 - Cpl. Spiller
 - Ofc. Hackenberg
 - Ofc. McKay
 - Ofc. McMahan
 - Ofc. Oehler
 - Ofc. Pelata
 - Ofc. Sanchez

SHAREHOLDERS:

Nancy L. Vaughan, CPA
Deborah F. Fraser, CPA
Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.
Certified Public Accountants

Communication with Those Charged with Governance

January 13, 2017

To the Council and Management,
City of Garden Ridge

We have audited the financial statements of the City of Garden Ridge as of and for the year ended September 30, 2016, and have issued our report thereon dated January 13, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 19, 2016, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Garden Ridge solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use of appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Garden Ridge are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive estimates affecting the financial statements were:

- Useful lives of depreciable assets
- Allowance for doubtful accounts
- Actuarial valuation of net pension liability

Management's estimate of the useful lives of the depreciable assets are based on past history, engineering estimates, and industry standards. The allowance for doubtful accounts has been estimated for ad valorem property taxes and water receivable accounts and is based on collections history of the City. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

The estimate for the Net Pension Liability is based on the actuarial study performed by Texas Municipal Retirement System (TMRS) with no input from the City's management. We have considered the underlying inputs provided by the City related to covered employees as well as the reasonableness of the actuarial assumptions used

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of Garden Ridge's financial statements relate to the property tax calendar, employees' retirement systems and long-term debt.

Significant Difficulties Encountered during the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We identified material misstatements related to correction of beginning balances, which were brought to the attention of, and corrected by, management. Additionally, we assisted management in recording routine journal entries for year-end accruals, depreciation, and net pension liability.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Garden Ridge's financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated January 13, 2017.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Garden Ridge, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risk of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Garden Ridge's auditors.

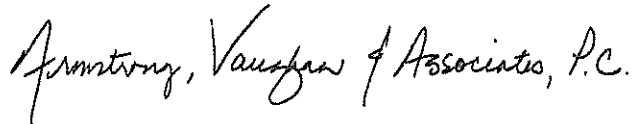
Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing City of Garden Ridge's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially consistent with its presentation in the financial statements.

With respect to the supplementary information accompanying the financial statements, made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the audit committee of the City of Garden Ridge and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

January 13, 2017

CITY OF GARDEN RIDGE, TEXAS

ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2016**



CITY OF GARDEN RIDGE, TEXAS
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2016

CITY OFFICIALS

MAYOR
MAYOR PRO-TEM

NADINE KNAUS
JOHN R. MCCAWE

CITY COUNCIL

TODD ARVIDSON
BRYAN LANTZY
LARRY THOMPSON
SHELBY TRIAL

CITY ADMINISTRATOR

NANCY CAIN

CITY SECRETARY/TREASURER

SHELLEY GOODWIN

ATTORNEY

DENTON, NAVARRO, ROCHA, BERNAL,
HYDE, & ZECH P.C.

AUDITOR

ARMSTRONG, VAUGHAN & ASSOCIATES, P.C.

CITY OF GARDEN RIDGE, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

INTRODUCTORY SCHEDULE

TITLE PAGE	<u>PAGE</u>
CITY OFFICIALS	i.
TABLE OF CONTENTS	ii
	iii

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3
BASIC FINANCIAL STATEMENTS.....	10
STATEMENT OF NET POSITION.....	11
STATEMENT OF ACTIVITIES.....	13
BALANCE SHEET	15
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET TO THE STATEMENT OF NET POSITION.....	17
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	18
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE SIN THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	20
STATEMENT OF NET POSITION – PROPRIETARY FUND.....	21
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – PROPRIETARY FUND.....	23
STATEMENT OF CASH FLOWS - PROPRIETARY FUND	24
NOTES TO FINANCIAL STATEMENTS	26
REQUIRED SUPPLEMENTARY INFORMATION.....	48
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND.....	49
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND	52
SCHEDULE OF CHANGES - NET PENSION LIABILITY AND RELATED RATIOS	53
SCHEDULE OF EMPLOYER CONTRIBUTIONS	54

CITY OF GARDEN RIDGE, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)

SUPPLEMENTARY INFORMATION.....	55
COMPARATIVE BALANCE SHEETS - GENERAL FUND.....	56
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND	57
COMPARATIVE BALANCE SHEETS - DEBT SERVICE FUND	60
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND.....	61
COMPARATIVE BALANCE SHEETS - CAPITAL PROJECTS FUND	62
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUND.....	63
COMPARATIVE BALANCE SHEETS - NONMAJOR FUNDS - ASSET FORFEITURE FUND	64
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR FUNDS - ASSET FORFEITURE FUND	65
COMPARATIVE STATEMENTS OF NET POSITION - WATER FUND.....	66
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION - WATER FUND.....	68
COMPARATIVE STATEMENTS OF CASH FLOWS - WATER FUND	69

STATISTICAL SECTION

NET POSITION, BY COMPONENT - LAST TEN FISCAL YEARS.....	72
CHANGE IN NET POSITION - LAST TEN FISCAL YEARS	74
FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS.....	78
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS.....	80
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS	82
DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN FISCAL YEARS	83
PRINCIPAL PROPERTY TAX PAYERS - CURRENT AND TEN YEARS AGO	84
PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS.....	85
ASSESSED VALUE - LAST TEN FISCAL YEARS.....	86
RATIOS OF OUTSTANDING DEBT BY TYPE - LAST TEN FISCAL YEARS	87
DEBT MARGIN INFORMATION - LAST TEN FISCAL YEARS.....	88
DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN FISCAL YEARS.....	89
TOP TEN PRINCIPAL EMPLOYERS - CURRENT AND SIX YEARS AGO.....	90



SHAREHOLDERS:
Nancy L. Vaughan, CPA
Deborah F. Fraser, CPA
Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Garden Ridge, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden Ridge, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City of Garden Ridge, Texas', management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden Ridge, Texas, as of September 30, 2016, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

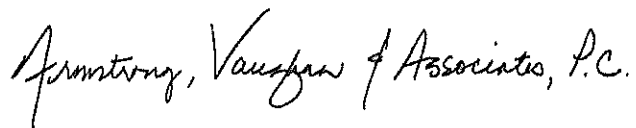
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Changes – Net Pension Liability and Related Ratios, the Schedule of Employer Contributions as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Garden Ridge, Texas', basic financial statements. The comparative financial statements and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

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



Armstrong, Vaughan & Associates, P.C.

January 13, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of City of Garden Ridge's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2016. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

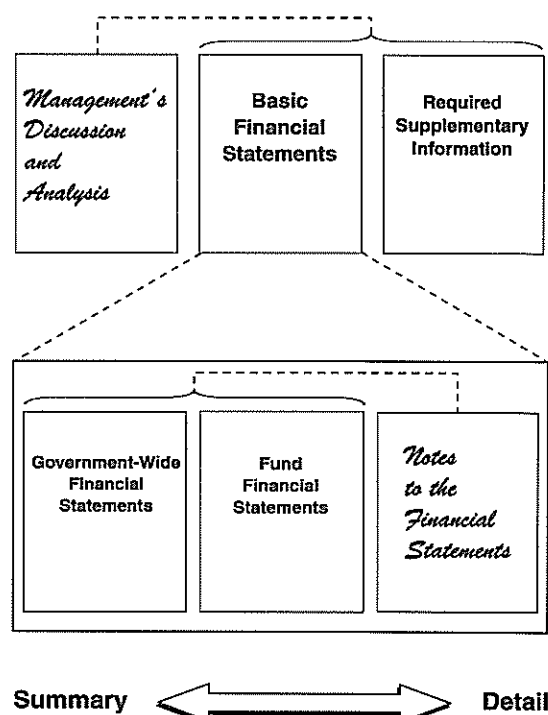
- The City's total combined net position was \$12.7 million at September 30, 2016.
- During the year, the City's governmental operating expenses were \$462 thousand less than the \$3.33 million generated in program and general revenues for the governmental activities.
- The total cost of the City's programs increased 5.3% to \$3.06 million, and no new programs were added this year.
- The general fund reported a fund balance this year of \$1.83 million of which \$1.67 million was unassigned.
- The City did not issue any new bonds during the fiscal year ending September 30, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as water and sewer services.

Figure A-1, Required Components of the City's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements			
Type of Statements	Fund Statements		
	Government-wide	Governmental Funds	Proprietary Funds
Scope	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: water and sewer
Required financial statements	• Statement of Net Position	• Balance Sheet	• Statement of Net Position
	• Statement of Activities	• Statement of Revenues, Expenditure & Changes in Fund Balances	• Statement of Revenues, Expenses & Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net Position—the difference between the City's assets plus deferred outflows and liabilities plus deferred inflows—is one way to measure the City's financial health or *position*.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

The government-wide financial statements of the City include the *Governmental Activities*. Most of the City's basic services are included here, such as public safety, public works and general administration. Property taxes, franchise fees and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's combined net position was \$12.7 million at September 30, 2016. (See Table A-1).

Table A-1
City of Garden Ridge Net Position
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2016-2015
Assets							
Current Assets	\$ 7,676.8	\$ 5,570.6	\$ 3,933.3	\$ 6,894.2	\$ 11,610.1	\$ 12,464.8	-6.9%
Restricted and Other Assets	(1,352.5)	-	1,821.0	326.6	468.5	326.6	43.4%
Capital Assets (net)	9,359.2	9,521.3	9,764.1	8,692.5	19,123.3	18,213.8	5.0%
Total Assets	<u>15,683.5</u>	<u>15,091.9</u>	<u>15,518.5</u>	<u>15,913.3</u>	<u>31,201.9</u>	<u>31,005.2</u>	0.6%
Total Deferred Outflows of Resources	<u>294.1</u>	<u>170.7</u>	<u>55.3</u>	<u>19.0</u>	<u>349.4</u>	<u>189.7</u>	84.2%
Liabilities							
Current Liabilities	1,394.3	758.9	643.6	574.9	2,037.9	1,333.8	52.8%
Long-term Liabilities	8,637.5	9,013.0	8,153.3	8,488.0	16,790.8	17,501.0	-4.1%
Total Liabilities	<u>10,031.7</u>	<u>9,771.9</u>	<u>8,796.8</u>	<u>9,062.9</u>	<u>18,828.6</u>	<u>18,834.8</u>	0.0%
Deferred Inflows of Resources	<u>-</u>	<u>9.2</u>	<u>-</u>	<u>2.1</u>	<u>-</u>	<u>11.3</u>	-100.0%
Net Position							
Invested in Capital Assets	3,726.0	4,134.3	2,725.4	2,802.1	6,451.5	6,936.4	-7.0%
Restricted	196.8	132.5	468.5	326.6	665.3	459.1	44.9%
Unrestricted	2,022.9	1,214.7	3,582.9	3,738.5	5,605.8	4,953.2	13.2%
Total Net Position	<u>\$ 5,945.8</u>	<u>\$ 5,481.5</u>	<u>\$ 6,776.8</u>	<u>\$ 6,867.2</u>	<u>\$ 12,722.6</u>	<u>\$ 12,348.7</u>	3.0%

The unrestricted net position represents resources available to fund programs of the City next year.

Changes in Net Position

The City's total governmental revenues were \$3.33 million, of which 80.8% of the City's revenue came from taxes compared to 82% in the prior year. A total of 13.9% of the revenues are from those who directly received the service. The total cost of all governmental programs and services was \$3.06 million and charges for these services were \$465.1 thousand. Table A-2 reports the summarized changes in net position.

Table A-2
Changes in City of Garden Ridge's Net Position
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2016-2015
Program Revenues:							
Charges for Services	\$ 465.1	\$ 475.6	\$ 1,512.8	\$ 1,180.2	\$ 1,977.9	\$ 1,655.8	19.4%
Operating/Capital Grants	80.5	17.5	-	-	80.5	17.5	359.8%
General Revenues:							
Property Taxes	1,969.3	1,690.0	-	-	1,969.3	1,690.0	16.5%
Tax Franchise	484.5	474.8	-	-	484.5	474.8	2.1%
Sales Taxes	235.0	240.2	-	-	235.0	240.2	-2.2%
Impact Fees	16.9	-	-	-	16.9	-	100.0%
Investment Earnings	14.9	6.2	5.9	4.9	20.9	11.1	87.8%
Other	62.3	25.8	6.5	0.3	68.8	26.1	163.5%
Total Revenues	<u>3,328.5</u>	<u>2,930.1</u>	<u>1,525.2</u>	<u>1,185.4</u>	<u>4,853.7</u>	<u>4,115.5</u>	17.9%
General Government	675.6	752.2	-	-	675.6	752.2	-10.2%
Police Protection	1,105.3	1,151.6	-	-	1,105.3	1,151.6	-4.0%
Municipal Court	76.8	70.0	-	-	76.8	70.0	9.7%
Public Facilities	750.8	621.0	-	-	750.8	621.0	20.9%
Debt Service	454.5	316.4	-	-	454.5	316.4	43.6%
Water	-	-	1,416.8	1,393.9	1,416.8	1,393.9	1.6%
Total Expenses	<u>3,062.9</u>	<u>2,911.2</u>	<u>1,416.8</u>	<u>1,393.9</u>	<u>4,479.7</u>	<u>4,305.1</u>	4.1%
Transfers	198.8	-	(198.8)	-	-	-	0.0%
Increase (Decrease) in Net Position	<u>\$ 464.2</u>	<u>\$ 18.9</u>	<u>\$ (90.4)</u>	<u>\$ (208.5)</u>	<u>\$ 374.0</u>	<u>\$ (189.6)</u>	-297.2%

Governmental Activities

Property tax rates decreased to \$0.3002 per \$100 of assessed value. An increase in the valuation of taxable property lead to a 16.5% increase in tax revenues to \$1.97 million.

Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The net cost of all *governmental* activities this year was \$2.5 million.
- The amount that taxpayers paid for these activities through taxes was \$2.69 million.
- \$465 thousand of the cost was paid by those who directly benefited from the programs.

Table A-3
Net Cost of Selected City Functions
(in thousands of dollars)

	Total Cost of Services		% Change	Net Cost of Services		Total Percentage Change
	2016	2015		2016	2015	2016-2015
General Administration	\$ 675.6	\$ 752.2	-10.2%	\$ 472.1	\$ 530.7	-11.0%
Police Protection	1,105.3	1,151.6	-4.0%	894.3	1,005.2	-11.0%
Municipal Court	76.8	70.0	9.7%	76.8	70.0	9.7%
Public Facilities	750.8	621.0	20.9%	619.6	495.8	25.0%
Debt Service	454.5	316.4	43.6%	454.5	316.4	43.6%
Water Services	1,416.8	1,393.9	1.6%	(96.0)	213.7	-144.9%

Business-Type Activities

Revenues of the City's business-type activities were \$1.5 million, and expenses were \$1.4 million. The increase in revenues were a result in increased water sales combined with a new revenue stream of impact fees.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenue from governmental fund types totaled \$3.3 million, an increase of 17.9%.

General Fund Budgetary Highlights

Over the course of the year, the City revised its budget to increase revenues and decrease expenditures. Actual expenditures were \$203 thousand less than the final budgeted amounts. All major expenditure divisions had a positive variance. Generally, every revenue category was over the budgeted expectations except permit fees, charges for services and municipal fines. The City increased the overall fund balance by \$192 thousand more than expected.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the City had invested \$28.3 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.). More detailed information about the City's capital assets is presented in the notes to the financial statements.

Table A-4
City's Capital Assets
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2016-2015
Land	\$ 481.9	\$ 481.9	\$ 140.0	\$ 140.0	\$ 621.9	\$ 621.9	0.0%
Water Rights	-	-	454.1	454.1	454.1	454.1	0.0%
Buildings and Improvements	3,594.9	3,594.9	94.2	94.2	3,689.1	3,689.1	0.0%
Other Improvements	-	-	10,787.0	10,764.6	10,787.0	10,764.6	0.2%
Equipment	571.2	492.9	733.8	709.0	1,305.1	1,201.9	8.6%
Infrastructure	9,598.1	9,598.1	-	-	9,598.1	9,598.1	0.0%
Construction in Progress	174.8	2.5	1,699.5	241.6	1,874.2	244.1	667.8%
Totals at Historical Cost	14,420.9	14,170.3	13,908.6	12,403.5	28,329.5	26,573.8	6.6%
Total Accumulated Depreciation	(5,061.7)	(4,649.0)	(4,144.5)	(3,711.1)	(9,206.3)	(8,360.1)	10.1%
Net Capital Assets	\$ 9,359.2	\$ 9,521.3	\$ 9,764.1	\$ 8,692.4	\$ 19,123.3	\$ 18,213.7	5.0%

Long Term Debt

At year-end the City had \$16.9 million in bonds and leases outstanding as shown in Table A-5. More detailed information about the City's debt is presented in the notes to the financial statements.

Table A-5
City's Long Term Debt
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2016-2015
Bonds and Lease Payable	\$ 8,803.8	\$ 9,225.4	\$ 8,430.9	\$ 8,740.5	\$ 17,234.6	\$ 17,965.9	-4.1%
Total Bonds & Lease Payable	\$ 8,803.8	\$ 9,225.4	\$ 8,430.9	\$ 8,740.5	\$ 17,234.6	\$ 17,965.9	-4.1%

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

- The 2016 Taxable Value for the City of Garden Ridge increased \$19,168,714 over the City's 2015 Taxable Value.
- The City's 2016 Maintenance and Operation tax rate increased to \$.203241 which was an increase of \$.011441 cents per \$100 valuation over the 2015 Maintenance and Operation rate of \$.1918.
- General Fund Revenues for the 2017 Fiscal Year are expected to increase by \$83,392 predominately due to an increase in ad valorem taxes, sales tax and franchise fees.
- The 2017 General Fund Budget projects a carryover to Reserves of \$76,907 and allows the City to accomplish several projects during the fiscal year.
- The City of Garden Ridge should continue to see development interest and activity along F.M. 2252.
- The City's 2016 debt tax rate increased to \$.115064 which equates to an increase of \$.00664 over the 2015 rate.
- The City's budgeted general fund balance for 2017 is not expected to change appreciably by the close of the fiscal year.

Other significant items planned for next year:

- The Capital Improvement Projects to be funded by the 2015 Combination Tax and Revenue Certificates of Obligation for water, drainage and streets infrastructure and Community Center and City Parks improvements are expected to continue during the 2017 fiscal year.
- The City expects to update the City's Comprehensive Master Land Use Plan in the 2017 fiscal year.
- Planning and designing of Infrastructure to incorporate Trinity Wells #9 and #10 into the City's water system will continue during the 2017 Fiscal Year.
- The City budgeted \$50,000 for the Trap, Transport and Processing of deer in an effort to manage the over population of deer within the city limits.
- City employees will receive a 2% cost of living increase.
- The City's employee's health and dental insurance rates saw an increase for 2017.
- The City will continue to enhance communications with its citizens.
- The City will continue all existing services and is not planning any cuts in service.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide Garden Ridge citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Administrator by phone 210-651-6632.



BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – wide financial statements
- Fund financial statements:
 - Governmental funds
 - Proprietary fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,502,884	\$ 3,774,416	\$ 11,277,300
Receivables:			
Taxes (Net of Uncollectible)	42,737	-	42,737
Other	126,384	157,417	283,801
Prepaid Items	4,807	1,504	6,311
Restricted Assets:			
Cash and Investments	-	468,485	468,485
Internal Balance	(1,352,545)	1,352,545	-
Capital Assets:			
Land	481,923	139,954	621,877
Water Rights	-	454,144	454,144
Buildings and Improvements	3,594,908	94,183	3,689,091
Water Lines and Extensions	-	10,787,005	10,787,005
Equipment and Vehicles	571,247	733,836	1,305,083
Infrastructure	9,598,108	-	9,598,108
Construction in Progress	174,750	1,699,476	1,874,226
Accumulated Depreciation	(5,061,749)	(4,144,524)	(9,206,273)
TOTAL ASSETS	<u>15,683,454</u>	<u>15,518,441</u>	<u>31,201,895</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Debt Refunding	80,447	-	80,447
Deferred Pension Related Outflows	213,647	55,257	268,904
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 294,094</u>	<u>\$ 55,257</u>	<u>\$ 349,351</u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF NET POSITION (CONT.)
SEPTEMBER 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 658,971	\$ 40,959	\$ 699,930
Accrued Liabilities	40,882	12,149	53,031
Accrued Interest Payable	41,909	10,990	52,899
Vacation Leave Payable	77,724	24,565	102,289
Customer Deposits	9,000	177,445	186,445
<i>Noncurrent Liabilities:</i>			
Due within One Year	565,795	377,500	943,295
Due in more than One Year	8,237,963	8,053,360	16,291,323
Net Pension Liability	399,499	99,929	499,428
TOTAL LIABILITIES	<u>10,031,743</u>	<u>8,796,897</u>	<u>18,828,640</u>
NET POSITION			
Net Investment in Capital Assets	3,726,037	2,725,436	6,451,473
Restricted for:			
Child Safety	22,687	-	22,687
Court Security/Technology	7,919	-	7,919
Donations	17,596	-	17,596
Impact Fees	-	468,485	468,485
Public, Educational, & Governmental (PEG) Capital Fees	85,161	-	85,161
Police Asset Forfeiture	63,470	-	63,470
Unrestricted	2,022,935	3,582,880	5,605,815
TOTAL NET POSITION	<u>\$ 5,945,805</u>	<u>\$ 6,776,801</u>	<u>\$ 12,722,606</u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
<i>Governmental Activities:</i>				
General Administration	\$ 675,567	\$ 201,198	\$ 2,240	\$ -
Police Protection	1,105,268	142,357	68,597	-
Municipal Court	76,819	-	-	-
Public Facilities	750,765	121,508	9,624	-
Interest on Long-term Debt	454,501	-	-	-
<i>Total Governmental Activities</i>	<u>3,062,920</u>	<u>465,063</u>	<u>80,461</u>	<u>-</u>
<i>Business-Type Activities:</i>				
Water & Sewer Utility	<u>1,416,782</u>	<u>1,512,787</u>	<u>-</u>	<u>-</u>
<i>Total Business-Type Activities</i>	<u>1,416,782</u>	<u>1,512,787</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u><u>\$ 4,479,702</u></u>	<u><u>\$ 1,977,850</u></u>	<u><u>\$ 80,461</u></u>	<u><u>\$ -</u></u>
General Revenues:				
Taxes:				
General Property Taxes				
Franchise Taxes				
Sales Taxes				
Impact Fees				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
Net Position Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (472,129)	\$ -	\$ (472,129)
(894,314)	-	(894,314)
(76,819)	-	(76,819)
(619,633)	-	(619,633)
(454,501)	-	(454,501)
<u>(2,517,396)</u>	<u>-</u>	<u>(2,517,396)</u>
-	96,005	96,005
<u>-</u>	<u>96,005</u>	<u>96,005</u>
<u>(2,517,396)</u>	<u>96,005</u>	<u>(2,421,391)</u>
1,969,253	-	1,969,253
484,549	-	484,549
235,009	-	235,009
16,929	-	16,929
14,919	5,932	20,851
62,189	6,478	68,667
<u>2,782,848</u>	<u>12,410</u>	<u>2,795,258</u>
198,795	(198,795)	-
<u>198,795</u>	<u>(198,795)</u>	<u>-</u>
464,247	(90,380)	373,867
<u>5,481,558</u>	<u>6,867,181</u>	<u>12,348,739</u>
<u>\$ 5,945,805</u>	<u>\$ 6,776,801</u>	<u>\$ 12,722,606</u>

CITY OF GARDEN RIDGE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Major Funds		
	General	Debt Service	Capital Projects Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,846,404	\$ 3,662	\$ 5,589,348
Receivables:			
Taxes (Net of Uncollectible)	27,305	15,432	-
Other	126,384	-	-
Due from Other Funds	38,802	-	-
Prepaid Items	4,807	-	-
TOTAL ASSETS	<u>\$ 2,043,702</u>	<u>\$ 19,094</u>	<u>\$ 5,589,348</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 137,426	\$ 395	\$ 521,150
Accrued Expenditures	40,882	-	-
Due to Other Funds	-	-	1,391,347
Deposits	9,000	-	-
<i>Total Liabilities</i>	<u>187,308</u>	<u>395</u>	<u>1,912,497</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	27,079	15,414	-
<i>Total Deferred Inflows of Resources</i>	<u>27,079</u>	<u>15,414</u>	<u>-</u>
<i>Fund Balances:</i>			
Non-Spendable:			
Prepaid Items	4,807	-	-
Restricted for:			
Child Safety	22,687	-	-
Court Security	7,882	-	-
Court Technology	37	-	-
Donations	17,596	-	-
Debt Service	-	3,285	-
PEG Capital Fees	85,161	-	-
Police Asset Forfeiture	-	-	-
Capital Projects	-	-	3,676,851
Unassigned:	1,691,145	-	-
<i>Total Fund Balances</i>	<u>1,829,315</u>	<u>3,285</u>	<u>3,676,851</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES	<u>\$ 2,043,702</u>	<u>\$ 19,094</u>	<u>\$ 5,589,348</u>

See accompanying notes to basic financial statements.

<u>Nonmajor</u>	
Asset Seizure	Total Governmental Funds
\$ 63,470	\$ 7,502,884
-	42,737
-	126,384
-	38,802
-	4,807
<u>\$ 63,470</u>	<u>\$ 7,715,614</u>

\$ -	\$ 658,971
-	40,882
-	1,391,347
-	9,000
<u>-</u>	<u>2,100,200</u>

-	42,493
<u>-</u>	<u>42,493</u>

-	4,807
-	22,687
-	7,882
-	37
-	17,596
-	3,285
-	85,161
63,470	63,470
-	3,676,851
-	1,691,145
<u>63,470</u>	<u>5,572,921</u>

<u>\$ 63,470</u>	<u>\$ 7,715,614</u>
------------------	---------------------



CITY OF GARDEN RIDGE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS			\$ 5,572,921
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			9,359,187
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.			42,493
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds.			(77,724)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds:			
Bonds Payable	(8,803,758)		
Loss on Debt Refunding	<u>80,447</u>	(8,723,311)	
Net pension liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in the funds.			
Net Pension Liability	(399,499)		
Pension Related Deferred Outflows	<u>213,647</u>	(185,852)	
Accrued interest payable on long-term bonds is not due and payable in the current period and, therefore, not reported in the funds.			<u>(41,909)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES			<u><u>\$ 5,945,805</u></u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
FOR YEAR ENDED SEPTEMBER 30, 2016

	Major Funds		
	General	Debt Service	Capital Projects Fund
REVENUES			
Taxes	\$ 1,485,662	\$ 702,300	\$ -
Franchise Fees	484,549	-	-
Licenses and Permits	122,422	-	-
Charges for Services	200,120	-	-
Fines and Forfeits	142,357	-	-
Miscellaneous	91,034	642	10,832
TOTAL REVENUES	<u>2,526,144</u>	<u>702,942</u>	<u>10,832</u>
EXPENDITURES			
<i>Current:</i>			
General Administration	595,850	-	-
Municipal Court	74,678	-	-
Police Protection	1,030,989	-	-
Public Facilities	448,299	-	-
Capital Outlay	138,116	-	172,348
<i>Debt Service:</i>			
Interest and Agent Fees	1,099	497,054	-
Principal	27,827	413,800	-
TOTAL EXPENDITURES	<u>2,316,858</u>	<u>910,854</u>	<u>172,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>209,286</u>	<u>(207,912)</u>	<u>(161,516)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Capital Leases	55,308	-	-
Proceeds from Sale of Equipment	3,600	-	-
Transfers In (Out)	-	198,795	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>58,908</u>	<u>198,795</u>	<u>-</u>
Net Change in Fund Balances	268,194	(9,117)	(161,516)
Fund Balances - October 1	<u>1,561,121</u>	<u>12,402</u>	<u>3,838,367</u>
Fund Balances - September 30	<u>\$ 1,829,315</u>	<u>\$ 3,285</u>	<u>\$ 3,676,851</u>

See accompanying notes to basic financial statements.

<u>Nonmajor</u>	
<u>Asset</u>	<u>Total</u>
<u>Seizure</u>	<u>Governmental</u>
<u>Funds</u>	
\$ -	\$ 2,187,962
-	484,549
-	122,422
-	200,120
68,497	210,854
57	102,565
<u>68,554</u>	<u>3,308,472</u>
-	595,850
-	74,678
595	1,031,584
-	448,299
10,280	320,744
-	498,153
-	441,627
<u>10,875</u>	<u>3,410,935</u>
<u>57,679</u>	<u>(102,463)</u>
-	55,308
-	3,600
-	198,795
<u>-</u>	<u>257,703</u>
57,679	155,240
<u>5,791</u>	<u>5,417,681</u>
<u>\$ 63,470</u>	<u>\$ 5,572,921</u>



CITY OF GARDEN RIDGE, TEXAS
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 155,240

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital Outlay	271,779	
Depreciation	(433,888)	
		(162,109)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	16,299
---	--------

The issuance of long-term debt (e.g. bonds and capital leases) provides
current financial resources to governmental funds, while the
repayment of the principal of long-term debt consumes the current
financial resources of governmental funds. Neither transaction,
however, has any effect on net position. Also, governmental funds
report the net effect of premiums, discounts, and similar items when
debt is first issued, where as these amounts are amortized in the
Statement of Activities. This amount is the net effect of these
differences in the treatment of long-term debt and related items.

Proceeds from Capital Lease	(55,308)	
Principal Payments on Bonds	413,800	
Amortization of Premium on Bonds	35,275	
Principal Portion of Capital Lease Payments	27,827	
Amortization of Deferred Loss on Bond Refunding	(8,938)	
		412,656

Some expenses reported in the Statement of Activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in governmental funds:

Accrued Interest	17,095	
Compensated Absences	38,110	
Pension Expense	(13,044)	
		42,161

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 464,247
--	------------

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2016

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 3,774,416
Accounts Receivable - Customers	157,417
Prepaid Items	1,504
<i>Total Current Assets</i>	<u>3,933,337</u>

Other Assets:

Restricted Cash and Investments - Impact Fees	468,485
Due from Other Funds	1,352,545
<i>Total Other Assets</i>	<u>1,821,030</u>

Capital Assets:

Land	139,954
Water Rights	454,144
Buildings	94,183
Water Lines, Wells & Tanks	10,787,005
Vehicles & Equipment	733,836
Construction in Progress	1,699,476
Accumulated Depreciation	(4,144,524)
<i>Total Capital Assets, Net of Depreciation</i>	<u>9,764,074</u>
TOTAL ASSETS	<u>15,518,441</u>

**DEFERRED OUTFLOWS
OF RESOURCES**

Deferred Pension Related Outflows	<u>55,257</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 55,257</u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUND (CONT.)
SEPTEMBER 30, 2016

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 40,959
Accrued Liabilities	12,149
Accrued Interest Payable	10,990
Vacation Leave Payable	24,565
Customer Deposits	177,445
<i>Total Current Liabilities</i>	<u>266,108</u>

Noncurrent Liabilities:

Due Within One Year	377,500
Due in More Than One Year	8,053,360
Net Pension Liability	99,929
<i>Total Noncurrent Liabilities</i>	<u>8,530,789</u>

TOTAL LIABILITIES

8,796,897

NET POSITION

Net Investment in Capital Assets	2,725,436
Restricted Water Impact Fees	468,485
Unrestricted	<u>3,582,880</u>

TOTAL NET POSITION

\$ 6,776,801

See accompanying notes to basic financial statements.



CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

OPERATING REVENUE

Water Sales	\$ 1,271,905
Meter Installation Fees	23,850
Impact Fees	141,204
Other	82,306
TOTAL OPERATING REVENUE	<u>1,519,265</u>

OPERATING EXPENSES

Personnel Costs	384,536
Plant Operations and Maintenance	381,475
General and Administrative	151,094
Capital Outlay	34,525
Depreciation	433,456
TOTAL OPERATING EXPENSES	<u>1,385,086</u>

OPERATING INCOME (LOSS)

134,179

NONOPERATING INCOME (EXPENSES)

Interest Income	5,932
Interest Expense	(31,696)
TOTAL NONOPERATING INCOME (EXPENSES)	<u>(25,764)</u>

**INCOME (LOSS) BEFORE CONTRIBUTIONS
AND TRANSFERS**

108,415

Transfers In (Out)

(198,795)

CHANGE IN NET POSITION

(90,380)

NET POSITION AT BEGINNING OF YEAR

6,867,181

TOTAL NET POSITION AT END OF YEAR

\$ 6,776,801

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 1,579,544
Cash paid to suppliers for goods and services	(544,872)
Cash paid to employees for services and benefits	(393,386)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>641,286</u>

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Net Customer Deposits Received (Returned)	6,313
Interfund Receivables/Payables and Transfers	1,264,303
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,270,616</u>

**CASH FLOWS FROM CAPITAL & RELATED
FINANCING ACTIVITIES**

Capital Acquisition	(1,505,072)
Principal Payments on Debt	(286,200)
Amortization of Bond Premium	(23,468)
Interest Paid for Financing Activities	(44,078)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(1,858,818)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income and Other Income	5,932
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>5,932</u>

NET INCREASE (DECREASE) IN CASH	59,016
--	--------

CASH AND CASH EQUIVALENTS AT OCTOBER 1:

Cash and Cash Equivalents	3,857,266
Restricted Cash and Cash Equivalents	326,619
	<u>4,183,885</u>

CASH AND CASH EQUIVALENTS AT SEPTEMBER 30:

Cash and Cash Equivalents	3,774,416
Restricted Cash and Cash Equivalents	468,485
	<u>\$ 4,242,901</u>

See accompanying notes to basic financial statements.

CITY OF GARDEN RIDGE, TEXAS
STATEMENT OF CASH FLOWS (CONT.)
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 134,179
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	433,456
Change in Assets and Liabilities:	
Decrease (Increase) in Accounts Receivable	60,279
Decrease (Increase) in Prepaid Items	2,071
Increase (Decrease) in Accounts Payable & Accrued Liabilities	20,150
Increase (Decrease) in Vacation Payable	(13,213)
Increase (Decrease) in Pension Liability	4,364
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 641,286</u>

See accompanying notes to basic financial statements.



CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

A. THE FINANCIAL REPORTING ENTITY

In evaluating how to define the government for financial purposes, management has considered all potential component units. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the foregoing criteria, there were no component units identified that would require inclusion in this report.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund, Debt Service Fund and Capital Projects Fund meet the criteria of a *major governmental fund*. The City's other governmental fund is the Seizure Fund (Special Revenue Fund). This fund is reflected in a separate column in the Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types, which have been accrued, are revenue from the investments, intergovernmental revenue and charges for services. Property taxes are recognized in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unearned revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

The General Fund is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general government, public safety, public facilities, municipal court and capital acquisition.

The Debt Service Fund is used to account for all funds collected and disbursed in the retirement of governmental debt.

The Capital Projects Fund is used to account for the proceeds from bond issues and other resources specifically designated for capital expenditures.

The City's non-major governmental fund is the Asset Seizure Fund (a special revenue fund).

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONT.)

Proprietary fund level financial statements are used to account for activities similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's Proprietary Fund is the Water-Works and Sewer Fund (used to account for the provision of water and sewer services to residents). The Proprietary Fund is accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City.

E. INVESTMENTS

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d); or, (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The City has all its monies in interest bearing checking accounts, savings accounts, money market accounts, or investments in TexPool. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair value in accordance with GASB 31.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

F. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1 and past due after the following January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible.

G. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

I. RESTRICTED ASSETS

Certain deposits and payments of Proprietary Fund, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by agreements. Funds are also segregated to provide for debt services as provided under bond indenture agreements.

J. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include City-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

J. CAPITAL ASSETS (CONT.)

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSETS</u>	<u>Time Period</u>
Buildings and Improvements	20 to 40 years
Improvements Other than Buildings	20 to 40 years
Utility System in Service	10 to 50 years
Machinery and Equipment	3 to 10 years

K. COMPENSATED ABSENCES

Employees earn vacation leave at a rate of 3.70 hours per bi-weekly pay period after completion of probationary period. Vacation leave rates increase periodically based on the longevity of employment. Employees earn sick leave at the rate of 1.85 hours per bi-weekly pay period.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of the Enterprise Fund is recorded as an expense and liability of that fund as the benefits accrue to employees. Accumulated vacation pay at September 30, 2016, of \$77,724 and \$24,565 has been recorded in accrued liabilities of the Governmental Activities and the Proprietary Fund, respectively.

No sick leave days are paid when an employee leaves city employment and no liability is reported for unpaid sick leave.

Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

L. UNEARNED REVENUE

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unearned revenue.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

M. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as a outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category: deferred loss on debt refunding reported in the government-wide statement of net position and deferred pension related outflows reported on the government-wide and proprietary statements. A deferred loss on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred pension related outflows result from differences between expected and actual experiences and changes in assumptions.

Deferred inflows of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of reporting. Unavailable revenues from property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues not expected to be available for the current period are reflected as unavailable revenue as an inflow of resource in the period the amounts become available.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bond. Bond issuance costs are expensed when incurred.

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

O. FUND EQUITY

Fund balances in governmental funds are classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

O. FUND EQUITY(CONT.)

Restricted – Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed – Represents amounts that can only be used for a specific purpose determined by a formal action of the government's highest level of decision making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned – Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council may make assignments through formal documentation in the minutes. The City Council authorized (by way of policy) the City Administrator to also make assignments. The City Administrator's assignments do not require formal action; however, the City Administrator has not assigned any funds at this time.

Unassigned – Represents the residual balance that may be spent on any other purpose of the City.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City considers restricted balances spent first, committed second, assigned third, and unassigned fourth.

P. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Q. INTERFUND TRANSACTIONS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

R. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for water, and sewer services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

S. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. USE OF ESTIMATES

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

U. RECLASSIFICATIONS

Certain reclassifications have been made to the prior periods presented to conform to the current presentation. These reclassifications had no effect on fund equity.

NOTE 2 -- DEPOSIT AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash and Cash Equivalents

At September 30, 2016, the amount of the city's deposits in bank was \$8,786,704, and the carrying amount was \$8,607,763. Of the bank balance, \$250,000 was covered by federal deposit insurance and the City's depository had pledged securities having a face value of \$10,590,000 as collateral for the City's deposits. All cash deposits held in the bank were secured through FDIC or pledged securities at September 30, 2016.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 2 -- DEPOSITS AND INVESTMENTS (CONT.)

2. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices and management reports the City adhered to the requirements of the Act. However, cash deposits were not fully secured through pledged securities or FDIC and the Investment Officer appointed by the City did not attend the required semi-annual training, therefore the City was not in compliance with the requirements of the Public Funds Investment Act.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

The City's investments as of September 30, 2016 were at Texpool (an AAAM rated, 2a7-like, public funds external investment pool). The investment is reported at share price which approximates fair value. The amount invested with Texpool as of September 30, 2016 is \$3,137,733. During the period, the City did not invest in any investments which were not held at September 30, 2016.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 2 -- DEPOSITS AND INVESTMENTS (CONT.)

3. Analysis of Specific Deposit and Investment Risks (Cont.)

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to a concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

4. Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 2 -- DEPOSITS AND INVESTMENTS (CONT.)

5. Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The City is invested in TexPool which has a AAAM rating by Standard & Poor's as of 11/30/2016.

NOTE 3 -- RECEIVABLES

Receivables as of year-end for the government's individual major funds and the enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds		Proprietary	
	General	Debt Service	Fund	Total
<i>Receivables:</i>				
Property Taxes	\$ 58,126	\$ 32,851	\$ -	\$ 90,977
Less Allowance for Uncollectibles	(30,821)	(17,419)	-	(48,240)
Sales Taxes	50,064	-	-	50,064
Franchise Taxes	22,334	-	-	22,334
Customer Accounts	53,986	-	157,417	211,403
Net Total Receivables	<u>\$ 153,689</u>	<u>\$ 15,432</u>	<u>\$ 157,417</u>	<u>\$ 326,538</u>

NOTE 4 -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Comal County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2015, upon which the fiscal 2015 levy was based, was \$659,253,958 (i.e., market value less exemptions).

The estimated market value was \$745,898,342, making the taxable value 88.3% of the estimated market value. Property taxes are recorded as receivables and unearned revenues at the time the taxes are assessed. In governmental funds, revenues are recognized as the related Ad Valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government-wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 4 -- PROPERTY TAX CALENDAR (CONT.)

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2016, was \$0.3002 per \$100 of assessed value, which means that the City has a tax margin of \$2.1998 for each \$100 value and could increase its annual tax levy by approximately \$12.5 million based upon the present assessed valuation of \$659,253,958 before the limit is reached. However, the City may not adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code by more than three percent (3%) without holding a public hearing. The Property Tax Code subjects an increase in the effective tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's effective tax rate.

NOTE 5 -- INTERFUND RECEIVABLE/PAYABLE

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of September 30, 2016, balances of interfund amounts receivable or payable have been recorded as follows:

	Due From	Due To	Purpose
<i>General Fund:</i>			
Proprietary Fund	\$ 38,802	\$ -	Water franchise fees
	<u>38,802</u>	<u>-</u>	
<i>Capital Projects:</i>			
Proprietary Fund	-	1,391,347	Infrastructure Projects
	<u>-</u>	<u>1,391,347</u>	
<i>Proprietary Fund:</i>			
General Fund	-	38,802	Water franchise fees
Capital Projects	1,391,347	-	Infrastructure Projects
	<u>1,391,347</u>	<u>38,802</u>	
	<u>\$ 1,430,149</u>	<u>\$ 1,430,149</u>	

NOTE 6 -- TRANSFERS

The Water Fund is not obligated for the debt service on the general bonded debt of the City. However, some of the debt was issued for water improvements; therefore, the water fund contributes towards the extinguishment of that debt through transfers. The water fund transferred \$198,795 during the fiscal year ended September 30, 2016.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 7 -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016, was as follows:

	Balances At October 1, 2015	Additions/ Transfer In	Disposals/ Transfer Out	Balances At September 30, 2016
<u>Governmental Activities</u>				
Land	\$ 481,923	\$ -	\$ -	\$ 481,923
Buildings & Improvements	3,594,908	-	-	3,594,908
Equipment & Vehicles	492,898	99,494	(21,145)	571,247
Infrastructure	9,598,108	-	-	9,598,108
Construction in Progress	2,465	172,285	-	174,750
	<u>14,170,302</u>	<u>271,779</u>	<u>(21,145)</u>	<u>14,420,936</u>
Less Accumulated Depreciation				
Buildings & Improvements	(1,156,050)	(120,648)	-	(1,276,698)
Equipment & Vehicles	(388,428)	(50,161)	21,145	(417,444)
Infrastructure	(3,104,528)	(263,079)	-	(3,367,607)
	<u>(4,649,006)</u>	<u>(433,888)</u>	<u>21,145</u>	<u>(5,061,749)</u>
Government Capital Assets, Net	<u>\$ 9,521,296</u>	<u>\$ (162,109)</u>	<u>\$ -</u>	<u>\$ 9,359,187</u>
	Balances At October 1, 2015	Additions/ Transfer In	Disposals/ Transfer Out	Balances At September 30, 2016
<u>Business-Type Activities</u>				
Land	\$ 139,954	\$ -	\$ -	\$ 139,954
Buildings & Improvements	94,183	-	-	94,183
Water Rights	454,144	-	-	454,144
Water Lines & Extensions	10,764,627	22,378	-	10,787,005
Equipment & Vehicles	709,046	24,790	-	733,836
Construction in Progress	241,572	1,457,904	-	1,699,476
	<u>12,403,526</u>	<u>1,505,072</u>	<u>-</u>	<u>13,908,598</u>
Less Accumulated Depreciation				
Buildings & Improvements	(59,722)	(2,925)	-	(62,647)
Water Lines & Extensions	(3,203,515)	(374,879)	-	(3,578,394)
Equipment & Vehicles	(447,831)	(55,652)	-	(503,483)
	<u>(3,711,068)</u>	<u>(433,456)</u>	<u>-</u>	<u>(4,144,524)</u>
Business-Type Capital Assets, Net	<u>\$ 8,692,458</u>	<u>\$ 1,071,616</u>	<u>\$ -</u>	<u>\$ 9,764,074</u>

Land, Water Rights, and Construction in Progress are not depreciated.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 7 -- CAPITAL ASSETS (CONT.)

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 104,916
Police Protection	38,798
Public Facilities	290,174
Total Depreciation Expense - Governmental Activities	<u>\$ 433,888</u>

NOTE 8 -- LONG-TERM DEBT

At September 30, 2016, the City's long-term bonded debt consisted of the following:

Governmental Activities:	Range of Interest Rates	Original Amount
Certificates of Obligations Series 2009	3.000%-4.000%	855,000
Certificates of Obligations Series 2012	2.000%-3.250%	3,351,600
Certificates of Obligations Series 2012	2.000%-3.000%	1,925,000
Certificates of Obligations Series 2015	2.000%-4.000%	3,639,500

Business Activities:	Range of Interest Rates	Original Amount
Certificates of Obligations Series 2009	3.000%-5.000%	\$ 4,000,000
Certificates of Obligations Series 2012	2.000%-3.250%	2,633,400
Certificates of Obligations Series 2015	2.000%-4.000%	2,635,500

Changes in the City's long-term debt during the fiscal year ended September 30, 2016 is as follows:

Governmental Activities:	Balance 10/1/15	Additions	Retirements	Balance Outstanding 9/30/16	Due in One Year
2009 Series	315,000	-	(100,000)	215,000	105,000
2012 Series	3,066,000	-	(100,800)	2,965,200	103,600
2012 Series	1,660,000	-	(155,000)	1,505,000	155,000
2015 Series	3,639,500	-	(58,000)	3,581,500	142,100
Capital Lease	16,908	55,308	(27,826)	44,390	25,978
Premiums	527,943	-	(35,275)	492,668	34,117
	<u>\$ 9,225,351</u>	<u>\$ 55,308</u>	<u>\$ (476,901)</u>	<u>\$ 8,803,758</u>	<u>\$ 565,795</u>

Business-Type Activities:	Balance 10/1/15	Additions	Retirements	Balance Outstanding 9/30/16	Due in One Year
2009 Series	\$ 3,320,000	\$ -	\$ (165,000)	\$ 3,155,000	\$ 170,000
2012 Series	2,409,000	-	(79,200)	2,329,800	81,400
2015 Series	2,635,500	-	(42,000)	2,593,500	102,900
Premiums	376,028	-	(23,468)	352,560	23,200
	<u>\$ 8,740,528</u>	<u>\$ -</u>	<u>\$ (309,668)</u>	<u>\$ 8,430,860</u>	<u>\$ 377,500</u>

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 8 -- LONG-TERM DEBT (CONT.)

A. General Obligation Bonds

These bonds are supported by a pledge of the City's faith and credit. The related bond ordinances require a levy and collection of a tax without limitation as to rate or amount on all property subject to taxation by the City sufficient in amount to pay the principal and interest on such bonds as they shall become due. The ordinances also require that a sinking fund be created and administered by the City solely for the purpose of paying principal and interest when due. Specific sinking fund reserve requirements for the City's general obligation bonds are being followed.

On October 7, 2009, the City issued \$4,000,000 Certificates of Obligations Series 2009 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all property within the city, as well as pledged revenue of up to \$1,000 of the surplus revenues from the Proprietary Fund. The certificates were issued for the purpose of paying contractual obligations of the City for the construction and equipping of water improvements to include an elevated storage tank, pumps, and water well.

On October 7, 2009, the City issued \$855,000 Certificates of Obligations Series 2009 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all payable property within the city. The certificates were issued to refund the remaining bonds outstanding of the Certificates of Obligations Series 1998.

On October 10, 2012, the City issued \$5,985,000 Certificates of Obligations Series 2012 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all property within the city, as well as pledged revenue of up to \$1,000 of the surplus revenues from the Proprietary Fund. The certificates were issued for the purpose of paying contractual obligations of the City for the construction of city street and drainage improvements; and improvements and extensions of the City's water system.

On October 10, 2012, the City issued \$1,925,000 Certificates of Obligations Series 2012 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all payable property within the city. The certificates were issued to advance refund the remaining bonds outstanding of the Certificates of Obligations Series 2002 and \$1,335,000 of the Certificates of Obligations Series 2005. The refunding saved the City a total of \$188,521 with a net present value of \$173,073.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 8 -- LONG-TERM DEBT (CONT.)

A. General Obligation Bonds (Cont.)

On July 9, 2015, the City issued \$6,275,000 Certificates of Obligations Series 2015 pursuant to the constitution and general laws of the State of Texas, particularly, Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and in ordinance adopted by the City Council. The certificates constitute direct and general obligations of the City payable from ad valorem taxes levied against all property within the city, as well as pledged revenue of up to \$1,000 of the surplus revenues from the Proprietary Fund. The certificates were issued for the purpose of paying contractual obligations of the City for the construction of city street and drainage improvements; improvements and extensions of the City's water system; renovation of the City's community/civic center; and park improvements.

B. Debt Amortization

Requirements to amortize all long-term bond debt over the remaining lives are as follows:

Governmental Activities:

Fiscal Year Ending September 30	Principal	Interest	Total
2017	\$ 505,700	\$ 248,089	\$ 753,789
2018	518,600	235,696	754,296
2019	490,300	224,507	714,807
2020	508,800	213,621	722,421
2021	519,500	200,761	720,261
2022-2026	2,404,200	788,079	3,192,279
2027-2031	2,107,200	428,269	2,535,469
2032-2036	1,212,400	83,791	1,296,191
	<u>\$ 8,266,700</u>	<u>\$ 2,422,813</u>	<u>\$ 10,689,513</u>

Business -Type Activities:

Fiscal Year Ending September 30	Principal	Interest	Total
2017	\$ 354,300	\$ 283,095	\$ 637,395
2018	366,400	272,388	638,788
2019	419,700	260,877	680,577
2020	431,200	248,288	679,488
2021	445,500	234,399	679,899
2022-2026	2,475,800	926,069	3,401,869
2027-2031	2,692,800	416,585	3,109,385
2032-2036	892,600	60,915	953,515
	<u>\$ 8,078,300</u>	<u>\$ 2,702,616</u>	<u>\$ 10,780,916</u>

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 8 -- LONG-TERM DEBT (CONT.)

B. Debt Amortization (Continued)

Requirements to amortize capital leases over the remaining lives are as follows:

Year Ending September 30,	Lease Payments
2017	\$ 28,394
2018	19,640
	48,034
Less: Amount Representing Interest	(3,644)
	<u>\$ 44,390</u>

NOTE 9 -- EMPLOYEES' RETIREMENT SYSTEM

A. Plan Description

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tnrs.com.

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

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 9 -- EMPLOYEES' RETIREMENT SYSTEM (CONT.)

B. Benefits Provided (Continued)

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

	2014	2015
Inactive Employees or Beneficiaries Currently Receiving Benefits	13	13
Inactive Employees Entitled to but Not Yet Receiving Benefits	19	21
Active employees	26	27
	<u>58</u>	<u>61</u>

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 7.65% and 7.48% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016 were \$142,042 and exceeded the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	3.5% to 10.5% per year
Investment Rate of Return*	6.75%

* Presented net of pension plan investment expense, including inflation

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 9 -- EMPLOYEES' RETIREMENT SYSTEM (CONT.)

E. Actuarial Assumptions (Continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Health Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used with slight adjustments.

Actuarial assumptions used in the December 31, 2015 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding the expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.65%
Real Return	10.00%	4.03%
Real Estate	10.00%	5.00%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	8.00%
	<u>100.00%</u>	

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 9 -- EMPLOYEES' RETIREMENT SYSTEM (CONT.)

E. Actuarial Assumptions (Continued)

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

F. Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2015:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2014	\$ 2,001,464	\$ 1,699,455	\$ 302,009
Changes for the year:			
Service Cost	156,540	-	156,540
Interest	143,776	-	143,776
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	26,730	-	26,730
Changes of Assumptions	52,564	-	52,564
Contributions - Employer	-	109,610	(109,610)
Contributions - Employee	-	71,675	(71,675)
Net Investment Income	-	2,508	(2,508)
Benefit Payments, Including Refunds of Employee Contributions	(51,596)	(51,596)	-
Administrative Expense	-	(1,527)	1,527
Other Changes	-	(75)	75
Net Changes	328,014	130,595	197,419
Balance at December 31, 2015	\$ 2,329,478	\$ 1,830,050	\$ 499,428

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability	\$ 850,181	\$ 499,428	\$ 211,172

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 9 -- EMPLOYEES' RETIREMENT SYSTEM (CONT.)

G. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

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

For the year ended September 30, 2016, the City recognized pension expense of \$163,779. Also as of September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 12,074	\$ -
Changes in Actuarial Assumptions	40,672	-
Differences Between Projected and Actual Investment Earnings	104,879	-
Contributions Subsequent to the Measurement Date	111,279	-
	<u>\$ 268,904</u>	<u>\$ -</u>

Deferred outflows of resources in the amount of \$111,279 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,	
2016	\$ 42,417
2017	42,417
2018	42,415
2019	30,376
	<u>\$ 157,625</u>

NOTE 10 -- RISK MANAGEMENT

The City of Garden Ridge, Texas, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To cover this risk the City contracts with the Texas Municipal League (TML) to provide insurance coverage for Property/Casualty and Worker's Compensation. TML is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2016, were \$65,135.

CITY OF GARDEN RIDGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2016

NOTE 11 -- COMMITMENTS AND CONTINGENCIES

Litigation

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City's liability in these cases, if decided adversely to the City, will not have a material effect on the City's financial position.

Commitments – Operating Leases

The City entered into an operating lease with Wells Fargo for a 63 month lease of copiers and printers for use by City employees to perform their regular job duties. Future minimum rentals under the lease are as follows:

<u>Years Ending September 30,</u>	
2017	\$ 19,140
2018	17,545
	<u>\$ 36,685</u>

Commitments – Maintenance Yard

The City entered into a communications facility license agreement with New Cingular Wireless PCS, LLC for the use of land at the City's maintenance yard for construction of a cell tower. Future minimum rental revenues under the lease are as follows:

<u>Years Ending September 30,</u>	
2017	\$ 24,000
2018	24,000
2019	14,000
	<u>\$ 62,000</u>

Commitments – Streets, Drainage and Waterline Replacement

The City entered into a contract with QRO Construction Co. Inc. to repair the streets and replace the drainage and waterline systems within the City. As of September 30, 2016, the City had the following estimated commitments related to this contract:

	Contractual Amount	Expended to Date	Estimated Remaining Commitment
Waterline, Streets, & Drainage Improvements	\$ 4,098,082	\$ 513,571	\$ 3,584,511

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes – Net Pension Liability and Related Ratios
- Schedule of Employer Contributions

CITY OF GARDEN RIDGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
<i>Taxes:</i>				
Ad Valorem	\$ 1,291,684	\$ 1,291,684	\$ 1,250,653	\$ (41,031)
Mixed Beverage	200	200	23	(177)
Sales	186,000	186,000	234,986	48,986
<i>Total Taxes</i>	<u>1,477,884</u>	<u>1,477,884</u>	<u>1,485,662</u>	<u>7,778</u>
<i>Franchise Fees:</i>				
Cable	68,000	68,000	58,948	(9,052)
Electric	280,000	300,000	313,008	13,008
Gas	16,698	16,379	16,379	-
Telephone	25,850	30,000	34,376	4,376
Water	60,396	60,396	61,838	1,442
<i>Total Franchise Fees</i>	<u>450,944</u>	<u>474,775</u>	<u>484,549</u>	<u>9,774</u>
<i>Licenses and Permits:</i>				
Building & Electrical	175,000	175,000	119,092	(55,908)
Other	3,950	3,600	3,330	(270)
<i>Total Licenses and Permits</i>	<u>178,950</u>	<u>178,600</u>	<u>122,422</u>	<u>(56,178)</u>
<i>Charges for Services:</i>				
Rental Fees	129,816	129,816	121,343	(8,473)
Planning & Variance	10,000	10,000	3,850	(6,150)
Garbage Collection	70,000	72,000	72,562	562
Pet Registration	3,700	2,500	2,365	(135)
<i>Total Charges for Services</i>	<u>213,516</u>	<u>214,316</u>	<u>200,120</u>	<u>(14,196)</u>
<i>Fines and Forfeitures:</i>				
Court Fines	173,540	168,440	131,910	(36,530)
Warrant Fees & Fines	15,000	10,000	10,447	447
<i>Total Fines and Forfeitures</i>	<u>\$ 188,540</u>	<u>\$ 178,440</u>	<u>\$ 142,357</u>	<u>\$ (36,083)</u>

CITY OF GARDEN RIDGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL – GENERAL FUND (CONT.)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES (CONT.)				
<i>Other Sources:</i>				
Interest	\$ 1,700	\$ 1,700	\$ 3,389	\$ 1,689
Impact Fees	16,929	16,929	16,929	-
Contributions	4,900	8,016	9,724	1,708
Miscellaneous	29,000	44,000	60,992	16,992
<i>Total Other Sources</i>	<u>52,529</u>	<u>70,645</u>	<u>91,034</u>	<u>20,389</u>
 TOTAL REVENUES	 <u>2,562,363</u>	 <u>2,594,660</u>	 <u>2,526,144</u>	 <u>(68,516)</u>
 EXPENDITURES				
<i>General Administration:</i>				
Personnel	244,548	238,602	237,640	962
Contract Fees	216,218	217,801	218,480	(679)
Administrative	189,810	187,320	99,485	87,835
Capital Outlay	20,000	20,000	25,064	(5,064)
Insurance	9,695	8,563	8,563	-
Other	50,259	30,000	31,682	(1,682)
<i>Total General Administration</i>	<u>730,530</u>	<u>702,286</u>	<u>620,914</u>	<u>81,372</u>
 <i>Municipal Court:</i>				
Personnel	51,248	51,929	52,322	(393)
Contract Fees	9,600	9,600	9,600	-
Other	9,598	17,679	12,756	4,923
<i>Total Municipal Court</i>	<u>70,446</u>	<u>79,208</u>	<u>74,678</u>	<u>4,530</u>
 <i>Police Protection:</i>				
Personnel	1,021,408	1,016,567	908,014	108,553
Operations & Maintenance	105,066	103,803	106,902	(3,099)
Capital Outlay	46,969	46,969	54,258	(7,289)
Insurance	13,383	13,383	10,582	2,801
Leases	6,400	6,400	5,491	909
<i>Total Police Protection</i>	<u>\$ 1,193,226</u>	<u>\$ 1,187,122</u>	<u>\$ 1,085,247</u>	<u>\$ 101,875</u>

CITY OF GARDEN RIDGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL – GENERAL FUND (CONT.)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (CONT.)				
<i>Public Facilities:</i>				
Personnel	\$ 232,452	\$ 230,813	\$ 225,211	\$ 5,602
Contract Fees	3,000	3,000	4,440	(1,440)
Operations & Maintenance	48,450	58,380	51,192	7,188
Streets and Drainage	6,000	7,000	6,245	755
Insurance	2,737	1,850	1,850	-
Animal Control & Park	93,081	74,981	63,074	11,907
Library	37,480	37,381	33,489	3,892
Community Center	58,615	64,561	62,798	1,763
Capital Outlay	22,000	46,790	58,794	(12,004)
<i>Total Public Facilities</i>	<u>503,815</u>	<u>524,756</u>	<u>507,093</u>	<u>17,663</u>
<i>Debt Service:</i>				
Principal	27,827	27,827	27,827	-
Interest and Agent Fees	1,099	1,099	1,099	-
<i>Total Debt Service</i>	<u>28,926</u>	<u>28,926</u>	<u>28,926</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,526,943</u>	<u>2,522,298</u>	<u>2,316,858</u>	<u>205,440</u>
Excess (Deficiency) Over (Under) Expenditures	<u>35,420</u>	<u>72,362</u>	<u>209,286</u>	<u>136,924</u>
OTHER FINANCING SOURCES (USES)				
Capital Lease and Proceeds from Sale	<u>2,000</u>	<u>2,000</u>	<u>58,908</u>	<u>56,908</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,000</u>	<u>2,000</u>	<u>58,908</u>	<u>56,908</u>
Net Change in Fund Balance	37,420	74,362	268,194	193,832
Fund Balance - October 1	<u>1,561,121</u>	<u>1,561,121</u>	<u>1,561,121</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 1,598,541</u>	<u>\$ 1,635,483</u>	<u>\$ 1,829,315</u>	<u>\$ 193,832</u>

CITY OF GARDEN RIDGE, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – GENERAL FUND
SEPTEMBER 30, 2016

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund and Debt Service Fund.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. As of September 30, 2016 the expenditures did not exceed appropriations in total in the General Fund.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be reappropriated and honored during the subsequent year.

CITY OF GARDEN RIDGE, TEXAS
SCHEDULE OF CHANGES - NET PENSION LIABILITY AND RELATED RATIOS
LAST TWO CALENDAR YEARS

Total Pension Liability		
	2014	2015
Service Cost	\$ 136,727	\$ 156,540
Interest (on the Total Pension Liability)	129,152	143,776
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	(14,048)	26,730
Change of Assumptions	-	52,564
Benefit Payments, Including Refunds of Employee Contributions	(54,069)	(51,596)
Net Change in Total Pension Liability	197,762	328,014
Total Pension Liability - Beginning	1,803,702	2,001,464
Total Pension Liability - Ending	<u>\$ 2,001,464</u>	<u>\$ 2,329,478</u>
Plan Fiduciary Net Position		
	2014	2015
Contributions - Employer	\$ 74,419	\$ 109,610
Contributions - Employee	64,346	71,675
Net Investment Income	87,453	2,508
Benefit Payments, Including Refunds of Employee Contributions	(54,069)	(51,596)
Administrative Expense	(913)	(1,527)
Other	(75)	(75)
Net Change in Plan Fiduciary Net Position	171,161	130,595
Plan Fiduciary Net Position - Beginning	1,528,294	1,699,455
Net Pension Liability - Ending	<u>\$ 1,699,455</u>	<u>\$ 1,830,050</u>
Net Pension Liability - Ending	\$ 302,009	\$ 499,428
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.91%	78.56%
Covered Employee Payroll	\$ 1,286,918	\$ 1,433,517
Net Pension Liability as a Percentage of Covered Employee Payroll	23.47%	34.84%

CITY OF GARDEN RIDGE, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2016
LAST TWO FISCAL YEARS

	2014	2015
Actuarially Determined Contribution	\$ 75,988	69,953
Contributions in Relation to the Actuarially Determined Contribution	76,052	104,953
Contribution Deficiency (Excess)	\$ (64)	(35,000)
 Covered Employee Payroll	 \$ 1,286,918	 \$ 1,394,604
 Contributions as a Percentage of Covered Employee Payroll	 5.91%	 7.53%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.



SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Statements – General Fund
- Comparative Statements – Debt Service Fund
- Comparative Statements – Capital Projects Fund
- Comparative Statements – Nonmajor Fund
- Comparative Statements – Proprietary Funds

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,846,404	\$ 1,547,103
Taxes Receivable (Net of Uncollectible of \$30,821 and \$21,637, respectively)	27,305	18,349
Due from Other Funds	38,802	33,608
Other Receivables	126,384	104,418
Prepaid Items	4,807	2,368
TOTAL ASSETS	<u><u>\$ 2,043,702</u></u>	<u><u>\$ 1,705,846</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 137,426	\$ 78,563
Accrued Expenditures	40,882	38,845
Deposits	9,000	9,361
<i>Total Liabilities</i>	<u>187,308</u>	<u>126,769</u>
<i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	27,079	17,956
<i>Total Deferred Inflows of Resources:</i>	<u>27,079</u>	<u>17,956</u>
<i>Fund Balance:</i>		
Non-Spendable:		
Prepaid Items	4,807	2,368
Restricted:		
Child Safety	22,687	16,647
Court Security	7,882	11,108
Court Technology	37	-
Donations	17,596	15,517
PEG Capital Fees	85,161	71,782
Unassigned	1,691,145	1,443,699
<i>Total Fund Balance</i>	<u>1,829,315</u>	<u>1,561,121</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCE	<u><u>\$ 2,043,702</u></u>	<u><u>\$ 1,705,846</u></u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
<i>Taxes:</i>		
Ad Valorem	\$ 1,250,653	\$ 1,150,138
Mixed Beverage	23	147
Sales	234,986	240,090
<i>Total Taxes</i>	<u>1,485,662</u>	<u>1,390,375</u>
<i>Franchise Fees:</i>		
Cable	58,948	62,308
Electric	313,008	300,520
Gas	16,379	16,698
Telephone	34,376	34,429
Water	61,838	60,858
<i>Total Franchise Fees</i>	<u>484,549</u>	<u>474,813</u>
<i>Licenses and Permits:</i>		
Building & Electrical	119,092	138,049
Other	3,330	3,735
<i>Total Licenses and Permits</i>	<u>122,422</u>	<u>141,784</u>
<i>Charges for Services:</i>		
Rental Fees	121,343	119,551
Planning & Variance	3,850	2,250
Garbage Collection	72,562	73,826
Pet Registration	2,365	2,475
<i>Total Charges for Services</i>	<u>200,120</u>	<u>198,102</u>
<i>Fines and Forfeitures:</i>		
Court Fines	131,910	125,673
Warrant Fees & Fines	10,447	9,791
<i>Total Fines & Forfeitures</i>	<u>\$ 142,357</u>	<u>\$ 135,464</u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - (CONTINUED)
GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES (CONT.)		
<i>Other Sources:</i>		
Interest	\$ 3,389	\$ 1,352
Impact Fees	16,929	-
Contributions	9,724	6,156
Miscellaneous	60,992	22,685
<i>Total Other Sources</i>	<u>91,034</u>	<u>30,193</u>
 TOTAL REVENUES	 <u>2,526,144</u>	 <u>2,370,731</u>
 EXPENDITURES		
<i>General Administration:</i>		
Personnel	237,640	198,030
Contract Fees	218,480	215,020
Administrative	99,485	154,953
Insurance	8,563	10,190
Other	31,682	3,912
Capital Outlay	25,064	33,080
<i>Total General Administration</i>	<u>620,914</u>	<u>615,185</u>
 <i>Municipal Court:</i>		
Personnel	52,322	50,004
Contract Fees	9,600	9,600
Other	12,756	9,441
<i>Total Municipal Court</i>	<u>74,678</u>	<u>69,045</u>
 <i>Public Safety:</i>		
Personnel	908,014	929,724
Operations & Maintenance	106,902	102,439
Capital Outlay	54,258	26,195
Insurance	10,582	12,138
Lease Payments	5,491	20,913
<i>Total Public Safety</i>	<u>\$ 1,085,247</u>	<u>\$ 1,091,409</u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - (CONTINUED)
GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
EXPENDITURES (CONT.)		
<i>Public Facilities:</i>		
Personnel	\$ 225,211	\$ 220,580
Contract Fees	4,440	3,492
Operations & Maintenance	51,192	40,631
Streets and Drainage	6,245	4,557
Insurance	1,850	1,475
Animal Control & Park	63,074	32,347
Library	33,489	33,618
Community Center	62,798	51,800
Capital Outlay	58,794	2,825
<i>Total Public Facilities</i>	<u>507,093</u>	<u>391,325</u>
<i>Debt Service:</i>		
Principal	27,827	19,255
Interest and Agent Fees	1,099	520
<i>Total Debt Service</i>	<u>28,926</u>	<u>19,775</u>
TOTAL EXPENDITURES	<u>2,316,858</u>	<u>2,186,739</u>
Excess (Deficiency) Over (Under) Expenditures	<u>209,286</u>	<u>183,992</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from Capital Lease	55,308	26,195
Proceeds from Sale of Equipment	3,600	4,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>58,908</u>	<u>30,195</u>
Net Change in Fund Balance	268,194	214,187
Fund Balance - October 1	<u>1,561,121</u>	1,346,934
Fund Balance - September 30	<u>\$ 1,829,315</u>	<u>\$ 1,561,121</u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	\$ 3,662	\$ 12,350
Taxes Receivable	<u>15,432</u>	<u>8,290</u>
TOTAL ASSETS	<u><u>\$ 19,094</u></u>	<u><u>\$ 20,640</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 395	\$ -
<i>Total Liabilities</i>	<u>395</u>	<u>-</u>
<i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenues	<u>15,414</u>	<u>8,238</u>
<i>Total Deferred Inflows of Resources</i>	<u>15,414</u>	<u>8,238</u>
<i>Fund Balance:</i>		
Restricted	<u>3,285</u>	<u>12,402</u>
<i>Total Fund Balance:</i>	<u>3,285</u>	<u>12,402</u>
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$ 19,094</u></u>	<u><u>\$ 20,640</u></u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
DEBT SERVICE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Ad Valorem Tax	\$ 702,300	\$ 518,509
Interest	642	4,568
TOTAL REVENUES	<u>702,942</u>	<u>523,077</u>
 EXPENDITURES		
Bond Interest and Fiscal Charges	497,054	219,887
Bond Principal	413,800	348,000
TOTAL EXPENDITURES	<u>910,854</u>	<u>567,887</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(207,912)</u>	 <u>(44,810)</u>
 OTHER FINANCING SOURCES (USES)		
Transfer In	<u>198,795</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES SOURCES (USES)	 <u>198,795</u>	 <u>-</u>
 Net Change in Fund Balance	 (9,117)	 (44,810)
 Fund Balance - October 1	 <u>12,402</u>	 <u>57,212</u>
Fund Balance - September 30	<u>\$ 3,285</u>	<u>\$ 12,402</u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND
SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Investments	\$ 5,589,348	\$ 6,687,618
Due from Other Funds	<u>-</u>	<u>875</u>
TOTAL ASSETS	<u><u>\$ 5,589,348</u></u>	<u><u>\$ 6,688,493</u></u>
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 521,150	\$ -
Due to Other Funds	<u>1,391,347</u>	<u>2,850,126</u>
<i>Total Liabilities</i>	<u><u>1,912,497</u></u>	<u><u>2,850,126</u></u>
<i>Fund Balance:</i>		
Restricted	<u>3,676,851</u>	<u>3,838,367</u>
<i>Total Fund Balance</i>	<u><u>3,676,851</u></u>	<u><u>3,838,367</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 5,589,348</u></u>	<u><u>\$ 6,688,493</u></u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Interest	\$ 10,832	\$ 4,347
TOTAL REVENUES	<u>10,832</u>	<u>4,347</u>
 EXPENDITURES		
Capital Projects	172,348	1,782,628
Bond Issuance Costs	-	124,317
TOTAL EXPENDITURES	<u>172,348</u>	<u>1,906,945</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(161,516)</u>	<u>(1,902,598)</u>
 OTHER FINANCING SOURCES (USES)		
Proceeds from Bonds Issued	-	3,639,500
Premium on Bonds	-	294,691
TOTAL OTHER FINANCING SOURCES SOURCES (USES)	<u>-</u>	<u>3,934,191</u>
 Net Change in Fund Balance	(161,516)	2,031,593
 Fund Balance - October 1	<u>3,838,367</u>	<u>1,806,774</u>
 Fund Balance - September 30	<u><u>\$ 3,676,851</u></u>	<u><u>\$ 3,838,367</u></u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE BALANCE SHEETS
NONMAJOR FUNDS – ASSET SEIZURE
SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Investments	<u>\$ 63,470</u>	<u>\$ 5,791</u>
TOTAL ASSETS	<u><u>\$ 63,470</u></u>	<u><u>\$ 5,791</u></u>
FUND BALANCE		
<i>Fund Balance:</i>		
Restricted	<u>63,470</u>	<u>5,791</u>
<i>Total Fund Balance</i>	<u>63,470</u>	<u>5,791</u>
TOTAL LIABILITIES AND		
FUND BALANCE	<u><u>\$ 63,470</u></u>	<u><u>\$ 5,791</u></u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
NONMAJOR FUNDS – ASSET SEIZURE
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Fines and Forfeits	\$ 68,497	\$ 10,700
Interest	57	19
TOTAL REVENUES	<u>68,554</u>	<u>10,719</u>
 EXPENDITURES		
Police Protection	595	1,262
Capital Outlay	10,280	40,740
TOTAL EXPENDITURES	<u>10,875</u>	<u>42,002</u>
 Net Change in Fund Balance	57,679	(31,283)
 Fund Balance - October 1	5,791	37,074
Fund Balance - September 30	<u>\$ 63,470</u>	<u>\$ 5,791</u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF NET POSITION
WATER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 3,774,416	\$ 3,857,266
Accounts Receivable - Customers	157,417	217,696
Prepaid Items	1,504	3,575
<i>Total Current Assets</i>	<u>3,933,337</u>	<u>4,078,537</u>
<i>Other Assets:</i>		
Restricted Cash and Investments	468,485	326,619
Due from Other Funds	1,352,545	2,850,126
<i>Total Other Assets</i>	<u>1,821,030</u>	<u>3,176,745</u>
<i>Capital Assets:</i>		
Land	139,954	139,954
Water Rights	454,144	454,144
Buildings	94,183	94,183
Water Lines, Wells & Tanks	10,787,005	10,764,627
Vehicles & Equipment	733,836	709,046
Construction in Progress	1,699,476	241,572
Accumulated Depreciation	(4,144,524)	(3,711,068)
<i>Total Capital Assets, Net of Depreciation</i>	<u>9,764,074</u>	<u>8,692,458</u>
TOTAL ASSETS	<u>15,518,441</u>	<u>15,947,740</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Related Outflows	55,257	18,955
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>55,257</u>	<u>18,955</u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF NET POSITION (CONT.)
WATER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

LIABILITIES	2016	2015
<i>Current Liabilities:</i>		
Accounts Payable	\$ 40,959	\$ 24,117
Accrued Liabilities	12,149	8,840
Accrued Interest	10,990	23,372
Due to Other Funds	-	34,483
Vacation Leave Payable	24,565	37,778
Customer Deposits	177,445	171,132
<i>Noncurrent Liabilities:</i>		
Due Within One Year	377,500	309,662
Due In More Than One Year	8,053,360	8,430,866
Net Pension Liability	99,929	57,121
TOTAL LIABILITIES	8,796,897	9,097,371
 DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Related Inflows	-	2,143
TOTAL DEFERRED INFLOWS OF RESOURCES	-	2,143
 NET POSITION		
Investment in Capital Assets	2,725,436	2,802,056
Restricted Water Impact Fees	468,485	326,619
Unrestricted	3,582,880	3,738,506
TOTAL NET POSITION	\$ 6,776,801	\$ 6,867,181



CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND NET POSITON – WATER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUE		
Water Sales	\$ 1,271,905	\$ 1,102,931
Meter Installation Fees	23,850	17,225
Impact Fees	141,204	-
Other	82,306	60,348
TOTAL OPERATING REVENUE	<u>1,519,265</u>	<u>1,180,504</u>
OPERATING EXPENSES		
Personnel Costs	384,536	355,738
Plant Operations and Maintenance	381,475	350,328
General and Administrative	151,094	138,009
Capital Outlay	34,525	2,750
Depreciation	433,456	397,251
TOTAL OPERATING EXPENSES	<u>1,385,086</u>	<u>1,244,076</u>
OPERATING INCOME (LOSS)	<u>134,179</u>	<u>(63,572)</u>
NONOPERATING INCOME (EXPENSES)		
Interest Income	5,932	4,870
Interest Expense	(31,696)	(149,833)
TOTAL NONOPERATING INCOME (EXPENSES)	<u>(25,764)</u>	<u>(144,963)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>108,415</u>	<u>(208,535)</u>
Transfers In (Out)	<u>(198,795)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(90,380)</u>	<u>(208,535)</u>
NET POSITION AT BEGINNING OF YEAR	<u>6,867,181</u>	<u>7,075,716</u>
TOTAL NET POSITION AT END OF YEAR	<u><u>\$ 6,776,801</u></u>	<u><u>\$ 6,867,181</u></u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF CASH FLOWS
WATER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,579,544	\$ 1,121,132
Cash paid to suppliers for goods and services	(544,872)	(492,057)
Cash paid to employees for services and benefits	(393,386)	(294,830)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>641,286</u>	<u>334,245</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net Customer Deposits Received (Returned)	6,313	5,232
Interfund Receivables/Payables and Transfers	1,264,303	(412,913)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,270,616</u>	<u>(407,681)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Capital Acquisition	(1,505,072)	(506,637)
Principal Payments on Debt	(286,200)	-
Amortization of Bond Premium	(23,468)	-
Interest Paid for Financing Activities	(44,078)	-
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(1,858,818)</u>	<u>(506,637)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income and Other Income	5,932	4,870
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>5,932</u>	<u>4,870</u>
NET INCREASE (DECREASE) IN CASH	<u>59,016</u>	<u>(575,203)</u>
CASH AND CASH EQUIVALENTS AT OCTOBER 1:		
Cash and Cash Equivalents	3,857,266	3,688,447
Restricted Cash and Cash Equivalents	326,619	1,070,641
	<u>4,183,885</u>	<u>4,759,088</u>
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30:		
Cash and Cash Equivalents	3,774,416	3,857,266
Restricted Cash and Cash Equivalents	468,485	326,619
	<u>\$ 4,242,901</u>	<u>\$ 4,183,885</u>

CITY OF GARDEN RIDGE, TEXAS
COMPARATIVE STATEMENTS OF CASH FLOWS (CONT.)
WATER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 134,179	\$ (63,572)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	433,456	397,251
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	60,279	(59,372)
Decrease (Increase) in Prepaid Items	2,071	(3,575)
Increase (Decrease) in Accounts Payable & Accrued Liabilities	20,150	2,605
Increase (Decrease) in Vacation Payable	(13,213)	20,599
Increase (Decrease) in Pension Liabilities	4,364	40,309
	<u> </u>	<u> </u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 641,286</u>	<u>\$ 334,245</u>



STATISTICAL SECTION

This part of the City of Garden Ridge's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends (Tables 1 through 4)

Net Position by Component
Change in Net Position
Fund Balances - Governmental Funds
Changes in Fund Balances - Governmental Funds

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

Revenue Capacity (Tables 5 through 9)

Tax Revenues by Source - Governmental Funds
Direct and Overlapping Property Tax Rates
Principal Property Taxpayers
Property Tax Levies and Collections
Assessed Value

These schedules contain information to help readers assess the factors affecting the City's ability to generate its property and sales tax.

Debt Capacity (Tables 10 through 11)

Ratios of Outstanding Debt by Type
Debt Margin Information

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

Demographic and Economic Information (Tables 12 through 13)

Demographic and Economic Statistics
Principal Employers

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments.

CITY OF GARDEN RIDGE, TEXAS
NET POSITION, BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
NET POSITION				
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 2,827,817	\$ 2,822,804	\$ 3,056,435	\$ 4,290,587
Restricted	275,986	335,379	226,886	295,583
Unrestricted	1,453,132	1,519,996	1,429,820	351,468
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 4,556,935</u>	<u>\$ 4,678,179</u>	<u>\$ 4,713,141</u>	<u>\$ 4,937,638</u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 3,210,451	\$ 3,102,819	\$ 3,125,456	\$ 1,760,141
Restricted	756,362	873,891	961,922	937,347
Unrestricted	874,004	1,314,258	1,725,627	3,092,950
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 4,840,817</u>	<u>\$ 5,290,968</u>	<u>\$ 5,813,005</u>	<u>\$ 5,790,438</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$ 6,038,268	\$ 5,925,623	\$ 6,181,891	\$ 6,050,728
Restricted	1,032,348	1,209,270	1,188,808	1,232,930
Unrestricted	2,327,136	2,834,254	3,155,447	3,444,418
<i>Total Primary Government Net Position</i>	<u>\$ 9,397,752</u>	<u>\$ 9,969,147</u>	<u>\$ 10,526,146</u>	<u>\$ 10,728,076</u>

Note: Years 2007-2014 have not been restated for adoption of GASB No. 68. Years 2009-2014 have been restated for the transfer of debt to the proprietary fund. See Note 12 for more detail.

TABLE 1

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 3,320,483	\$ 3,553,731	\$ 3,461,062	\$ 4,545,413	\$ 4,134,312	\$ 3,726,037
350,485	236,676	158,793	132,531	132,531	196,833
1,341,098	1,056,721	1,428,388	945,724	1,214,715	2,022,935
<u>\$ 5,012,066</u>	<u>\$ 4,847,128</u>	<u>\$ 5,048,243</u>	<u>\$ 5,623,668</u>	<u>\$ 5,481,558</u>	<u>\$ 5,945,805</u>
\$ 2,688,473	\$ 2,981,297	\$ 3,138,760	\$ 2,382,256	\$ 2,802,056	\$ 2,725,436
985,138	989,180	1,168,024	1,070,641	326,619	468,485
2,572,195	2,768,462	3,158,627	398,200	3,738,506	3,582,880
<u>\$ 6,245,806</u>	<u>\$ 6,738,939</u>	<u>\$ 7,465,411</u>	<u>\$ 3,851,097</u>	<u>\$ 6,867,181</u>	<u>\$ 6,776,801</u>
\$ 6,008,956	\$ 6,535,028	\$ 6,599,822	\$ 7,086,333	\$ 6,936,368	\$ 6,451,473
1,166,436	1,195,922	1,326,817	1,203,172	459,150	665,318
4,082,480	3,855,117	4,587,015	4,447,459	4,953,221	5,605,815
<u>\$ 11,257,872</u>	<u>\$ 11,586,067</u>	<u>\$ 12,513,654</u>	<u>\$ 12,736,964</u>	<u>\$ 12,348,739</u>	<u>\$ 12,722,606</u>

CITY OF GARDEN RIDGE, TEXAS
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
<i>Governmental Activities</i>				
General Administration	\$ 439,625	\$ 539,006	\$ 719,763	\$ 599,815
Police Protection	866,723	921,956	951,919	1,045,040
Municipal Court	48,020	40,300	54,555	54,411
Public Facilities	1,034,011	574,335	460,226	517,969
Interest and Fiscal Charges	125,078	163,403	169,850	39,839
<i>Total Governmental Activities Expenses</i>	<u>2,513,457</u>	<u>2,239,000</u>	<u>2,356,313</u>	<u>2,257,074</u>
<i>Business-Type Activities</i>				
Water and Sewer	636,544	826,896	775,060	1,002,722
Total Primary Government Expenses	<u>\$ 3,150,001</u>	<u>\$ 3,065,896</u>	<u>\$ 3,131,373</u>	<u>\$ 3,259,796</u>
Program Revenues				
<i>Governmental Activities</i>				
Charges for Service:				
General Administration	\$ 388,690	\$ 446,091	\$ 337,948	\$ 248,585
Police Protection	221,866	129,758	183,376	162,429
Public Facilities	-	-	64,300	74,040
Operating Grants and Contributions	29,719	12,712	87,318	74,648
Capital Grants and Contributions	127,341	-	-	-
<i>Total Governmental Activities Program Revenues</i>	<u>767,616</u>	<u>588,561</u>	<u>672,942</u>	<u>559,702</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water and Sewer	1,219,388	1,377,989	1,331,826	960,585
Capital Grants and Contributions	276,474	-	37,500	-
<i>Total Business-Type Activities Program Revenues</i>	<u>1,495,862</u>	<u>1,377,989</u>	<u>1,369,326</u>	<u>960,585</u>
Total Primary Government Program Revenues	<u>\$ 2,263,478</u>	<u>\$ 1,966,550</u>	<u>\$ 2,042,268</u>	<u>\$ 1,520,287</u>

Note: Years 2007-2014 have not been restated for adoption of GASB No. 68. Years 2009-2014 have been restated for the transfer of debt to the proprietary fund. See Note 12 for more detail.

TABLE 2

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 675,369	\$ 687,622	\$ 661,157	\$ 706,719	\$ 752,203	\$ 675,567
1,054,547	1,059,925	1,040,620	1,098,517	1,151,588	1,105,268
53,539	59,681	64,158	68,488	69,997	76,819
475,642	490,398	514,462	582,289	621,000	750,765
128,637	121,890	471,942	134,765	316,428	454,501
<u>2,387,734</u>	<u>2,419,516</u>	<u>2,752,339</u>	<u>2,590,778</u>	<u>2,911,216</u>	<u>3,062,920</u>
982,475	1,078,976	1,160,691	1,355,804	1,393,909	1,416,782
<u>\$ 3,370,209</u>	<u>\$ 3,498,492</u>	<u>\$ 3,913,030</u>	<u>\$ 3,946,582</u>	<u>\$ 4,305,125</u>	<u>\$ 4,479,702</u>
\$ 244,878	\$ 288,138	\$ 235,281	\$ 248,025	\$ 220,335	\$ 201,198
146,622	170,495	198,850	125,042	135,457	142,357
67,168	85,389	104,350	103,310	119,821	121,508
27,754	49,237	60,249	27,806	17,476	80,461
-	-	-	-	-	-
<u>486,422</u>	<u>593,259</u>	<u>598,730</u>	<u>504,183</u>	<u>493,089</u>	<u>545,524</u>
1,418,583	1,167,466	1,687,250	1,090,452	1,180,196	1,512,787
-	-	-	306,000	-	-
<u>1,418,583</u>	<u>1,167,466</u>	<u>1,687,250</u>	<u>1,396,452</u>	<u>1,180,196</u>	<u>1,512,787</u>
<u>\$ 1,905,005</u>	<u>\$ 1,760,725</u>	<u>\$ 2,285,980</u>	<u>\$ 1,900,635</u>	<u>\$ 1,673,285</u>	<u>\$ 2,058,311</u>

CITY OF GARDEN RIDGE, TEXAS
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
Net (Expenses) Revenue				
Governmental Activities	\$ (1,745,841)	\$ (1,650,439)	\$ (1,683,371)	\$ (1,697,372)
Business-Type Activities	859,318	551,093	594,266	(42,137)
Total Primary Government				
Net Expenses	<u>\$ (886,523)</u>	<u>\$ (1,099,346)</u>	<u>\$ (1,089,105)</u>	<u>\$ (1,739,509)</u>
Governmental Revenues and Other				
Changes in Net Position				
<i>Governmental Activities</i>				
Taxes:				
Property Taxes	\$ 895,261	\$ 1,024,432	\$ 1,140,105	\$ 1,431,850
Franchise Fees	234,467	285,789	291,868	297,837
Sales Taxes	216,844	188,051	148,704	143,045
Interest and Investment Earnings	90,672	15,390	18,950	35,991
Impact Fees	54,392	43,596	-	-
Miscellaneous	32,825	55,246	16,427	13,146
Transfers	(1,026)	159,179	102,279	-
<i>Total Governmental Activities</i>	<u>1,523,435</u>	<u>1,771,683</u>	<u>1,718,333</u>	<u>1,921,869</u>
<i>Business-Type Activities</i>				
Interest and Investment Earnings	67,728	58,237	30,000	19,570
Miscellaneous	-	-	50	-
Transfers	1,026	(159,179)	(102,279)	-
<i>Total Business-Type Activities</i>	<u>68,754</u>	<u>(100,942)</u>	<u>(72,229)</u>	<u>19,570</u>
Total Primary Government	<u>\$ 1,592,189</u>	<u>\$ 1,670,741</u>	<u>\$ 1,646,104</u>	<u>\$ 1,941,439</u>
Changes In Net Position				
Government Activities	\$ (222,406)	\$ 121,244	\$ 34,962	\$ 224,497
Business-Type Activities	928,072	450,151	522,037	(22,567)
Total Primary Government	<u>\$ 705,666</u>	<u>\$ 571,395</u>	<u>\$ 556,999</u>	<u>\$ 201,930</u>

TABLE 2 (CONT.)

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ (1,901,312)	\$ (1,826,257)	\$ (2,153,609)	\$ (2,086,595)	\$ (2,418,127)	\$ (2,517,396)
436,108	88,490	526,559	40,648	40,648	96,005
<u>\$ (1,465,204)</u>	<u>\$ (1,737,767)</u>	<u>\$ (1,627,050)</u>	<u>\$ (2,045,947)</u>	<u>\$ (2,377,479)</u>	<u>\$ (2,421,391)</u>
\$ 1,469,966	\$ 1,494,460	\$ 1,590,461	\$ 1,624,027	\$ 1,690,029	\$ 1,969,253
319,006	325,347	325,817	399,499	474,813	484,549
162,379	161,559	225,031	185,567	240,237	235,009
12,238	5,555	38,352	10,744	6,244	14,919
-	-	20,520	-	-	16,929
12,151	62,157	340,935	42,411	25,803	62,189
-	(387,759)	9,621	801,356	-	198,795
<u>1,975,740</u>	<u>1,661,319</u>	<u>2,550,737</u>	<u>3,063,604</u>	<u>2,437,126</u>	<u>2,981,643</u>
19,260	16,884	13,521	6,759	4,870	5,932
-	-	-	250	308	6,478
-	387,759	(9,621)	(801,356)	-	(198,795)
<u>19,260</u>	<u>404,643</u>	<u>3,900</u>	<u>(794,347)</u>	<u>5,178</u>	<u>(186,385)</u>
<u>\$ 1,995,000</u>	<u>\$ 2,065,962</u>	<u>\$ 2,554,637</u>	<u>\$ 2,269,257</u>	<u>\$ 2,442,304</u>	<u>\$ 2,795,258</u>
\$ 74,428	\$ (164,938)	\$ 397,128	\$ 977,009	\$ 18,999	\$ 464,247
455,368	493,133	530,459	(753,699)	(208,535)	(90,380)
<u>\$ 529,796</u>	<u>\$ 328,195</u>	<u>\$ 927,587</u>	<u>\$ 223,310</u>	<u>\$ (189,536)</u>	<u>\$ 373,867</u>

CITY OF GARDEN RIDGE, TEXAS
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
Nonspendable Fund Balance:				
Prepaid Items	\$ 2,094	\$ 1,505	\$ 24,941	\$ 1,513
Restricted Fund Balance:				
Public Safety	-	-	-	-
Donations	28,557	6,263	20,370	8,613
PEG Capital Fees	-	-	-	-
Debt Service	21,404	92,198	97,841	203,761
Asset Forfeiture	72,734	81,855	105,649	83,209
Capital Projects Fund	-	-	-	-
Total Restricted Fund Balance	<u>122,695</u>	<u>180,316</u>	<u>223,860</u>	<u>295,583</u>
Assigned Fund Balance				
Capital Projects Fund	<u>350,974</u>	<u>346,106</u>	<u>138,589</u>	<u>152,377</u>
Unassigned	<u>1,344,569</u>	<u>1,454,790</u>	<u>1,279,327</u>	<u>1,169,406</u>
<i>Total Governmental Funds</i>	<u><u>\$ 1,820,332</u></u>	<u><u>\$ 1,982,717</u></u>	<u><u>\$ 1,666,717</u></u>	<u><u>\$ 1,618,879</u></u>

TABLE 3

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 2,253	\$ 2,706	\$ 686	\$ 312	\$ 2,368	\$ 4,807
-	9,041	14,935	20,249	27,755	30,606
9,107	10,410	10,785	13,561	15,517	17,596
24,809	35,653	46,387	56,945	71,782	85,161
297,988	136,866	52,491	57,212	12,402	3,285
18,581	44,706	75,333	37,074	5,791	63,470
-	-	3,051,863	1,806,774	3,838,367	3,676,851
350,485	236,676	3,251,794	1,991,815	3,971,614	3,876,969
153,187	-	-	-	-	-
1,123,997	829,680	1,305,811	1,255,867	1,443,699	1,691,145
\$ 1,629,922	\$ 1,069,062	\$ 4,558,291	\$ 3,247,994	\$ 5,417,681	\$ 5,572,921

CITY OF GARDEN RIDGE, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
REVENUES				
Taxes	\$ 1,116,206	\$ 1,213,643	\$ 1,283,518	\$ 1,578,764
Franchise Fees	234,467	285,788	291,868	297,837
Licenses and Permits	328,324	357,210	273,093	185,168
Charges for Services	60,365	88,881	128,755	127,268
Fines and Forfeits	221,866	129,758	247,521	229,462
Other Revenue	213,099	122,945	58,951	65,308
TOTAL REVENUES	<u>2,174,327</u>	<u>2,198,225</u>	<u>2,283,706</u>	<u>2,483,807</u>
EXPENDITURES				
General Government	421,030	519,470	554,331	564,052
Municipal Court	41,938	41,701	54,580	54,808
Police Protection	863,883	910,852	951,694	1,035,158
Public Facilities	181,240	243,317	330,566	368,676
Capital Outlay	945,459	171,935	232,338	36,955
Debt Service:				
Principal	225,000	168,803	294,187	352,359
Debt Issue Costs	-	-	-	41,971
Interest and Fiscal Charges	182,684	277,150	167,874	121,261
TOTAL EXPENDITURES	<u>2,861,234</u>	<u>2,333,228</u>	<u>2,585,570</u>	<u>2,575,240</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(686,907)</u>	<u>(135,003)</u>	<u>(301,864)</u>	<u>(91,433)</u>
OTHER FINANCING				
SOURCES (USES)				
Bond Proceeds	-	-	-	855,000
Capital Lease Proceeds	-	84,580	-	-
Other Sources	-	-	60	1,625
Premium on Bonds	-	-	-	42,080
Payments to Escrow Agent	-	-	-	(855,110)
Transfers In (Out)	(1,026)	159,179	102,279	-
TOTAL OTHER FINANCING	<u>(1,026)</u>	<u>243,759</u>	<u>102,339</u>	<u>43,595</u>
SOURCES (USES)	<u>(1,026)</u>	<u>243,759</u>	<u>102,339</u>	<u>43,595</u>
NET CHANGE IN FUND BALANCE	<u>\$ (687,933)</u>	<u>\$ 108,756</u>	<u>\$ (199,525)</u>	<u>\$ (47,838)</u>
Debt Service as a percentage of				
Noncapital Expenditures	21.3%	20.6%	19.6%	18.7%

TABLE 4

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 1,634,958	\$ 1,651,819	\$ 1,818,985	\$ 1,809,097	\$ 1,908,884	\$ 2,187,962
319,006	325,346	325,817	399,499	474,813	484,549
182,447	210,250	153,738	172,677	141,784	122,422
129,200	162,957	186,084	179,648	198,102	200,120
164,564	215,110	252,544	148,320	146,164	210,854
34,102	110,485	406,171	56,690	39,127	102,565
<u>2,464,277</u>	<u>2,675,967</u>	<u>3,143,339</u>	<u>2,765,931</u>	<u>2,908,874</u>	<u>3,308,472</u>
564,328	585,350	541,259	566,245	582,105	595,850
56,176	59,359	64,272	68,710	69,045	74,678
970,310	1,006,232	985,112	1,034,779	1,066,476	1,031,584
274,546	294,287	316,290	430,409	388,500	448,299
130,959	586,100	631,274	1,778,233	1,885,468	320,744
325,000	223,045	349,596	352,793	367,255	441,627
-	-	185,346	-	124,317	-
132,415	122,593	177,237	229,619	220,407	498,153
<u>2,453,734</u>	<u>2,876,966</u>	<u>3,250,386</u>	<u>4,460,788</u>	<u>4,703,573</u>	<u>3,410,935</u>
<u>10,543</u>	<u>(200,999)</u>	<u>(107,047)</u>	<u>(1,694,857)</u>	<u>(1,794,699)</u>	<u>(102,463)</u>
-	-	5,270,962	-	3,639,500	-
-	22,898	29,905	-	26,195	55,308
500	5,000	-	-	4,000	3,600
-	-	247,620	-	294,691	-
-	-	(1,961,832)	-	-	-
-	(387,759)	9,621	(801,356)	-	198,795
<u>500</u>	<u>(359,861)</u>	<u>3,596,276</u>	<u>(801,356)</u>	<u>3,964,386</u>	<u>257,703</u>
<u>\$ 11,043</u>	<u>\$ (560,860)</u>	<u>\$ 3,489,229</u>	<u>\$ (2,496,213)</u>	<u>\$ 2,169,687</u>	<u>\$ 155,240</u>
19.7%	24.6%	25.8%	31.1%	19.7%	30.4%

CITY OF GARDEN RIDGE, TEXAS
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales & Use</u>	<u>Franchise</u>	<u>Total Revenue</u>
2016	\$ 1,952,953	\$ 235,009	\$ 484,549	\$ 2,672,511
2015	1,668,647	240,237	474,813	2,383,697
2014	1,623,529	185,568	399,499	2,208,596
2013	1,593,954	225,031	325,817	2,144,802
2012	1,490,260	161,559	325,346	1,977,165
2011	1,472,579	162,254	319,006	1,953,839
2010	1,435,965	142,799	297,837	1,876,601
2009	1,135,056	148,462	291,868	1,575,386
2008	1,025,592	188,051	285,788	1,499,431
2007	899,362	216,844	234,467	1,350,673

CITY OF GARDEN RIDGE, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 6

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
	Basic Rate	Debt Service	Total	Comal County	Comal ISD	Emergency Service District 6	
2016	0.191800	0.108400	0.300200	0.342921	1.390000	0.086000	2.119121
2015	0.189900	0.085800	0.275700	0.342921	1.390000	0.071900	2.080521
2014	0.185746	0.097500	0.283246	0.314321	1.430000	0.072500	2.100067
2013	0.182658	0.100588	0.283246	0.314321	1.430000	0.072500	2.100067
2012	0.171176	0.097620	0.268796	0.305421	1.430000	0.072500	2.076717
2011	0.164696	0.098276	0.262972	0.334000	1.430000	0.072500	2.099472
2010	0.161900	0.092908	0.254808	0.312955	1.310000	0.030000	1.907763
2009	0.146696	0.062841	0.209537	0.308023	1.310000	0.030000	1.857560
2008	0.149798	0.071226	0.221024	0.317993	1.310000	0.027482	1.876499
2007	0.150514	0.081946	0.232460	0.315201	1.640000	0.028029	2.215690

Source: Comal County Tax Office

CITY OF GARDEN RIDGE, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND NINE YEARS AGO
(UNAUDITED)

TABLE 7

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percent Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent Total City Taxable Assessed Value
Hanson Aggregates	\$ 31,597,762	1	4.79%	\$ 24,779,560	1	6.49%
Tricon Precast	4,500,000	2	0.68%			
Dean Word Company	3,365,970	3	0.51%			
Hanson Brick (Personal Property)	3,102,210	4	0.47%			
Hanson Aggregates Mid Pacific Inc.	2,887,540	5	0.44%			
Cara Graceland LLC	2,573,720	6	0.39%			
Tricon Precast	2,500,000	7	0.38%			
Hanson Brick (Land & Building)	2,411,500	8	0.37%	12,273,540	2	3.22%
Overman Properties III LLC	2,359,142	9	0.36%	1,292,450	6	0.34%
Brohn Group LLC	1,530,070	10	0.23%			
Sheridan Homes SA LTD				2,712,430	3	0.71%
R H Of Texas LP				1,365,500	4	0.36%
Gelco Corp				1,357,270	5	0.36%
L S 3009 LTD				1,266,880	7	0.33%
Kirchofer & Sons, Inc.				1,264,110	8	0.33%
Blanton Family LTD Partnership				1,075,860	9	0.28%
Overman Properties IV LLC				1,001,900	10	0.26%
TOTALS	<u>\$ 56,827,914</u>		<u>8.62%</u>	<u>\$ 48,389,500</u>		<u>12.68%</u>
TOTAL TAXABLE ASSESSED VALUE	<u>\$ 659,253,958</u>			<u>\$ 381,547,416</u>		

Source: Comal County Appraisal District

CITY OF GARDEN RIDGE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	% of Levy		Amount	% of Levy
2016	\$ 1,979,080	\$ 1,948,438	98.45%	\$ -	\$1,948,438	98.45%
2015	1,692,751	1,667,834	98.53%	4,355	1,672,189	98.79%
2014	1,623,205	1,621,485	99.89%	909	1,622,394	99.95%
2013	1,586,961	1,580,018	99.56%	7,173	1,587,191	100.01%
2012	1,485,819	1,477,179	99.42%	8,564	1,485,743	99.99%
2011	1,455,522	1,449,561	99.59%	11,341	1,460,902	100.37%
2010	1,421,803	1,412,773	99.36%	21,484	1,434,257	100.88%
2009	1,139,766	1,123,993	98.62%	27,425	1,151,418	101.02%
2008	1,017,574	1,006,799	98.94%	17,711	1,024,510	100.68%
2007	887,978	881,084	99.22%	15,405	896,489	100.96%

Source: Comal County Tax Office

CITY OF GARDEN RIDGE, TEXAS
 ASSESSED VALUE
 LAST TEN FISCAL YEARS

TABLE 9

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2016	\$ 569,151,802	\$ 165,175,132	\$ 75,072,976	\$ 659,253,958	0.3002000
2015	535,825,084	143,635,227	65,477,311	613,983,000	0.2757000
2014	486,137,203	143,634,533	56,699,435	573,072,301	0.2832460
2013	470,101,195	143,057,486	52,875,332	560,283,349	0.2832460
2012	461,924,568	134,420,900	43,818,410	552,527,058	0.2687960
2011	436,188,800	158,569,330	39,062,089	555,696,041	0.2629720
2010	429,743,344	167,986,100	39,739,473	557,989,971	0.2548080
2009	401,942,887	169,083,578	27,108,172	543,918,293	0.2095370
2008	325,188,643	155,220,623	20,018,282	460,390,984	0.2221024
2007	273,809,421	126,485,587	18,747,592	381,547,416	0.2324600

Source: Comal County Appraisal District.

CITY OF GARDEN RIDGE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 10

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Lease			
2016	\$ -	\$ 8,266,700	\$ -	\$ 44,390	\$ 8,311,090	1.26%	\$ 2,159
2015	-	8,680,500	-	16,908	8,697,408	1.42%	2,323
2014	-	5,041,000	-	9,969	5,050,969	0.88%	1,377
2013	-	5,358,100	-	27,562	5,385,662	0.96%	1,527
2012	-	2,430,000	-	14,853	2,444,853	0.44%	721
2011	-	2,870,000	-	-	2,870,000	0.52%	881
2010	-	3,075,000	120,000	-	3,195,000	0.57%	941
2009	-	3,260,000	235,000	42,359	3,537,359	0.65%	1,104
2008	-	3,425,000	345,000	61,546	3,831,546	0.83%	1,301
2007	-	3,550,000	450,000	-	4,000,000	1.05%	1,434

CITY OF GARDEN RIDGE, TEXAS
DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Taxable Assessed Value

TABLE 11

\$ 659,253,958

Debt Limit - Texas statutes do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value.

\$ 65,925,396

Amount of Applicable Debt:

General Obligation Debt Outstanding
Less Funds Available in Debt Service Fund

\$ 8,311,090

(3,285)

8,307,805

DEBT MARGIN

\$ 57,617,591

	Fiscal Year				
	2012	2013	2014	2015	2016
Taxable Assessed Value	\$ 552,527,058	\$ 560,283,349	\$ 573,072,301	\$ 613,983,000	\$ 659,253,958
Debt Limit	\$ 55,252,706	\$ 56,028,335	\$ 56,028,335	\$ 61,398,300	\$ 65,925,396
Total Net Debt					
Applicable to Limit	(6,293,134)	(11,857,509)	(11,292,788)	(8,685,006)	(8,307,805)
Total Debt Margin	<u>\$ 48,959,572</u>	<u>\$ 44,170,826</u>	<u>\$ 44,735,547</u>	<u>\$ 52,713,294</u>	<u>\$ 57,617,591</u>

	Fiscal Year				
	2007	2008	2009	2010	2011
Taxable Assessed Value	\$ 381,547,416	\$ 460,390,984	\$ 543,918,293	\$ 557,989,971	\$ 555,696,041
Debt Limit	\$ 38,154,742	\$ 46,039,098	\$ 54,391,829	\$ 55,798,997	\$ 55,569,604
Total Net Debt					
Applicable to Limit	(3,978,596)	(3,677,802)	(3,397,159)	(7,027,553)	(6,662,553)
Total Debt Margin	<u>\$ 34,176,146</u>	<u>\$ 42,361,296</u>	<u>\$ 50,994,670</u>	<u>\$ 48,771,444</u>	<u>\$ 48,907,051</u>

CITY OF GARDEN RIDGE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 12

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2016	3,850	\$ 56,342	51.5	675	4.1%
2015	3,744	60,665	50.8	625	3.7%
2014	3,667	57,339	50.6	606	4.6%
2013	3,526	62,010	50.6	536	5.9%
2012	3,389	59,234	50.6	512	6.0%
2011	3,259	57,505	48.1	440	6.8%
2010	3,397	40,201	47.3	0	6.5%
2009	3,205	40,201	47.3	0	6.0%
2008	2,944	40,201	47.3	0	4.1%
2007	2,789	40,201	47.3	0	3.7%

Source: U.S. Census Bureau and Texas Workforce Commission

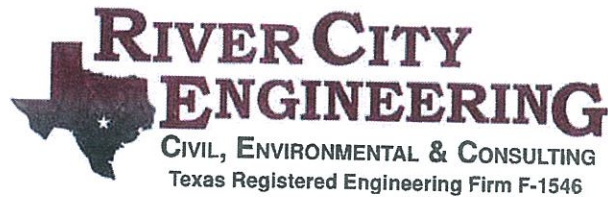
CITY OF GARDEN RIDGE, TEXAS
TOP TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO
(UNAUDITED)

TABLE 13

Employer	2016			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland Air Force Base	37,097	1	3.41%	28,100	2	3.03%
Fort Sam Houston	32,000	2	2.95%	30,793	1	3.32%
HEB Food Stores	20,000	3	1.84%	14,588	4	1.57%
USAA	17,000	4	1.56%	14,852	3	1.60%
Northside I.S.D.	12,751	5	1.17%	12,597	5	1.36%
Randolph Air Force Base	11,068	6	1.02%	10,700	6	1.15%
North East I.S.D.	10,052	7	0.93%	10,223	7	1.10%
City of San Antonio	9,145	8	0.84%	9,000	8	0.97%
Methodist Healthcare System	8,118	9	0.75%	7,013	10	0.76%
San Antonio I.S.D.	7000	10	0.64%	7,581	9	0.82%
	<u>164,231</u>		<u>15.12%</u>	<u>145,447</u>		<u>15.66%</u>

Source: San Antonio Economic Development Foundation

Garden Ridge is a suburban area included in the San Antonio metropolitan area. Garden Ridge has limited employment, and most citizens' commute to San Antonio to work, therefore employment information for the City of San Antonio is presented above.



MEMORANDUM

DATE: JANUARY 23, 2017
TO: CITY OF GARDEN RIDGE – CITY COUNCIL
FROM: RIVER CITY ENGINEERING (RCE) *GDM*
RE: PROJECT UPDATES FOR FEBRUARY 2017 COUNCIL MEETING

2013 CIP Project – Warranty Repairs

The contractor will schedule the seal coating for this repair once paving has begun in the new CIP project area, in early spring. The contractor has agreed to repair a section of the roadway on Timber Rose that has failed near Bluebell as part of their warranty repair.

2015 CIP Project – Waterlines, Street and Drainage

The contractor has begun waterline placement on Gloxinia. The northern section of the project has been completed by the waterline contractor. The street contractor has placed topsoil in the areas that can be completed and curbing placement should begin in the next two weeks on the remainder of the project.

Seven pay requests have been approved for this project totaling \$1,190,041.75. No change orders have been requested or approved at this time.

2016 CIP Project – Street improvements

Construction documents are 60% complete.

Well 9 & 10 Site Development

The bid opening for this project is scheduled for January 26, 2017 at 2 PM. RCE will make a recommendation and present bid tabulations for the contract at the Council Meeting. We will discuss the CIP Bond Budget at that time.

Commercial Wastewater Service Planning

The Impact Fee Committee took action on the Wastewater Master Plan at their January 19th meeting. A recommendation will be made to the Council at the February 1, 2017 meeting.

Water Master Plan Update

The Water Master Plan was presented at the January 19th Impact Fee Committee meeting. The Committee will meet in February to discuss the plan and possibly take action at that time.

Seal Coat and Striping Municipal Pkwy

We are preparing the bid documents for the Seal Coating of Municipal Pkwy. One option that we are considering is to bid this project with the 2016 CIP project that will complete the street work in the Park Lane area. We will make a recommendation once we have the documents developed for consideration by Council/Staff.

Racial Profile Tier 1 HB3389

PLEASE NOTE: The official form does not allow for Other and Unknown in the Race or Ethnicity boxes on the TCOLE website. Please contact TCOLE for instructions on how to resolve these issues for 2012. This report only includes traffic stops resulting in a citation, traffic stops resulting in a citation with an arrest, traffic stops resulting in a warning with an arrest and field interviews that resulted in an arrest.

Number of Motor Vehicle Stops			
1062	Citations only		
39	Arrest only		
50	Citations and Arrests		
		4.	1151 Total
Race or Ethnicity			
89	African		
13	Asian		
735	Caucasian		
304	Hispanic		
7	Middle Eastern		
3	Native American		
0	Other		
0	Unknown		
		11.	1151 Total
Race or Ethnicity known prior to stop?			
2	Yes		
1149	No		
		14.	1151 Total
Search conducted?			
101	Yes		
1050	No		
		17.	1151 Total
Was search consented?			
5	Yes		
96	No		
		20.	101 Total

AN ORDINANCE TO ORDER A GENERAL ELECTION ON MAY 6, 2017 FOR THE CITY OF GARDEN RIDGE FOR THE PURPOSE OF ELECTING THE MAYOR AND ALDERMEN TO CITY COUNCIL, PLACES TWO AND THREE; SUCH ELECTION SHALL BE A JOINT ELECTION BETWEEN THE CITY OF GARDEN RIDGE AND THE COMAL INDEPENDENT SCHOOL DISTRICT; MAKING PROVISIONS FOR THE CONDUCT OF SUCH ELECTION AND RESOLVING OTHER MATTERS RELATED TO THE CONDUCT OF SUCH ELECTION

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARDEN RIDGE, TEXAS;

- 1) That a General Election is hereby ordered to be held on May 6, 2017 in the City of Garden Ridge, Texas for the purpose of electing the Mayor and Aldermen to City Council, Place Two and City Council, Place Three. Each Alderman elected shall serve a term of two years, with their terms terminating in May 2019, or when their successors are duly elected and qualified.
- 2) That said election shall be a joint election between the City of Garden Ridge and the Comal Independent School District with such joint election conducted in accordance with the terms as set forth in an Agreement to Conduct Joint Elections between Comal Independent School District and the City of Garden Ridge for the May 6, 2017 Elections.
- 3) That at said election each of the foregoing named City Council positions shall be voted upon separately and that the candidate receiving the highest number of votes for each said City Council position shall be elected to such office.
- 4) That qualified persons desiring to be candidates in the aforementioned City Council Places shall file for election as such candidates with the City Secretary beginning at 8:00 a.m. on the 18th day of January, 2017 and not later than 5:00 p.m. on the 17th day of February, 2017.
- 5) Voting on Election Day and during early voting shall be done on eSlate DRE with paper ballots being used for voting by mail, curbside voting and emergency voting. Votes cast in the May 6, 2017 election will be counted on Election Day at the polling place designated in this ordinance.
- 6) The polling place designated for Garden Ridge voting precinct 205 for voting in the May 6, 2017 General Election shall be the Garden Ridge City Council Chambers located at 9400 Municipal Parkway, Garden Ridge,

Texas and such polling place shall be open on said Election Day from 7:00 a.m. to 7:00 p.m.

- 7) The polling place designated for Garden Ridge voting precinct 205 for Early Voting for the May 6, 2017 General Election shall be the Garden Ridge City Council Chambers located at 9400 Municipal Parkway, Garden Ridge, Texas. Early Voting will be conducted from April 24 through May 2, 2017 and include the two required 12 hour voting days; voting dates and times are as follows:

Early Voting

Monday: April 24 th	8am-5pm
Tuesday: April 25 th	8am-5pm
Wednesday: April 26 th	7am-7pm
Thursday: April 27 th	8am-4pm
Friday: April 28 th	8am-5pm
Monday: May 1 st	8am-5pm
Tuesday: May 2 nd	7am-7pm

Election Day

Saturday, May 6 th	7am-7pm
-------------------------------	---------

- 8) Applications for ballot by mail shall be mailed to Shelley Goodwin, Early Voting Clerk, 9400 Municipal Parkway, Garden Ridge, Texas, 78266. Applications for ballots by mail must be received by the Early Voting Clerk no later than the close of business on April 25, 2017.
- 9) The Election Judges appointed to conduct the May 6, 2017 General Election are as follows:

Election Judge:	Charles Flink 8475 Park Lane Dr. Garden Ridge, Texas 78266
-----------------	--

Alternate Election Judge:	Peggy Campbell 9435 Gardenia Bend Garden Ridge, Texas 78266
---------------------------	---

- 10) The Election Judge shall appoint at least two (2) clerks to assist in the proper conduct of the election.
- 11) The Election Judge and at least two (2) clerks shall serve as the Early Voting Ballot Board of said election.

- 12) The Election Judge, Alternate Judge and election clerks shall be paid at the rate of \$10.00 per hour.
- 13) The Early Voting Clerk shall appoint Deputy Early Voting Clerks to assist the Early Voting Clerk in the proper conduct of Early Voting for the May 6, 2017 General Election. At least one Deputy Early Voting Clerk shall be paid \$10.00 per hour and not an employee of the City of Garden Ridge.
- 14) That notice of the May 6, 2017 General Election of the City of Garden Ridge be posted and published in accordance with the Election Code of the State of Texas.

PASSED AND APPROVED this 1ST day of February, 2017.

John McCaw, Mayor Pro Tem

ATTEST:

Shelley Goodwin
City Secretary

UNA ORDENANZA PARA UN GENERAL ELECCIONES ON 6 DE MAYO, 2017 DE LA CIUDAD DE GARDEN RIDGE CON EL FIN DE ELEGIR EL ALCALDE Y LOS CONCEJALES AL AYUNTAMIENTO, LOS LUGARES DOS Y TRES; TAL ELECCIÓN SERÁ UNA ELECCIÓN COMÚN ENTRE LA CIUDAD DEL JARDÍN Y EL COMAL INDEPENDENT SCHOOL DISTRICT; ADOPTAR DISPOSICIONES PARA LA REALIZACIÓN DE DICHA ELECCIÓN Y RESOLVER OTROS ASUNTOS RELACIONADOS CON EL DESARROLLO DE ESTAS ELECCIONES AHORA

POR LO TANTO, SER ORDENADO POR EL AYUNTAMIENTO DE LA CIUDAD DE GARDEN RIDGE, TEXAS;

- 1) que una elección General se ordena por la presente que se celebrará el 06 de mayo de 2017, en la ciudad de Garden Ridge, Texas con el fin de elegir el alcalde y los concejales al Ayuntamiento, lugar dos y Consejo de ciudad, lugar tres. Cada concejal elegida ejercerá un mandato de dos años, con su mandato que termina en mayo de 2019, o sus sucesores debidamente electos y calificados.
- 2) que dice elecciones serán una elección conjunta entre la ciudad del jardín y el distrito independiente escolar de Comal con tal elección conjunta realizada de conformidad con los términos como conjunto adelante en un acuerdo para realizar elecciones conjuntas entre el distrito escolar independiente de Comal y la ciudad de Garden Ridge para las elecciones del 06 de mayo de 2017.
- 3) que en dicha elección lo anterior nombrado Ayuntamiento posiciones votará sobre por separado y que el candidato recibe el mayor número de votos para cada posición del Concejo Municipal será elegida a dicha oficina.
- 4) que calificó las personas que deseen ser candidatos en los lugares ya mencionados del Concejo Municipal deberán presentar a las elecciones como tales candidatos con el Secretario de la ciudad inicio a las 8:00 el día 18 de enero de 2017 y no más tarde de 17:00 el día 17 de febrero de 2017.
- 5) voto en la jornada electoral y durante la votación anticipada se hará en eSlate DRE de pantalla táctil con papeletas para la votación por correo,

acera de voto y voto de emergencia. Votos emitidos en las elecciones del 06 de mayo de 2017 se computará en la jornada electoral en el lugar de votación señalado en esta ordenanza.

- 6) el lugar de votación designado para Garden Ridge voto electoral 205 para votar en el 06 de mayo de 2017 elecciones generales será la cámara del Concilio Ridge Garden situado en 9400 Municipal Parkway, Garden Ridge, Texas y dicha votación será abierto en dicho día de la elección de 7:00 a 19:00
- 7) el lugar de votación designado para Garden Ridge recinto 205 la votación para la votación temprana para el 06 de mayo de 2017 elecciones generales será la cámara del Concilio Ridge Garden situado en 9400 Municipal Parkway, Garden Ridge, Texas. Votación temprana se realizará desde el 24 de abril al 02 de mayo de 2017 e incluyen los dos días de votación requiere 12 horas; voto las fechas y horarios son los siguientes:

La votación anticipada

El lunes: 24 de abril	8:00-17:00
El martes: 25 de abril	8:00-17:00
Miércoles: 26 de abril	7:00-19:00
Jueves: 27 de abril	8:00-16:00
Viernes: 28 de abril	8:00-17:00
El lunes: 1 ° de mayo	8:00-17:00
El martes: 2 ° muchos	7:00-19:00

Día de las elecciones

El sábado, 6 de mayo	7:00-19:00
----------------------	------------

- 8) solicitudes de votación por correo se le enviará a Shelley Goodwin, votación adelantada, 9400 Municipal Parkway, Garden Ridge, Texas, 78266. Aplicaciones para las papeletas por correo deben recibirse la votación adelantada no más adelante que el cierre de las operaciones el 25 de abril de 2017.
- 9) los elección de jueces designado para llevar a cabo el 06 de mayo de 2017 elecciones generales son las siguientes:

Juez de Elecciones: Charles Flink
Dr. 8475 Park Lane.
Garden Ridge, Texas 78266

Magistrado electoral Suplente: Peggy Campbell
9435 gardenia curva
Garden Ridge, Texas 78266

- 10) el juez electoral designará al menos dos 2 Secretarios para ayudar en la regularidad de la elección.
- 11) el juez de la elección y por lo menos dos 2 Secretarios deberán servir como Consejo temprano de boleta de votación de dicha elección.
- 12) los secretarios de juez electoral, Juez suplente y la elección se abonará a razón de \$10.00 por hora.
- 13) la votación adelantada nombrará diputado secretarios votar temprano para asistir a la votación adelantada en la regularidad de la votación temprana para el 06 de mayo de 2017 elecciones generales. Al menos un diputado de votación adelantada se abonará \$10,00 por hora y no un empleado de la ciudad de Garden Ridge.
- 14) que el aviso del 06 de mayo de 2017 elecciones generales de la ciudad de Garden Ridge publicada y publicado de conformidad con el código electoral del estado de Texas.

PASADO y aprobado el día 1 de febrero de 2017.

John McCaw, Alcaldesa Pro Tem

ATESTIGUAR:

Shelley Goodwin
Secretario de la ciudad

ORDINANCE 71-112016

AN ORDINANCE AMENDING ORDINANCE NUMBER 71 DATED MARCH 5, 2014, IDENTIFYING A POTENTIALLY SEVERE PROBLEM IN THE MAINTENANCE OF HEALTH AMONG THE THOUSANDS OF OAK TREES WITHIN THE CITY OF GARDEN RIDGE, TEXAS; IDENTIFYING THE DISEASE OF THREAT TO THOSE TREES AS OAK WILT; ESTABLISHING PROCEDURES FOR CONTROL AND DISPOSITION OF DISEASED TREES WITHIN THE CITY; KEEPING OF PROPERTY FREE FROM DISEASED TREES; REGULATING REMOVAL AND DISPOSAL; PROHIBITING NUISANCES; PROVIDING FOR NOTICE AND ABATEMENT; PROVIDING FOR COST RECOVERY; DEFINING TERMS; PROVIDING PENALTIES; PROVIDING FOR ENFORCEMENT; PROVIDING FOR PENALTIES FOR THIS ORDINANCE; AND PROVIDING FOR SEVERABILITY AND PUBLICATION

Whereas, the City of Garden Ridge is forested with various trees which provide natural beauty within the City, with oaks being the most numerous; and

Whereas, the forests, copses and individually cultivated and maintained trees of the city are essential to the economic, environmental and aesthetic welfare of the citizens of Garden Ridge and;

Whereas, oak wilt, a vascular-tree disease that is fatal to most oaks, has been discovered within the City; and

Whereas, oak wilt is spread by a sap-feeding nitidulid beetle that migrates from an infected oak tree carrying spores to an open wound on other oak trees, including live oak trees which then spread the disease to nearby healthy trees through interconnected root masses of the infected and healthy trees; and

Whereas, the City Council has determined that diseased trees and parts thereof are a public nuisance and are dangerous to persons and property and are a serious threat to property values and;

Whereas, the Texas Forest Service has recommended measures to combat the spread of oak wilt.

Whereas, the City Council has determined that abatement of such nuisance is to the benefit of public health, safety and general welfare;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARDEN RIDGE, TEXAS;

SECTION 1 – OAK TREE-TRIMMING REGULATIONS

1.01 – DEFINITIONS

Oak Tree: A deciduous tree of the genus *Quercus* which bears acorns as fruit, and lobed leaves, including but not limited to live oaks, red oaks, and white oaks.

1.02 – PROHIBITIONS

Any person, individual, firm, corporation, contractor, landscape contractor, tree trimmer, builder, utility service or any type of business entity which causes a wound to an oak tree, whether from ground- maintenance equipment, trimming, cutting or pruning shall paint the wound immediately after the cutting, trimming, pruning or wounding of the tree with opaque paint to prevent contact with contaminated nitidulid beetles. Painting of oak roots is required by contractors making underground utility cuts and excavations where there are live oak roots.

1.03 - PERMITTING

No person, individual, firm, corporation, contractor, landscape contractor, tree trimmer, builder, utility service or any type of business entity shall trim, prune or remove any oak tree within the City between February 1 and July 1 of each year.

1.04 – EXCEPTIONS

It is not a violation of section 1.02 to:

Completely remove damaged or dead oak trees from a property.

To immediately trim an oak tree because of an act of God or an accident which has caused damage to the tree and immediate trimming is necessary to protect an individual's safety or property.

To comply with Garden Ridge Ordinance 107 to maintain clearance of roadways, right-of-ways, to clear obstructions of traffic control devices and visibility.

SECTION 2 – DISEASED OAK TREES AS NUISANCE

2.01 – NUISANCE DEFINED

Any oak tree or part thereof which is infected by a lethal communicable disease that is likely to spread to other trees, including but not limited to oak wilt, dead oak trees, oak firewood and other wood from oak trees that are infected with oak wilt are hereby declared a public nuisance, pursuant to Chapter 342 of the Texas Health and Safety Code.

2.02 – OAK WILT

The disease of greatest concern to this city, *Ceratocystis Fagacearum* (Oak Wilt), is a fungus which attacks oak trees. It being the duty of all citizens to safeguard personal and public properties, all are enjoined to learn to identify and report to the City Administrator any sightings of oak wilt disease. To learn more about the prevention of Oak Wilt please visit the Texas Forest Service's website <http://texasforestservicetamu.edu/>.

a. Transmission

1. Spores of the fungi are carried by insects and may invade recently wounded branches or tree trunks at the point of exposure.
2. All oak firewood imported to the city may carry the fungi which may, when placed in the vicinity of living oak trees, create an infection center capable of spreading the disease to surrounding healthy oak trees.
3. The disease may move in live oaks from one tree to another where trees are close enough to one another that their root systems are interconnected by underground grafting.
4. The spores may be carried from diseased trees to healthy trees by sap beetles.

b. Symptoms

1. Live Oak

- (a) limb flagging
- (b) light brown leaves (Spring)
- (c) dead leaf margins (Summer)
- (d) dead veins (Fall)
- (e) leaf drop
- (f) tree dies quickly (weeks or months) and may often involve large areas
- (g) trees do not respond to water
- (h) 1 tree or clump at a time

2. Red Oak

- (a) wilted leaves
- (b) leaves die from tips inward
- (c) tree dies within days
- (d) no leaf drop

SECTION 3 – ABATEMENT OF NUISANCE

3.01 – ABATEMENT OF NUISANCE BY OWNER OR OCCUPANT

It shall be unlawful for any person, owner or occupant having supervision or control of any lot, tract, parcel of land or portion thereof, occupied or unoccupied, improved or unimproved, within the corporate limit of the city to permit or maintain on any such lot, tract or parcel, any oak tree or part thereof which is a nuisance and it shall be the duty of such person, owner or occupant to promptly remove, eradicate or otherwise control such condition and dispose of it as recommended by the Texas Forest Service.. *Property owners within 100' from dripline of infected trees(s) are subject to any nuisance abatement or treatment plan as necessary to prevent the spread of oak wilt or other communicable disease.*

Upon discovery of an infected oak tree the owner or occupant having supervision or control of the property shall:

- a. Flag trees affected to facilitate locating
- b. Report finding to City Administrator
- c. Act immediately to treat or remove affected oak tree(s)

Treat infected and uninfected tree/s on property with fungicide specifically utilized for oak wilt;

Prepare a plan for trenching 48" deep 100' from dripline of infected tree/s. Plan must contain addresses of all adjacent properties within 100' that trenching will occur upon and must be accompanied by a letter from each property owner of the properties that trenching will occur on stating that the property owner will participate in the trenching and pay their portion of costs associated with the trenching. The City will send written notice to all adjacent properties within 100' from dripline of infected trees to advise of nuisance finding of the City Administrator.

Trenching plan is to be submitted to the City of Garden Ridge for approval within 60 days from date the oak wilt infection is reported to the city.; and

Trenching must be completed within 45 days after the trenching plan is approved by the city.

If a property owner desires to have the tree/s tested to confirm oak wilt the property owner will pay for all costs associated with testing of the tree/s. Test results whether positive or negative for oak wilt must be submitted to the city within 5 days of receiving results.

The City will not be responsible for enforcing any cost sharing agreements made between property owners.

3.02 – ABATEMENT OF NUISANCE BY CITY

a. Inspections:

Save and except as provided herein, permission of the owner, occupant, or person in control of any premises shall be necessary for entry onto the subject premises by City personnel or the Texas Forest Service pursuant to this Ordinance. If such entry is requested and refused, and the City or Texas Forest Service has probable cause to believe there exists on the subject premises a public nuisance, the City or Texas Forest Service shall go before a Municipal Court Judge of the City and request a search warrant. The purpose of that warrant shall be to determine the presence of a public nuisance and to obtain such specimens of oak trees or parts thereof as are required for the purpose of analysis to determine whether the same are infected with oak wilt, or some other communicable disease.

b. Notice:

Whenever any condition described in this Ordinance is found to exist in the City, the City Administrator or designated representative shall serve or cause to be served notice to the owner, agent or occupant of the lot, parcel or premises on which the nuisance exists to remove or remedy the condition(s) within ten (10) working days from the date of the notice. Such service of notice shall be by personal service or certified mail, return receipt requested. Written notice served by certified mail must be addressed to the owner at the owner's address as recorded in the appraisal district records of the appraisal district in which the property is located; additionally notice of the violation should be posted on a placard attached to a stake driven into the ground on the property to which the violation relates. Certified mail returned as "unclaimed" or "refused" shall be deemed delivered. The owner of the premises for purposes of this article means a person who has title to the property, possession of the property,

whether lawful or not or a greater right to possession of the property than all but the titled owner. Failure of the owner to correct the violation within the specified time shall constitute a misdemeanor.

c. Appeal:

The owner served with notice as described in Section 3.02(b), shall have the right to appeal the order to the City Council. Notice that such owner desires to appeal shall be submitted in writing to the City Administrator within the time specified for abatement in the notice. Upon receipt of notice of appeal, the City Administrator shall schedule a meeting with the City Council as soon as practicable to consider such appeal.

d. City to Cause Removal and Disposal of Nuisance:

Should the property owner fail to abate the public nuisance or appeal the notice of nuisance within ten (10) days following the receipt of notification, the City shall have the right to cause the removal and disposal of the diseased trees or parts thereof. The full cost of such removal and disposal shall be assessed to the property owner. Should the property owner fail to pay the City within thirty (30) days from the date of invoicing the City may, at its discretion, file a lien against the property in the amount of all costs incurred by the City, plus interest. The assessment of expenses and lien shall follow the procedures established in Chapter 342, Tex. Health & Safety Code.

SECTION 4 – PENALTY FOR VIOLATIONS

It shall be unlawful for any person, company, corporation or conglomerate to do any act forbidden by this Ordinance or fail to perform any act or operation required by this Ordinance. Violations of this Ordinance are punishable with a fine of up to, but not to exceed one thousand (1,000) dollars, with each day after notification of violation persists being considered a new and separate offense.

SECTION 5 – SEVERABILITY CLAUSE

If any section, paragraph, sub-division, clause or phrase of this Ordinance shall be adjudged invalid, illegal or held unconstitutional, the same shall not affect the validity of this Ordinance as a whole or any part of any provision thereof other than the part so decided to be invalid, illegal or unconstitutional.

SECTION 6 – EFFECTIVE DATE

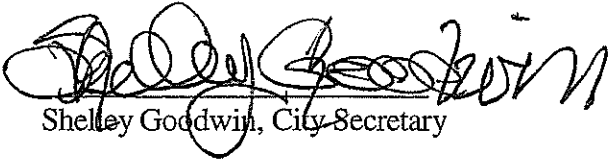
This Ordinance shall be effective from and after its passage at a City Council meeting and publication as required by the Local Government Code.

Passed and Approved on this 2nd day of November , 2016.



Nadine L. Knaus
Mayor

ATTEST:



Shelley Goodwin, City Secretary

Members of the Garden Ridge City Council,

As you know, we are currently facing a serious oak wilt situation threatening nearby properties in the Glen Cove area. An instance of oak wilt has been located in a couple of trees at 20803 Glen Cove. The owner of that property decided that he would not participate in trenching services prescribed by the state Forest Service Oak Wilt expert, Bob Edmonson.

In October, Jerry Barucky took on the responsibility of researching factors and options for addressing this problem. He met with seven immediate adjacent property owners and our Garden Ridge City Administrator, and he had the utilities locators for electric and communications lines outline the paths of their lines around the Ashley and adjacent properties. He arranged visits from four contractors that could provide the trenching services prescribed. Though it took a while to get back their rough estimates, he assembled their suggestions and responses and summarized their recommended approaches and costs, outlining potential pros and cons, in the **attached document**. You'll see that solutions and ultimate costs can vary depending on the type of soil that the trench will go through.

While the summary provides more detailed factors considered in determining options and costs, a short version of the potential possible costs for each of four of the property owners surrounding the Ashley property who will have the potential trench running through their property is as follows:

1. **Buchner:** From \$1,000 to as much as \$4,800, trench and backfill, no restoration
2. **Eardley:** From \$3,000 to more than \$9,200, includes restoration of fence portions, lawn and sprinkler system
3. **Barucky:** From \$6,200 to \$9,600 includes restoration of fence portions, lawn & sprinkler system
4. **Berg:** Approximately \$5,200 includes partial restoration and repair of portion of driveway

He recently provided a summary of the possible trenching options and costs to adjacent property owners. The affected owners having trenching done will be deciding soon on their courses of action. Some of these owners will find it difficult to meet the financial burden of this project. To ensure that their decisions are based on the most effective, rather than just the cheapest, options, we are collectively asking the City of Garden Ridge to help offset the cost of this trenching effort.

We are asking the City to provide support for 25% of the costs up to a total of \$6,000. The reimbursement would be prorated among those properties undertaking trenching based on the charges each incurs for their portion of the project. Failure to contain this oak wilt immediately will engage an ever widening number of properties, with expanded trenching costs to homeowners and City far beyond the current effort.

We will need to know your response as quickly as possible since we wish to complete the work by the end of January to stop the disease spreading through the root systems to our properties

Helmut Buchner – 20506 Bat Cave Rd

Todd Arvidsson – 20506-2 Bat Cave Rd

George Berg – 20806 Glen Cove

Eric Eardley – 20807 Glen Cove

Casey Lowe – 20811 Glen Cove

Jerry Barucky - 20806 Woodland Cove

Jim Roberts – 20810 Woodland Cove

Mark Mattison – 20814 Woodland Cove

PROPERTY OUTLINE RECOMMENDED BY STATE FOREST SERVICE



Frank Dansby
22204 Via Posada
Garden Ridge, TX 78266

January 4, 2017

Sam Stocks
Chairman City of Garden Ridge
Planning and Zoning Commission

Dear Sam,

After careful thought and consideration, I have decided to resign from my position on the Garden Ridge Planning and Zoning Commission effective immediately. I would like to thank the City of Garden Ridge for this opportunity over the past 15 years. It has been an honor and an experience I will never forget. Working with the finest commissioners and city staff has been an honor, and I will take away friendships I might never have had.

I wish you and the others commissioners continued success.

Regards,


Frank Dansby

Mary Longloy
9207 Cipriani Way
Garden Ridge, TX 78266

December 8, 2016

Roger E. Goddard
Water Manager
City of Garden Ridge
9400 Municipal Parkway
Garden Ridge, TX 78266

Mr. Goddard:

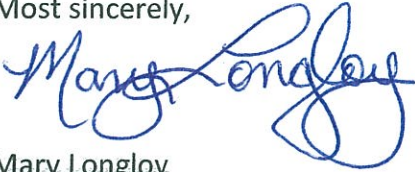
As we discussed at our meeting on Monday, December 5th, I am writing to request an audience with the city council of Garden Ridge to request an adjustment to my \$2640.00 water bill. While I most certainly am not asking for the bill to be forgiven, I am asking for a 50% reduction of the bill. As you explained in our meeting, our city council did away with adjustments because people were taking advantage of the policy and misusing our water conservation efforts by overwatering and then presenting the water department with a small repair bill to get their bill lowered. That is certainly NOT true in my case! As a retiree that lives alone, I am very conscientious. I am asking you, and the city council, to review 8 years of my water usage records, take into consideration my current circumstances, and grant me a 50% reduction of my \$2640.76 bill.

When we met on Monday to review my water usage report, it was clearly evident that my sprinkler system is working properly and has only run during designated times, or less. Further, my 8 years of records reflect that I have been a responsible and conscientious water consumer and always paid my bill on time. The report also shows that my drip system for my vegetable garden does not run continuously and was turned off within the time period of the \$26.40.76 bill. The report also shows that I have no leaks, running toilets or problem with my backflow. The report shows an unknown continuous flow for a period of approximately two weeks that you suspected to be a running garden hose. As I explained to you, I have rarely been home this fall for two reasons. My mother fell and broke her hip this summer and I care for her most evenings. My daughter was accepted to nursing school, so, as her sole support, I have gone back to work to pay for her schooling. Working during the day and caring for my mother at night has left me sleep deprived and stressed. As the home owner, I am clearly responsible for any water usage on my property, however, I live on a corner and there have been many, many contractors working in our neighborhood during the time this occurred. In past years they have come into my yard to use my hose and even taken vegetables out of my backyard. I took this up with their supervisor and the problem was resolved. I have also had hoses stolen out of my yard and I made a police report. When I shared this, you asked me why they would do that. Why do people do a lot of things that make no sense or hurt others? Please do not misunderstand, again let me say, I am NOT asking for my water bill to be forgiven, however I am requesting that

it be prorated for 50% of the \$2640.76 charged. I believe that to be more than fair because if I were billed for the water at the base rate, my bill would have been approximately \$900.00. Prorating the charges to 50% would still include a \$450.00 surcharge for over usage, which I believe to be very fair. Further, we are served by SAWS. If I were living in San Antonio, they would adjust the bill. Clearly, 8 years of records show that I have promptly fixed leaks, kept my sprinkler system in good working order and certainly have not abused our water conservation efforts by overwatering and then presenting some bogus repair bill to have my bill lowered. Please know that I have removed the hose in my front yard and put timers on all my faucets to prevent this from occurring in the future.

While I appreciate the fact that I am allowed to make payments on the bill, I simply cannot afford this bill or believe it is right for me to have to pay for the use of the water at the increased rates. Further, even paid over time, this bill has created a great hardship on me and my family. I ask that you, and the city council, please grant me a reduction of 50% of the \$2640.76 bill.

Most sincerely,

A handwritten signature in blue ink, appearing to read "Mary Longloy", with a large, stylized loop at the end.

Mary Longloy

- (a) In the case of premises having auxiliary water supply that is not or may not be of safe bacteriological or chemical quality and that is not acceptable as an additional source by the Water System Manager, the public water system shall be protected against backflow from the premises by installing an approved backflow-prevention assembly in the service line, appropriate to the degree of hazard.
 - (b) In the case of premises on which any industrial fluids or any other objectionable substances are handled in such a fashion as to create an actual or potential hazard to the public water system, the public system shall be protected against backflow from the premises by installing an approved backflow-prevention assembly in the service line, appropriate to the degree of the hazard. This shall include the handling of process waters and waters originating from the utility system that have been subject to deterioration in quality.
 - (c) In the case of premises having (1) internal cross connections that cannot be permanently corrected and controlled, or (2) intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impractical or impossible to ascertain whether or not dangerous cross connections exist, the public water system shall be protected against backflow from the premises by installing an approved backflow-prevention assembly in the service line.
- (4) The type of protective assembly required under the subsections 15.03(a), 15.03(b), and 15.03(c) shall depend upon the degree of hazard that exists as follows:
- (a) In the case of any premises where there is an auxiliary water supply as defined in Section 15.02 and it is not subject to any of the following rules, the public water system shall be protected by an approved air gap separation or an approved reduced-pressure principle backflow-prevention assembly.
 - (b) In the case of any premises where there is an irrigation system installed
 - (i) ~~If the premises has a traditional septic system, the public water system shall be protected by an approved double check valve assembly.~~
 - (ii) If the premises has ~~a septic system with a pump tank~~ *an on-site sewage treatment facility*, the public water system shall be protected by an approved reduced-pressure principle backflow prevention assembly.
 - (c) ~~In the case of any premises where there is water or substance that would be objectionable but not hazardous to health, if introduced into the public water system, the public water system shall be protected by an approved double check valve assembly.~~
 - (d) In the case of any premises where there is any material dangerous to health that is handled in such a fashion as to create an actual or potential hazard to the public water system, the public water system shall be protected by an approved air gap separation or an approved reduced-pressure principle backflow-prevention assembly. Examples of premises where these conditions will exist include sewage treatment plants, sewage pumping stations, chemical manufacturing plants, hospitals, mortuaries and plating plants.
 - (e) In the case of any premises where there are "uncontrolled" cross connections, either actual or potential, the public water system shall be protected by an approved air gap separation or an approved reduced-pressure principle backflow-prevention assembly at the service connection.
 - (f) In the case of any premises where, because of security requirements or other prohibitions or restrictions, it is impossible or impractical to make a complete in-plant cross connection survey, the public water system shall be protected against backflow from the premises by either an approved air gap separation or an approved reduced-pressure principle backflow-prevention assembly on each service to the premises.
 - (g) In the case of any premises where, in the opinion of the Water System Manager, an undue health threat is posed because of the presence of extremely toxic substances, the Water System Manager may require an air gap at the service connection to protect the public water system. This requirement will be at the discretion of the Water System Manager and is dependent on the degree of the hazard.

In the case of any premises where complete containment is necessary, thermal expansion devices will be required to be properly installed at the water heater.

- (5) Any backflow-prevention assembly required herein shall be a model and size approved by the Water System Manager. The term "approved backflow-prevention assembly" shall mean assembly that has been manufactured in full conformance with the standards by the American Water Works Association titled:

AWWA C510-89-Standard for Double Check Valve Backflow-Prevention Assembly, and

AWWA C511-89-Standard for Reduced-Pressure Principle Backflow Prevention Assembly, and have met completely the laboratory and field performance specifications of the Foundation For Cross-Connection Control and Hydraulic Research of the University of Southern California established by,

"Specification of Backflow-Prevention Assemblies"- Section 10 of the most current issue of the Manual of Cross-Connection Control.

Said AWWA and FCCHR standards and specifications have been adopted by the City of Garden Ridge. Final approval shall be evidenced by a "Certificate of Approval" issued by an approved testing laboratory certifying full compliance with said AWWA standards and FCCHR specifications.

The following laboratory has been qualified by the Water System Manager to test and certify backflow preventers:

Foundation for Cross-Connection Control and Hydraulic Research
University of Southern California
University Park
Los Angeles, Ca. 90089

Testing laboratories, other than the laboratory listed above, will be added to an approved list as they are qualified by the Water System Manager.

Backflow preventers that may be subjected to back-pressure or backsiphonages that have been granted a certificate of approval by said qualified laboratory and are listed on the laboratory's current list of approved backflow-prevention assemblies may be used without further laboratory testing or qualification.

- (6) It shall be the duty of the customer-user at any premises where backflow-prevention assemblies are installed to have certified inspections and operational tests made at least once per year for high health hazard devices ~~or once every two years for low health hazard devices~~. In those instances where the Water System Manager deems the hazard to be great enough, certified inspections may be required at more frequent intervals. These inspections and tests shall be at the expense of the water user and shall be performed by the assembly manufacturer's representative, water Department personnel, or by a certified tester approved by the Water System Manager. It shall be the duty of the Water System Manager to see that these tests are made in a timely manner. The customer-user shall notify the Water System Manager in advance when the tests are to be undertaken so that the Water System Manager may witness the tests if so desired. These assemblies shall be repaired, overhauled, or replaced at the expense of the customer-user whenever said assemblies are found to be defective. A copy of all testing results are to be turned in to the Water System Manager. Records by Water Department and customer-user shall be maintained for a minimum period of three years.
- (7) ~~All presently installed backflow prevention assemblies that do not meet the standards of this section but were approved assemblies for the purpose described herein at the time of installation and that have been properly maintained, shall be tested annually and, be excluded from the requirements of these rules so long as the Water System Manager is assured that they will satisfactorily protect the utility system. Whenever the existing assembly is moved from the present location, fails its annual test, or when the Water System Manager finds the existing device constitutes a hazard to health, the unit shall be replaced by an approved backflow prevention assembly meeting the requirements of this section.~~

c. INSPECTION

- (1) The customer shall provide the Department with a customer inspection certification (as required in Section 290.46 j of ~~TNRCC TCEQ~~ rules for public water systems) on all new construction with city water service.
 - (a) Inside city limits- This certification shall be presented to the Department prior to the final inspection of the building. If not received, a Certificate of Occupancy will not be issued and service will be terminated until certification is received.
 - (b) Outside city limits- This certification shall be presented to the Department upon construction completion or service will be terminated immediately until certification is received.
- (2) The customer shall provide the Department with a customer inspection certification (as required in Section 290.46 j of ~~TNRCC TCEQ~~ rules for public water systems) on all renovation construction with city water service.
 - (a) Inside city limits- This certification shall be presented to the Department prior to the final inspection of

the renovation. If not received, service will be terminated until certification is received.
(b) Outside city limits- This certification shall be presented to the Department upon renovation completion or service will be terminated immediately until certification is received.

- (3) The customer shall provide the Department with a customer inspection certification (as required in Section 290.46 j of ~~TNRCC~~ **TCEQ** rules for public water systems) if the Department has reason to believe that cross-connections or other potential contaminant hazards exist.

SECTION 16 -- SERVICE OUTSIDE SERVICE AREAS

16.01 -- WATER NOT FURNISHED BEYOND AREAS AUTHORIZED BY TWC.

No water shall be furnished by the Water Department beyond the areas authorized by the Texas Water Commission unless all plumbing, including all fixtures and appliances, through which water from the Water Department is to pass has been approved by the Water Department. In the event additional plumbing is installed on such premises, water service shall be discontinued to such consumer, unless such additional plumbing installation is approved by the Water Department.

16.02 -- SECTIONS CONSTRUING AGAINST THE WATER DEPARTMENT.

Nothing in this section or any other section of this Ordinance shall be now or hereafter be construed to compel the Water Department to furnish water to consumers beyond the Texas Water Commission certificated limits or to continue such service once begun, and the Water Department reserves the right to furnish service to such customers it deems advisable and to, at any time, wholly or partially discontinue the water supply upon violation of any of the terms of this Ordinance, the same as though such customer resided within the certificated territory.

SECTION 17 -- OPERATIONS MANAGER OF THE WATER DEPARTMENT

17.01 -- CREATION OF OFFICE OF OPERATIONS MANAGER.

There is hereby created the office of Operations Manager for the Water Department, which officer shall have general supervision of the water system of the Water Department and shall have general supervision over all employees of the Water Department and shall make repairs deemed necessary and consistent with his or her duties. The Operations Manager shall be given the authority to issue citations for violations of this Ordinance.

17.02 -- REPORTING VIOLATIONS OF THE WATER SYSTEM.

The Operations Manager of the Water Department shall report violations of all regulations governing the establishment, maintenance and operation of the Water Department to the City Water Commission.

17.03 -- AUTHORITY TO TURN WATER ON OR OFF.

Employees of the Water Department are the only individuals having authority to turn water on or off at any Water Department valve. No plumber or other person shall turn water on or off at any Water Department valve without written permission first being obtained from the Operations Manager of the Water Department.

17.04 -- TAMPERING WITH FIRE HYDRANTS AND OTHER WATER DEPARTMENT PROPERTY.

It shall be unlawful and subject to the violation provisions of Section 3 of this Ordinance for any person to open or close any unmetered fire hydrant or stop cock connected with or to the water system of the Water Department or to lift or remove the covers of any gate valves or shutoff thereof, without the permission of the Operations Manager of the Water Department, except in case of fire, and then under the direction of officers of the fire department.

17.05 -- TURNING ON WATER SERVICE AFTER SERVICE HAS BEEN DISCONNECTED.

It shall be unlawful and subject to the violation provisions of Section 3 of this Ordinance for any person to turn on the water supply or service to any building or to any supply pipe where the supply of water has been turned off, for any reason, by the Water Department, without permission of the Operations Manager of the Water Department.

City of Garden Ridge Impact Fee Committee

Chair Royce Simmonds - Vice Chair Wes Kleckley

Member(s) David Heier - Walter Lamar - Shawn Willis

Summary:

The Committee was formed to discuss all aspects regarding the City of Garden Ridge Water Master Plan and the Wastewater Master Plan within the context of the overall direction and limitations of Local Government Title 12 Chapter 395 along with setting a recommendation of the amount of the City of Garden Ridge Impact Fees. Without Going into Depth on Chapter 395, this Chapter limits Impact Fees to:

- (1) Infrastructure costs to serve "future priority development"
- (2) One time Fee for "New Development"
- (3) For Water, Wastewater and Roads
- (4) the impact fee can be Adjusted Annually and Must be Reviewed Every 5 Years

Recommendations:

The Committee Recommends Adopting the 2016 plan as the Capital Improvements Plan for the Wastewater System and Establish the Waste Water Fee at the Maximum Allowable Under Chapter 395 at \$ 5,678 and also recommends reviewing this fee Annually. The committee will review the 2016 Water Master Plan during the next meeting this month.

The Committee considered the following Items as part of their Discussion:

Positive Aspects:

- The Wastewater system will allow for the FM 2252 Corridor to grow, increasing property tax income and potential increase proportionately the sales tax income for the city.
- Setting the Wastewater Impact fee at the Maximum allowed would ensure the city is collecting as much revenue as possible and not subsidizing the development at tax payer expense
- Allow the City to move forward with Financing the Wastewater project which would be a long term project
- Adopting the fee allows the Bond Counsel to pledge the Impact Fee as a revenue stream to repay the debt service - again lessening the overall tax burden once the development begins.

Additional Thoughts and Discussion:

The Committee:

- Believes there is a need for a possible revision of the Impervious Cover Limit to allow for more dense development along this commercial corridor. We believe Planning and Zoning is reviewing this issue along with the Land Use Plan and review also of the zoning ordinances.

- Discussed, in depth, a possible lower impact fee than the maximum but concluded that a \$ 1000 to \$ 2000 reduction would not have a material impact on the growth of the development.
- Discussed adjacent utilities and concluded the fees being recommended would not be overly costly for future development based upon similar communities.
- Discussed the City need for growth in a number of connections and the fees associated with these connections would make it self-sufficient as soon as possible.
- Discussed the fact that the system will be financed by a Tax and Revenue Bond as a opposed to a revenue debt issue that is not an option as the system has no revenue at this time.

CITY OF GARDEN RIDGE

Wastewater Master Plan & Impact Fee Study

November 2016



A handwritten signature in blue ink, appearing to read "G. Montgomery", written over the bottom of the professional seal.

Prepared by:

**RIVER CITY
ENGINEERING**
CIVIL, ENVIRONMENTAL & CONSULTING
TEXAS REGISTERED ENGINEERING FIRM F-1546
1011 W. County Line Road
New Braunfels, Texas 78704
(830) 626-3588

(This Page Intentionally Left Blank)

Table of Contents

1.0 EXECUTIVE SUMMARY.....	1
2.0 INTRODUCTION.....	3
2.1 Background.....	3
2.2 Use of Impact Fees.....	3
2.3 Living Unit Equivalents.....	4
2.4 Designated Service Area	5
3.0 LAND USE ASSUMPTIONS AND GROWTH PROJECTIONS.....	7
3.1 Land Use	7
3.2 Growth Projections.....	7
4.0 PROPOSED FACILITIES.....	11
4.1 Overview of Proposed Facilities.....	11
4.2 Proposed Wastewater Improvements	11
4.3 Land Acquisition	11
5.0 IMPACT FEE DEVELOPMENT.....	13
5.1 Impact Fee Cost Summary	13
5.2 Adjustment of Impact Fee for Inflation	14

Attachments

Attachment 'A' – FM 2252 Service Area Map
Attachment 'B' – Land Use Assumptions
Attachment 'C' – Wastewater Improvements Cost Estimate & Impact Fee Development
Attachment 'D' – CCMA Service Area Map
Attachment 'E' – Draft CCMA Service Agreement
Attachment 'F' – Draft Customer Service Agreement
Attachment 'G' – Local Government Code Chapter 395

(This Page Intentionally Left Blank)

1.0 EXECUTIVE SUMMARY

The City of Garden Ridge is proposing to provide wastewater service to the FM 2252 Corridor (the Service Area) from the western city limits to Schneider Lane on the eastern city limits. The City is planning to install a low pressure sewer system to provide wastewater service to this area. The City does not currently provide wastewater service. The city is proposing to adopt an Impact Fee in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development. This proposed Master Plan & Impact Fee Report includes land use assumptions for the Service Area and the project costs associated with installing the wastewater improvements to serve the entire Service Area at full build-out.

The proposed Service Area currently consists of predominantly undeveloped land. Land use assumptions for future development were in conjunction with the “Garden Ridge, Texas – A vision for the Future” study and presentation completed by the College of Architecture, Construction and Planning at the University of Texas at San Antonio (UTSA). The majority of lots will be utilized for mixed use development. The remaining lots are commercial, residential, public (parks and recreational), and agricultural land. Land uses are shown in Attachment ‘A’.

Land Use assumptions for the Service Area were prepared to determine the number of Living Unit Equivalents (LUEs). A particular number of LUEs are assigned based on the type of development for each lot. One (1) LUE is defined as the average flow that would be produced by a single-family residence. An average wastewater flow per LUE of 245 gallons per day was used to size the proposed wastewater improvements.

Several methods were used to determine LUES. For existing development, single-family residential lots were assigned 1-LUE. Existing Commercial development was assigned LUE’s based on square footage. Undeveloped properties were assigned 2-LUE’s per acre. 745-LUE’s are anticipated at full build-out, resulting in a total projected flow rate of 0.2 million gallons per day.

A construction cost estimate was completed for the proposed wastewater improvements, and was then evaluated on a per LUE basis based on the capacity of each category of improvements. Non-construction costs were added to the construction costs to develop total project costs. These non-construction costs include land acquisition, finance costs, professional services and project administration. A 10-year projection estimates that 506 LUEs (68% of the projected full build-out of the Service Area) will be connected to the low-pressure sewer system. Growth projections show the Service Area reaching full build-out in 2031. Therefore, in accordance with LGC 395.014(a)(6), 68% of the total costs was used in the development of the Impact Fee.

The calculations utilizing the construction and non-construction estimates for the proposed wastewater improvements in this Study yield a maximum Impact Fee of \$5,689.00 per LUE, which includes an estimated 4% interest on the proposed bond issuance.

(This Page Intentionally Left Blank)

2.0 INTRODUCTION

2.1 Background

The City of Garden Ridge (the City) is located in central Texas, northeast of San Antonio. The City does not currently provide wastewater service; however, the City is planning to serve properties located within the FM 2252 Corridor from the western city limits to Schneider Lane on the eastern city limits. The proposed Service Area boundary for this study is shown in Attachment 'A'. The City plans to serve the properties in the FM 2252 Service Area (the Service Area) with new infrastructure that would deliver sewage to the existing Cibolo Creek Municipal Authority (CCMA) main that terminates near Lookout Road and Enterprise Avenue within the City of Schertz. CCMA was created in an effort to regionalize wastewater treatment for future development, and to remove as many property owners from on-site sewage facilities as possible. CCMA's Service Area Map is provided in Attachment 'D'. A draft of the CCMA Service Agreement is provided in Attachment 'E'.

As shown in Attachment 'A', the FM 2252 Service Area is approximately 431-acres and is comprised of predominantly undeveloped land. Land uses include mixed use, commercial, residential, public, and agricultural lots. Further discussion of land use assumptions is provided in Section 3.0.

Currently all development is limited by impervious cover maximums and ordinances that were derived from calculated density for onsite septic systems. These ordinances were created for the residential areas of the City and do not lend themselves to more dense commercial and business development; the same type of development within the FM 2252 Service Area. The City has experienced an increase in commercial and business development in this area which has dictated the need to create a Wastewater Master Plan & Impact Fee in order to serve the FM 2252 Service Area.

This report identifies the improvements necessary to provide adequate wastewater service to the Service Area and calculates the impact fee necessary to recoup the costs of these capital improvements. The City proposes to follow the procedures outlined in Chapter 395 of the Texas Local Government Code (LGC) in this Master Plan & Impact Fee Study.

2.2 Use of Impact Fees

Cities and other political subdivisions across the state may use impact fees to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development.¹ An impact fee may be imposed to pay construction contract costs, surveying and engineering fees, and land acquisition costs.² Projected interest charges and other finance costs may also be included in determining the amount of impact fees. In order to adopt an impact fee, the City must review current and proposed service and growth trends to ensure that adequate technical and financial planning is in place with which to develop the necessary service facilities and calculate the impact fee. A copy of the Local Government Code (LGC) Chapter 395 is provided in Attachment 'G'.

¹ Impact Fees as defined in Local Government Code§395.001(4)

² Local Government Code§395.12(a)

2.3 Living Unit Equivalents

The quantification of wastewater usage in terms of Living Unit Equivalents (LUEs) is necessary as the City's proposed Service Area has predominantly commercial developments. Previously, wastewater usage was quantified in terms of the number of connections in the system. The problem arises when a connection serves a development that has a usage different than a single-family residence. For example, a commercial development or multi-family development would typically use substantially more water and generate substantially more wastewater than a single-family residence.

An LUE is defined as the average flow that would be produced by a single-family residence. An average wastewater flow per LUE of 245 gallons per day was used to size the proposed wastewater improvements.

A particular number of LUEs are assigned to each development, based on type of development or the size of water meter to be used for the development. Individual plumbing fixtures are assigned a value based on the typical flow used, and the cumulative total of the service is then used to determine the size of meter needed. These plumbing fixture values and meter sizing are taken from the American Water Works Association's Sizing Water Service Lines and Meters (M22). Shown in the Table 1 below are the number of LUEs assigned for each size of water meter.

Table 1 Water LUE Allocation for Respective Water Meter Size

Water Meter Size	Water LUEs
5/8"	1 (D)
3/4"	1.5 (D)
1"	2.5 (D)
1 1/2"	5 (D)
2"	8 (D)
3"	15 (D) or 18 (T)
4"	25 (D) or 30 (T)
6"	50 (D) or 60 (T)
8"	90 (T)

(D) Displacement Meter

(T) Turbine Meter

Wastewater LUE allocation is similar to water LUE allocation. For the purposes of calculating usage, standard water meter LUE equivalencies apply with the following exceptions for certain residential meters only. All commercial wastewater LUEs are allocated in accordance with the summary table below.

Table 2 Wastewater LUE Allocation

Development	Wastewater LUE
5/8" Water Meter	1
3/4" Water Meter	1
Duplex with single 5/8" meter per side	1
Office	1 per 3000sq-ft
Office Warehouse	1 per 4000sq-ft
Retail; Shopping Center	1 per 1660sq-ft
Restaurant	1 per 200sq-ft
Church	1 per 70-Seats
High/Middle School	1 per 13 Students
Elementary School	1 per 15 Students

2.4 Designated Service Area

The Service Area for this proposed Impact Fee is the FM 2252 Corridor from the western city limits to Schneider Lane on the eastern city limits, as shown in Attachment 'A'. The Service Area encompasses approximately 431-acres and is located at the southernmost portion of the City limits. The City plans to serve this area by conveying flows to the existing Cibolo Creek Municipal Authority (CCMA) wastewater main through a wastewater wholesale agreement. A draft of the CCMA Service Agreement is provided in Attachment 'E'. A draft of the City's Customer Service Agreement is provided in Attachment 'F'. The area within the Service Area is made up of predominantly mixed use and commercial development with other land uses ranging from single family residential to parks and agricultural.

(This Page Intentionally Left Blank)

3.0 LAND USE ASSUMPTIONS AND GROWTH PROJECTIONS

3.1 Land Use

The wastewater demand in the Service Area is derived in terms of LUEs. The quantification and/or projection of demand in terms of LUEs is necessary as the Service Area contains different land uses. A particular number of LUEs are assigned to each development based on its existing and/or projected usage. For single family residential areas one (1) LUE is assigned per lot, for multi-family developments 0.7 LUEs are assigned per unit, and for other types of developments the number of LUEs assigned is based on the size of water meter needed for that development or the building square-footage based on type of development.

A majority of the Service Area is undeveloped; therefore, projections were made to determine wastewater flows from these undeveloped areas. Land use assumptions were in conjunction with the “Garden Ridge, Texas – A vision for the Future” study and presentation completed by the College of Architecture, Construction and Planning at the University of Texas at San Antonio (UTSA). The majority of lots will be utilized for mixed use development. The remaining lots are commercial, residential, public (parks and recreational), and agricultural land. Land uses are shown in Attachment ‘A’.

For undeveloped areas, 2-LUES per acre was assumed. In the eastern portion of the Service Area, approximately 10 lots are located in the floodplain. The floodplain on these lots consists of approximately 55-acres. LUE projections were used for areas outside of the floodplain, as the floodplain areas are undevelopable without major costly improvements. A land use assumption summary table is provided in Attachment ‘B’.

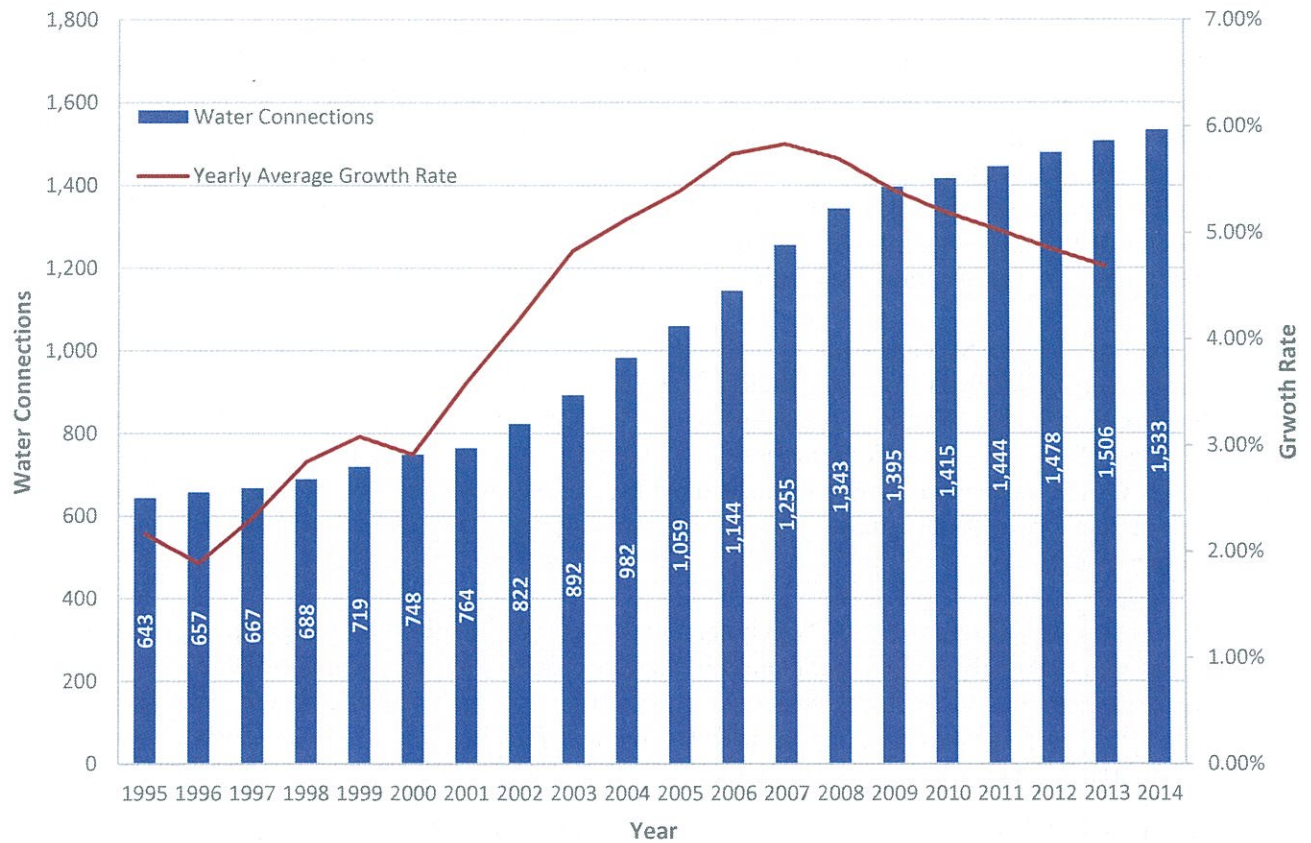
Existing developed lots in the Service Area were assigned LUE’s based on their land use. Single-family residential was assigned 1-LUE per lot. Existing commercial development was assigned LUE’s based on square-footage and type of development as noted in Section 2.3. For example, a bank would be assigned 1 LUE per 3,000-sq-ft. As shown in Attachment ‘B’ there are a total of approximately 745 LUEs projected at full build-out.

3.2 Growth Projections

The City does not currently provide wastewater service; therefore, historical wastewater flows are unavailable to determine growth in the system. Several Methods were used to project the rate of future growth of wastewater LUEs within the Service Area. First, historical water connections were analyzed. Yearly water connections and growth rate from 1995 to 2014 are shown in Figure 1. Second, the UTSA “Garden Ridge, Texas – A vision for the future” study was reviewed and analyzed. This study noted in the 13 county San Antonio-Austin corridor that a 33% growth rate was expected over the next 15 years. The study also projected an average growth rate of 3.5% over the next 15 years for the City of Garden Ridge.

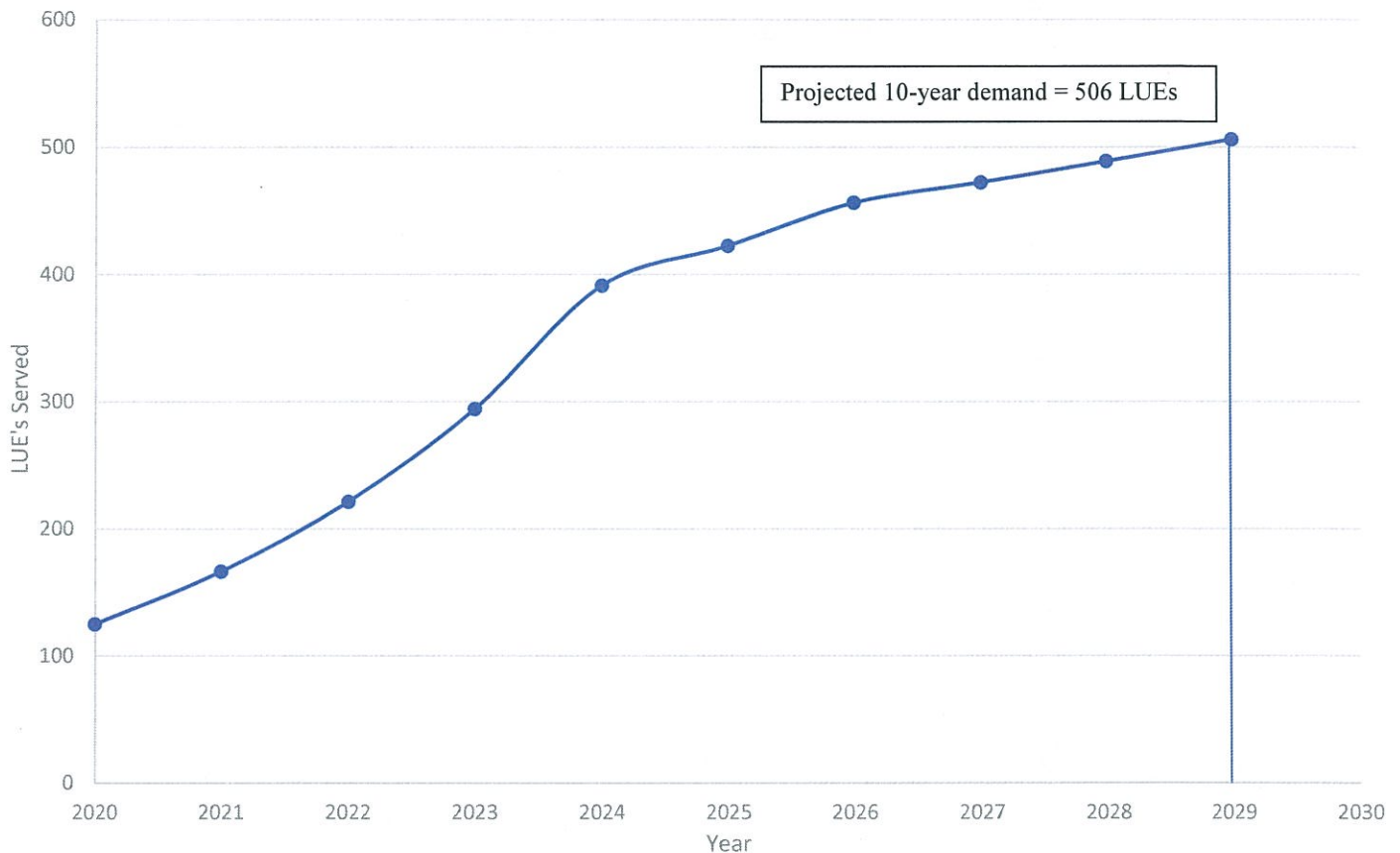
Wastewater is a very desirable commodity for development. With the service area consisting of predominantly mixed use and commercial development it is projected that the Service area will see significant growth rate of about 33% in the first several years, then tapering off to a projected growth rate of 3.5% (both growth rates are as noted in the UTSA report).

Figure 1 City of Garden Ridge's Historical Water Connections



The graph shows the City has experienced an overall average growth rate of 4.68% from 1995 to 2014. A closer look at the graph shows the City experienced a higher growth rate of about 5.75% from 1995 to 2007, and a lower growth rate of about 2.9% from 2007-2014. A peak growth rate of 7.68% occurred from 2002 to 2009.

Figure 2 Projected LUEs Served



Section 395.014(a)(6) of the LGC states that the projected demand for capital improvements required for new service units must be projected over a reasonable period of time and not to exceed 10 years. The Service Area consists of approximately 400 existing LUEs. It is anticipated that approximately 125 LUE's will be connected to the Low-Pressure Sewer System in the first year. The first year of service is projected to begin in 2020. Based on a 33% growth rate in the first five (5) years, an 8% growth rate in the next two (2) years, and 3.5% in the following three (3) years, it is projected to have approximately 506 LUEs connected to the system in 10 years. 506 LUEs is 68% of total projected build-out of 745 LUEs. Full build-out of the Service Area is anticipated to occur in 2033. The City plans to install the low-pressure sewer system sized for full build-out, however, in accordance with section 395.014(a)(6) of the LGC, 68% of those costs are attributed to the Impact Fee calculation in this report.

Many different factors affect growth and development within an area. These include, but are not limited to, the local and regional economy, development restrictions, environmental constraints, the current housing inventory, and existing and proposed roadways. As the City does not control any of these factors, accurately projecting them is a challenge. It is essential, therefore, that projected wastewater demands and system limitations be evaluated and updated on a routine basis.

(This Page Intentionally Left Blank)

4.0 PROPOSED FACILITIES

4.1 Overview of Proposed Facilities

As discussed in Section 3.0, a total demand of 745 LUEs is projected for the Service Area at full build-out. Using 245 gallons per day per LUE gives a total anticipated nominal flow rate of 0.2 million gallons per day (MGD). It is proposed to install a low-pressure sewer system to provide wastewater service to this area. A low-pressure sewer system is recommended due to the relative flat topography of the area which would require several lift stations and deep excavation if a traditional gravity system was installed.

A number of improvements will need to be constructed in order to install the low-pressure sewer system. Several force mains and connection to the existing CCMA's manhole are required. Individual low pressure grinder pumps would need to be installed at each connection. The cost of the individual grinder pumps will be the responsibility of the property owner and is not included in this Impact Fee. The remaining improvements of the low-pressure sewer system will be installed by the City and are described below. Additional land and/or easements will also be needed in order to construct these facilities. The locations of the proposed improvements are shown in Attachment 'A'.

4.2 Proposed Wastewater Improvements

The Service Area was divided into three sub-areas A, B, & C. Individual force mains, Force Main A, Force Main B, and Force Main C will serve each respective sub-area and convey flows to the main trunk line, Force Main D. Force Main D will then convey flows to the existing CCMA manhole. The proposed Force Main layout is shown in Attachment 'A'.

The size of the force mains were calculated by further dividing each area into zones. An assumption was made to determine the anticipated maximum pumps operating in each zone at one time. The max flow rate was then calculated and the force mains sized to have a max velocity of 4-ft/sec. Force Main sizes range from 2-inches to 4-inches as shown in Attachment 'A'.

4.3 Land Acquisition

As shown on Attachment 'A', several easements are needed to construct the wastewater improvements. The cost of land is included in the proposed Impact Fee and is shown in Attachment 'C' and summarized in Table 3. Easements will be acquired as City of Garden Ridge Utility Easements that will allow water and wastewater infrastructure to be installed.

(This Page Intentionally Left Blank)

5.0 IMPACT FEE DEVELOPMENT

5.1 Impact Fee Cost Summary

Impact Fees allow the City to fund or recoup the costs for facility improvements or expansions attributable to growth of demand in the Service Area. The proposed Impact Fee does not include the cost of extending service to the individual customer (i.e. individual grinder pumps and plumbing). The proposed Impact Fee is made up of two (2) major components: 1) Wastewater Improvements and 2) Land Acquisition. The proposed facilities are outlined in Section 4.0 of this report and a summary of these improvements, organized into the two (2) major components, is shown in Attachment "A". The estimated construction costs for these improvements were developed based on previous similar projects in the area, and a detailed construction cost estimate is included in Attachment 'C'. The cost estimates provided in Attachment 'C' are based on construction improvements to serve the projected full build-out of the Service Area. As noted in Section 3.2, 68% of the Service Area (506 LUEs) is projected to be built-out within 10 years. Therefore, in accordance with LGC 395.014(a)(6), 68% of the costs shown in Attachment 'C' are attributable to the Impact Fee calculation. An Impact Fee cost summary used to develop the proposed Impact Fee attributable to the 10-year projected demand is shown below.

Table 3 Impact Fee Cost Summary

Category	Impact Fee Per LUE
Construction Costs:	\$ 2,347.00
Construction Contingency (20%):	\$ 470.00
Land Costs:	\$ 507.00
Finance Costs	\$ 1,690.00
Professional Services:	\$ 393.00
Project Administration:	\$ 282.00
Total Impact Fee:	\$5,689.00

There are several other items included in the proposed Impact Fee in addition to the cost per LUE for the two (2) major components of improvements. These include construction contingency, finance costs, professional services, and project administration. Construction Contingency was projected at 20% of the construction cost estimate. Finance costs include bond issuance cost estimated at 2.5% of the proposed bond issuance, and interest on the bond estimated at 4% per year for 20 years. Professional services include the necessary legal, engineering and fiscal services associated with planning, designing, permitting and construction administration of the proposed improvements. Professional Service fees are listed in Attachment 'C'. Project administration costs reflect the City's efforts to manage and plan the required improvements and in fee collections.

5.2 Adjustment of Impact Fee for Inflation

The cost of construction changes with time, and therefore it is recommended that the Impact Fee be adjusted periodically to account for these changes in cost. The publication Engineering News-Record (ENR) publishes a Construction Cost Index (CCI) that contains both a cost of materials component and a labor cost component. This CCI is updated and published once a month. It is recommended that periodic adjustments to the CRF be based on the current CCI.

The adjustments to the Impact Fee would be calculated using the “base” data, the “base” CCI and the “base” Impact Fee. The “base” data for this report is November 2015. The “base” Construction Cost Index would be 10,092, as published in ENR for November 2015. The “base” Impact Fee would be the proposed \$5,689.00. Adjustments to the Impact Fee would be calculated by taking the current CCI, at the time of the proposed adjustment, and adjusting the Impact Fee based on the percent change in the Construction Cost Index from the “base” Construction Cost Index. It is recommended that the following formula be used for adjusting the Impact Fee:

$$Impact\ Fee_{Adjusted} = Impact\ Fee_{Base} + \left[\frac{CCI_{Current} - CCI_{Base}}{CCI_{Base}} \times Impact\ Fee_{Base} \right]$$

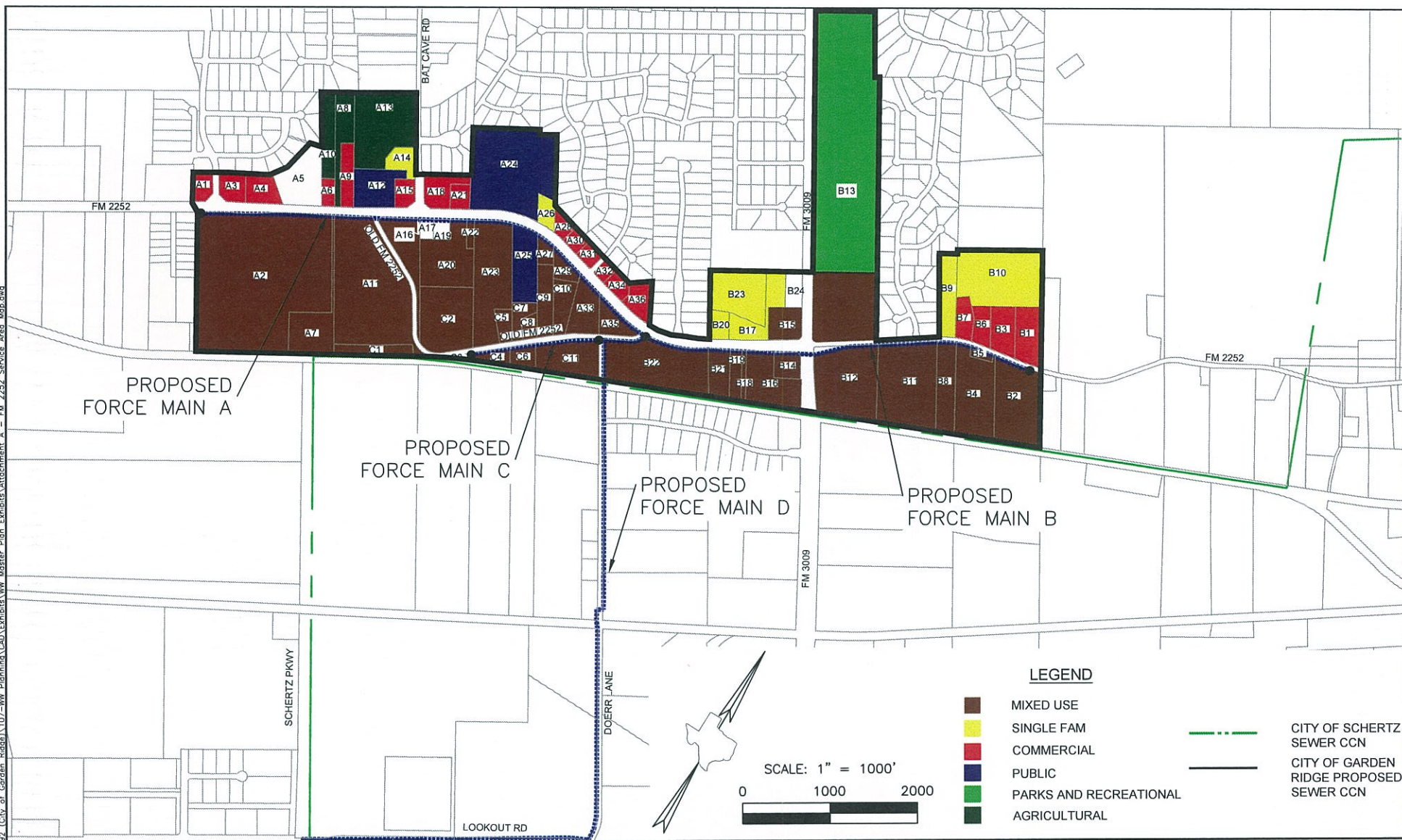
For historical reference, it is noted that the August 2010 Construction Cost Index was 8,858.

Attachment 'A'

FM 2252 Service Area Map

(This Page Intentionally Left Blank)

FILE: Q:\Projects\6092 (City of Garden Ridge)\107-WW Planning\CAD\Exhibits\WW Master Plan Exhibit\Attachment A - FM 2252 Service Area Map.dwg



3801 SOUTH 1ST STREET
AUSTIN, TEXAS 78704-7047
PHONE: (512) 448-3008
FAX: (512) 448-6522
101 W. COUNTY LINE ROAD, SUITE C
NEW BRAUNFELS, TEXAS 78130
PHONE: (817) 636-3588
FAX: (817) 636-3891

CITY OF GARDEN RIDGE
WASTEWATER IMPACT FEE STUDY

ATTACHMENT 'A' - FM 2252 SERVICE AREA MAP

Attachment 'B'

Land Use Assumptions

(This Page Intentionally Left Blank)

City of Garden Ridge
FM 2252 Service Area Impact Fee Report
Attachment B - Land Use Assumptions

Area/Force Main A						
PROPERTY	ACREAGE	100-YR FP	500-YR FP	FP ACREAGE	USUABLE ACREAGE	LUEs
A1	1.674	0	0	0	1.674	3
A2	50.642	29.109	1.567	30.676	19.966	40
A3	2.244	0	0	0	2.244	4
A4	2.786	0.718	0.079	0.797	1.989	4
A5	6.67	5.989	0.359	6.348	0.322	1
A6	1.074	0.965	0.065	1.03	0.044	0
A7	6.278	1.974	0.1	2.074	4.204	8
A8	4.021	1.93	0.18	2.11	1.911	4
A9	2.501	1.874	0.08	1.954	0.547	1
A10	3.548	1.638	0.255	1.893	1.655	3
A11	25.706	0	0	0	25.706	51
A12	4.966	0.635	0.145	0.78	4.186	8
A13	12.373	9.92	0.612	10.532	1.841	4
A14	2.252	0	0	0	2.252	5
A15	1.675	0	0	0	1.675	3
A16	5.255	0	0	0	5.255	11
A17	0.807	0	0	0	0.807	2
A18	3.202	0	0	0	3.202	6
A19	0.95	0	0	0	0.95	2
A20	8.423	0	0	0	8.423	17
A21	1.458	0	0	0	1.458	3
A22	0.633	0	0	0	0.633	1
A23	5.571	0	0	0	5.571	11
A24	20.213	0	0	0	20.213	40
A25	5.571	0	0	0	5.571	11
A26	1.474	0	0	0	1.474	3
A27	1.206	0	0	0	1.206	2
A28	1.164	0	0	0	1.164	2
A29	1.632	0	0	0	1.632	3
A30	1.055	0	0	0	1.055	2
A31	1.108	0	0	0	1.108	2
A32	0.832	0	0	0	0.832	2
A33	4.178	0	0	0	4.178	8
A34	1.351	0	0	0	1.351	3
A35	2.609	0	0	0	2.609	5
A36	2.671	0	0	0	2.671	5
TOTAL - A	199.773	54.752	3.442	58.194	141.579	283

City of Garden Ridge
FM 2252 Service Area Impact Fee Report
Attachment B - Land Use Assumptions

Area/Force Main B						
PROPERTY	ACREAGE	100-YR FP	500-YR FP	FP ACREAGE	USUABLE ACREAGE	LUEs
B1	4.62	0	0	0	4.62	9
B2	10.869	0	0	0	10.869	22
B3	3.531	0	0	0	3.531	7
B4	10.016	0	0	0	10.016	20
B5	0.635	0	0	0	0.635	1
B6	2.121	0	0	0	2.121	4
B7	2.112	0	0	0	2.112	4
B8	5.211	0	0	0	5.211	10
B9	4.402	0	0	0	4.402	9
B10	14.073	0	0	0	14.073	28
B11	15.057	0	0	0	15.057	30
B12	13.637	0	0	0	13.637	27
B13	62.86	0	0	0	62.86	126
B14	2.099	0	0	0	2.099	4
B15	3.264	0	0	0	3.264	7
B16	7.055	0	0	0	7.055	14
B17	4.61	0	0	0	4.61	9
B18	0.678	0	0	0	0.678	1
B19	1.804	0	0	0	1.804	4
B20	1.675	0	0	0	1.675	3
B21	3.166	0	0	0	3.166	6
B22	14.588	0	0	0	14.588	29
B23	7.641	0	0	0	7.641	15
B24	1.803	0	0	0	1.803	4
TOTAL - B	197.527	0	0	0	197.527	395

City of Garden Ridge
FM 2252 Service Area Impact Fee Report
Attachment B - Land Use Assumptions

Area/Force Main B						
PROPERTY	ACREAGE	100-YR FP	500-YR FP	FP ACREAGE	USUABLE ACREAGE	LUEs
C1	2.545	0	0	0	2.545	5
C2	10.136	0	0	0	10.136	20
C3	0.299	0	0	0	0.299	1
C4	1.494	0	0	0	1.494	3
C5	1.5	0	0	0	1.5	3
C6	1.718	0	0	0	1.718	3
C7	1.709	0	0	0	1.709	3
C8	1.059	0	0	0	1.059	2
C9	3.462	0	0	0	3.462	7
C10	2.998	0	0	0	2.998	6
C11	6.639	0	0	0	6.639	13
<i>TOTAL - C</i>	<i>33.559</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>33.559</i>	<i>67</i>

TOTAL FM 2252 SERVICE AREA

PROPERTY	ACREAGE	100-YR FP	500-YR FP	FP ACREAGE	USUABLE ACREAGE	LUEs
GRAND TOTAL	430.86	54.752	3.442	58.194	372.665	745

(This Page Intentionally Left Blank)

Attachment 'C'

Wastewater Improvements Cost Estimate & Impact Fee Development

(This Page Intentionally Left Blank)

City of Garden Ridge
FM 2252 Service Area
Impact Fee Report
Attachment C - Wastewater Improvements Cost Estimate Impact Fee Development

WASTEWATER IMPROVEMENTS CONSTRUCTION COST ESTIMATE

<i>Wastewater Improvements Construction Cost Estimate</i>				
Description	Unit	Quantity	Unit Price	Total Cost
Bonding, Mobilization & Insurance	LS	1	\$104,523.00	\$104,523.00
Site Preparation	AC	11.53	\$1,200.00	\$13,836.00
Revegetation (Hydromulch)	AC	11.53	\$2,500.00	\$28,825.00
Site Clearing	LF	24845	\$6.00	\$149,070.00
Erosion Control Measures (Silt Fence & Matting)	LS	1	\$7,500.00	\$7,500.00
Environmental Protection/Storm Water Pollution Prevention	LS	1	\$7,500.00	\$7,500.00
Traffic Control, Signs & Barricades	LS	1	\$15,000.00	\$15,000.00
Trench Excavation Safety Protection	LF	25115	\$1.00	\$25,115.00
2" PVC Sch. 80 by Open Cut	LF	1593	\$30.00	\$47,790.00
3" PVC Sch. 80 by Open Cut	LF	13342	\$35.00	\$466,970.00
4" PVC SDR 14 by Open Cut	LF	1060	\$40.00	\$42,400.00
2" PVC Sch. 80 by Bore	LF	50	\$300.00	\$15,000.00
3" PVC Sch. 80 by Bore	LF	320	\$400.00	\$128,000.00
4" PVC SDR 14 Dual by Bore	LF	60	\$450.00	\$27,000.00
4" PVC SDR 14 Dual by Open Cut	LF	8420	\$50.00	\$421,000.00
Pipe Fittings	TON	2.5	\$7,500.00	\$18,750.00
5' MH Penetration	LS	1	\$2,500.00	\$2,500.00
Materials Testing	LS	1	\$6,000.00	\$6,000.00
Valves/Cleanouts/Air Releases	LS	1	\$45,000.00	\$45,000.00
Single Services	EA	50	\$1,500.00	\$75,000.00
Double Services	EA	50	\$1,600.00	\$80,000.00
Repair Driveways	LS	1	\$10,000.00	\$10,000.00
Total Wastewater Improvements Construction				\$1,746,779.00
Total Construction Attributable to Impact Fee (68%)				\$1,187,809.72

<i>Land Acquisition Cost Estimate</i>				
Description	Unit	Quantity	Unit Price	Total Cost
Land Acquisition	LS	1	\$ 377,330	\$ 377,330.00
Total Land Acquisition Cost				\$ 377,330.00
Total Land Acquisition Attributable to Impact Fee (68%)				\$ 256,584.40

This Construction Cost Estimate is based on River City Engineering's experience and qualifications, and represents River City Engineering's best judgement. However, since River City Engineering has no control over the cost of labor, materials, equipment or services furnished by others, River City Engineering does not guarantee that the actual construction cost will not vary from the Construction Cost Estimate.

PROJECTED DEBT SERVICE TABLE

Total Project Costs ^A	\$2,473,464.00
Issuance Costs (2.5%)	\$61,837.00
Bond Interest Costs (4%) ^B	\$1,195,737.08
Total Finance Costs^C	\$1,257,574.08
Total Finance Costs Attributable to Impact Fee (68%)	\$855,150.38

^ATotal Project Costs include construction, construction contingency & land acquisition costs

^BInterest projected at 4% for 20-yr note

^CTotal Finance Costs include Issuance costs and Bond Interest

IMPACT FEE DEVELOPMENT SUMMARY

Item	Total Cost (\$)	LUE's ^A	Cost Per LUE (\$/LUE)
Wastewater Improvements Construction	\$1,187,810	506	\$2,347.45
Construction Contingency (20%)	\$237,562	506	\$469.49
Land Acquisition Costs	\$256,584	506	\$507.08
Finance Costs	\$855,150	506	\$1,690.02
Professional Services ^B	\$198,898	506	\$393.08
Project Administration (10%) ^C	\$142,537	506	\$281.69
Total:	\$2,878,542		
Total Impact Fee			\$5,689.00

^A5067 LUEs of 745 Total LUEs Attributable to Impact Fee Calculation based on 10-year projection

^BTotal Professional Services estimated at 13% total construction for LPSS, \$2,500 for Impact Fee, 7,500 for Environmental. Total Construction Costs equal to construction & construction contingency

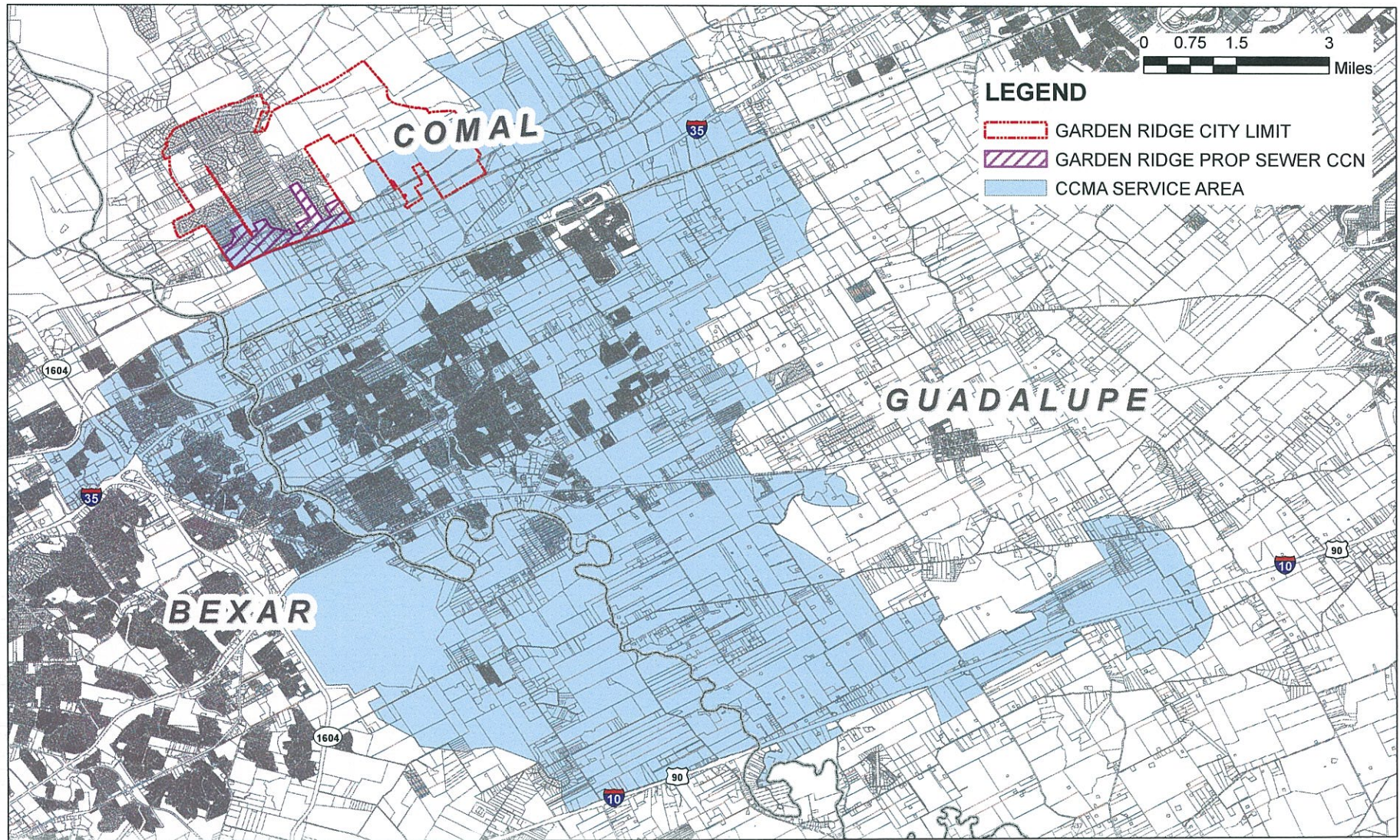
^CTotal Project Administration estimated at 10% of total Construction Costs

(This Page Intentionally Left Blank)

Attachment 'D'

CCMA Service Area Map

(This Page Intentionally Left Blank)



3801 S. 1st St.
Austin, Texas 78704-7047
Phone (512) 442-3008
Fax (512) 442-6522
1011 W. County Line Rd.
New Braunfels, Tx 78130
Phone (830) 626-3588
Fax (830) 626-3601

CITY OF GARDEN RIDGE
WASTEWATER IMPACT FEE STUDY

ATTACHMENT "D" - CCMA SERVICE AREA MAP

Attachment 'E'

Draft CCMA Service Agreement

(This Page Intentionally Left Blank)

**WHOLESALE WASTEWATER SERVICES AGREEMENT
BETWEEN
CIBOLO CREEK MUNICIPAL AUTHORITY
AND
CITY OF GARDEN RIDGE**

This WHOLESALE WASTEWATER SERVICES AGREEMENT (this “**Agreement**”) is made and entered into by and between the **CIBOLO CREEK MUNICIPAL AUTHORITY** (“**Authority**”), a conservation and reclamation district created under Article XVI, Section 59 of the Texas Constitution, and Texas Revised Civil Statutes Annotated Article 8280-487, as amended, and the **CITY OF GARDEN RIDGE** (“**City**”), a political subdivision of the state of Texas. Unless otherwise provided in this Agreement, the term “**Parties**” shall mean Authority and City.

RECITALS

WHEREAS, Authority owns and operates a regional wastewater system in the Cibolo Creek watershed (“**Authority System**”) and is specifically identified as the regional wastewater provider for the area of the Cibolo Creek watershed pursuant to Subchapter F of Chapter 351 of Title 30 of the Texas Administrative Code;

WHEREAS, City desires to obtain wholesale wastewater treatment and disposal services from the Authority System, and Authority desires to provide such services to City;

WHEREAS, City will be responsible for construction of any improvements necessary to collect wastewater from the City’s customers within the Wholesale Service Area, as defined herein, and to deliver such wastewater to the Point(s) of Entry, as defined herein;

WHEREAS, subject to City’s compliance with the provisions of this Agreement, and to the extent indicated, Authority represents that the Authority System will be capable of providing Wholesale Wastewater Services, as defined herein, to City, and Authority agrees to expand and improve the Authority System, as may be necessary, in order to provide adequate service to City and to the other customers of the Authority System under other agreements, with all costs of the Authority System (the “**Costs of the System**”), as more fully defined herein, to be recovered in a fair and equitable manner through the rates and charges of Authority; and

WHEREAS, Authority and City now desire to execute this Agreement to provide Wholesale Wastewater Services, as more fully defined herein, to City under the conditions described in this Agreement.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and City agree as follows.

AGREEMENT

Article I. **DEFINITIONS**

Section 1.01 Definition of Terms.

In addition to the terms otherwise defined in the above recitals or the provisions of this Agreement, the terms used in this Agreement will have the meanings set forth below:

- (a) "Agreement" means this agreement.
- (b) "Authority" means Cibolo Creek Municipal Authority.
- (c) "Authority Service Rules and Policies" means the Authority's Schedule for Rates, Fees, Charges, and Orders (including, but not limited to, the Authority Industrial Waste Order) related to the Authority System, as amended by the Authority Board of Directors from time to time, and applicable to City under the express provisions of this Agreement.
- (d) "Authority System" means all of the Wastewater equipment and facilities owned by Authority that are used for the collection, transportation, treatment, or disposal of Wastewater received from the City System and any expansions thereof. The Authority System shall not include any of the internal wastewater collection and pumping facilities, and associated connection facilities that are owned by City in its retail wastewater service area.
- (e) "City" means the City of Garden Ridge, Texas.
- (f) "City System" means the facilities of City for collection and transportation of Wastewater from the City's retail customers, including both residential and non-residential customers, to the Point(s) of Entry into the Authority System. The City System shall be owned, operated and maintained by City and shall not include any portion of the Authority System.
- (g) "Costs of the System" means all of Authority's costs of acquiring, constructing, developing, permitting, implementing, expanding, improving, enlarging, extending, replacing, repairing, maintaining, and operating the Authority System, including, without limiting the generality of the foregoing, the costs of property, interests in property, capitalized interest, land, easements and rights-of-way, damages to land and property, leases, facilities, equipment, machinery, pumps, pipes, tanks, valves, fittings, mechanical devices, office equipment, assets, contract rights, wages and salaries, employee benefits, chemicals, stores, material, supplies, power, supervision, engineering, testing, auditing, franchises, charges, assessments, claims, insurance, engineering, financing, consultants, administrative expenses, auditing expenses, legal expenses and other similar or dissimilar expenses and costs required for the Authority System in accordance with policies of the Authority Board of Directors.
- (h) "Effective Date" means the last date of due execution of this Agreement by all Parties.

(i) “Emergency” means a sudden unexpected happening; an unforeseen occurrence or condition; exigency; pressing necessity; or a relatively permanent condition or insufficiency of service or of facilities resulting from causes outside of the reasonable control of Authority. The term includes Force Majeure and acts of third parties that cause the Authority System to be unable to provide the Wholesale Wastewater Services agreed to be provided herein.

(j) “Environmental Protection Agency or EPA” means the United States Environmental Protection Agency.

(k) “Force Majeure” means acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of any governmental entity other than Authority or any civil or military authority, acts, orders or delays of any regulatory authorities with jurisdiction over the parties, insurrections, riots, acts of terrorism, epidemics, landslides, lightning, earthquakes, fires, hurricanes, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, or any other conditions which are not within the control of a party.

(l) “Infiltration” means water that enters the City System through defects such as cracks or breaks in the piping, manholes or other appurtenances.

(m) “Inflow” means water that enters the City System through direct sources such as drain spouts, manholes, clean-outs, or other appurtenances.

(n) “Peak Hour Flow Rate” means the highest metered and/or calculated flow rate delivered cumulatively from the Wholesale Service Area to the Authority System under any operational condition, including Inflow and Infiltration.

(o) “Permit” means TPDES Permit No. WQ0011269-001 issued by TCEQ and any future permit(s) that may be issued to Authority authorizing the treatment and disposal of treated wastewater effluent.

(p) “Plant” means the wastewater treatment plant or plants that is or are a part of the Authority System and as described in the Permit.

(q) “Point(s) of Entry” means the location(s) at which all Wastewater will pass from the City System into the Authority System. The proposed Point(s) of Entry are identified in **Exhibit A**.

(r) “Prohibited Wastes” means those substances and waste prohibited from being discharged into the Authority System as described in the Authority Service Rules and Policies.

(s) “TCEQ” means the Texas Commission on Environmental Quality, or its successor agency.

(t) “Waste or Wastewater” means liquid or water borne waste, including, without limitation, sewage, commercial waste, industrial waste or other wastes, whether separate or commingled.

(u) “Wastewater Impact Fee” means a charge imposed per connection for Wholesale Wastewater Service in the Wholesale Service Area pursuant to Chapter 395 of the Local Government Code for funding the costs of wastewater capital improvements or facility expansions necessary to serve the Wholesale Service Area in the amount set forth in the Authority Service Rules and Policies and as amended from time to time by the Authority Board of Directors.

(v) “Wholesale Service Area” means the territory more particularly described or depicted in **Exhibit B** attached hereto which includes property located within the City’s service area and additional tracts that may be added into the City’s service area in the future.

(w) “Wholesale Service Commitment” means City’s annual quantity of Wastewater flows for the Wholesale Service Area for which Authority agrees to provide Wholesale Wastewater Service to the City under this Agreement.

(x) “Wholesale Wastewater Service” means the reception, transportation, treatment, and disposal of Wastewater to be provided by Authority to City under this Agreement and in accordance with applicable provisions of the Authority Service Rules and Policies.

(y) “Wholesale Wastewater Service Rate” means the rate per 1,000 gallons for Wholesale Wastewater Service established by the Authority Board of Directors that may be adjusted from time to time.

Section 1.02 Captions. The captions appearing at the first of each numbered section or paragraph in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement.

Article II.

PROVISION OF WHOLESALE WASTEWATER SERVICE

Section 2.01 Wholesale Wastewater Service.

(a) Subject to the terms and conditions of this Agreement and the requirements of applicable law, Authority agrees to provide Wholesale Wastewater Service to City for the Wholesale Service Area in accordance with the Wholesale Service Commitment. Authority agrees to expand and improve the Authority System as necessary in order to provide adequate Wholesale Wastewater Service to City to meet retail service demands within the Wholesale Service Area.

(b) The Wholesale Service Commitment shall be subject to the following additional limitations:

1. Biochemical Oxygen Demand (BOD-5). A single BOD-5 grab sample shall not exceed a concentration of [REDACTED] mg/l, as established in the Authority Service Rules and Policies.
2. The Peak Hour Flow Rate shall not exceed [REDACTED] gallons per minute during dry conditions and [REDACTED] gallons per minute during wet weather conditions.

3. City shall provide Authority at least ninety (90) days' written notice of additional Wastewater flows expected to increase the Wholesale Service Commitment by 25,000 gallons or more.
4. The quality of Wastewater delivered to the Authority System shall comply with applicable provisions of the Authority Service Rules and Policies. Wastewater delivered to the Authority System shall not include Prohibited Wastes.

(c) The Parties agree that any increase in the agreed Peak Hour Flow Rate or the daily biochemical oxygen demand of Wholesale Wastewater Service that Authority provides to City under this Agreement will require a written amendment of this Agreement duly authorized by the governing bodies of the Parties. The Parties agree that the foregoing Peak Hour Flow Rate and the daily biochemical oxygen demand of Wholesale Wastewater Service shall apply only to Wastewater generated within the Wholesale Service Area. Under no circumstances shall Wastewater generated from other Authority customers that tie into the Authority System be included in the calculation of the Peak Hour Flow Rate and the daily biochemical oxygen demand of Wholesale Wastewater Service provided to the Wholesale Service Area.

(d) Discharges by the City into the Authority System shall consist only of Wastewater that the Authority System is capable of handling so that the effluent and sludge from the Authority System meets the current legal standards of the EPA, TCEQ, or any governmental body having authority to set standards for such effluent and sludge.

(e) The Authority may suspend Wholesale Wastewater Service to the Wholesale Service Area if the Authority determines that Wastewater delivered from the Wholesale Service Area is not in compliance with this Section for the period of time until such noncompliance is remedied. City agrees that it shall adopt and enforce any pretreatment requirements for its retail customers as may be necessary to ensure the quality of Wastewater the City delivers to the Authority pursuant to this Agreement meets the requirements of this Section.

Section 2.02 Sole Provider. Authority will be the sole source of Wholesale Wastewater Service to City for the Wholesale Service Area unless Authority consents in writing to City's conversion to another wholesale provider. Under the terms and conditions set forth herein, Authority shall be entitled to provide Wholesale Wastewater Service to City for the Wholesale Service Area from any source of treatment capacity available to Authority.

Section 2.03 Wholesale Service Commitment Not Transferable. Authority's commitment to provide Wholesale Wastewater Service is solely to City and solely for the Wholesale Service Area. City may not assign or transfer in whole or in part its right to receive Wholesale Wastewater Service without Authority's prior written approval. Notwithstanding the foregoing, the Authority reserves the right to provide wholesale sewer service to other properties located within the Authority's service area, as may be amended from time to time.

Section 2.04 City Responsible for Retail Connections. City will be solely responsible for providing retail wastewater service within the Wholesale Service Area. City shall not provide wastewater services received under this Agreement to any entity, private or public, other than the City's retail customers located within the Wholesale Service Area. City will be solely responsible

for ensuring compliance by its retail customers with the applicable terms of this Agreement, for the applicable provisions of the Authority Service Rules and Policies and for the proper and lawful application of City's policies and regulations governing connection to the City System.

Section 2.05 Cooperation During Maintenance or Emergency. City will reasonably cooperate with Authority during periods of Emergency or required maintenance. If necessary, upon prior notice, City will operate and maintain the City System at its expense in a manner reasonably necessary for the safe and efficient completion of repairs or the replacement of facilities, the restoration of service, and the protection of the public health, safety, and welfare.

Section 2.06 City Prevention of Infiltration and Inflow. It will be City's responsibility to undertake such measures as are reasonably necessary and prudent to minimize Infiltration and Inflow to the City System. City will prohibit the discharge of drainage water and storm water runoff into the City System.

Section 2.07 Point(s) of Entry. The Authority shall accept Wastewater at all points where the City System joins the Authority System with all such points being considered Points of Entry.

Section 2.08 Construction and Testing Criteria for City Sewer Connections.

(a) All tests required by the design criteria and specifications of the State of Texas will be at City's or its customer's expense.

(b) City agrees that it will maintain strict supervision and maintenance of its local Wastewater facilities to prohibit connections such as roof drains or any other means by which surface drainage, i.e. storm water runoff, can enter local Wastewater facilities and then discharge to the Authority System.

(c) Connections made to the City System after the date of execution of this Agreement will be made using only materials permitted by applicable codes and development criteria manuals of the State of Texas. City will inspect all connections to its System in accordance with its own rules and regulations in order to insure compliance with same.

Section 2.09 Liability of City. As between the Parties, liability for damages to third persons arising from the reception, transportation, delivery, treatment and disposal of all Wastewater will remain with City to the Point(s) of Entry. As between the Parties, liability for damages to third persons will pass to Authority at the Point(s) of Entry to Authority's System.

Section 2.10 Liability of Authority. Subject to the foregoing, Authority will bear the responsibility as between the Parties for the proper reception, transportation, treatment, and disposal of such Wastewater received by it at Point(s) of Entry in accordance with the Agreement. However, the Parties agree that they will not construe this Agreement to cause Authority to have liability for damages to the Authority System or to third persons arising from the delivery by City of Prohibited Wastes. Similarly, this Agreement shall not be construed as a waiver of any governmental immunity that the Authority or City may enjoy with respect to any claims brought by third party persons or entities.

Section 2.11 Authority Treatment and Reuse of Wastewater. Authority may treat the Wastewater delivered by the City pursuant to this Agreement and dispose of or reuse the effluent generated thereby in such manner as may be provided in the Permit or other TCEQ authorization in its sole discretion.

Section 2.13 Right of Entry. City agrees to provide Authority the right of entry and access to the City System at all reasonable times upon prior notice in order to inspect facilities, to investigate the source of operational or maintenance problems, for preventive purposes intended to detect, minimize, or avert operational or maintenance problems, or for any other purpose reasonably related to the provision of Wholesale Wastewater Service.

Article III.

CONSTRUCTION OF CITY SYSTEM IMPROVEMENTS; CAPITAL IMPROVEMENTS

Section 3.01 Construction of City System Improvements. City shall install, or cause the installation of, any improvements necessary for the provision of Wholesale Wastewater Service. The construction and installation of any improvements shall be at the sole cost of City. The design, location and installation of the City System improvements are subject to prior review and written approval by Authority, which approval shall not be unreasonably withheld, denied or delayed provided the City System facilities comply with applicable standards of TCEQ and Authority. Authority agrees to review all plans and either approve the plans or provide written comments specifically identifying the required changes within a reasonable amount of time from the submittal.

Section 3.02 Construction of Capital Improvements. City agrees to compensate the Authority for any necessary debt for the construction of capital improvements for the Authority System that provides Wholesale Wastewater Service in the Wholesale Service Area, either as a part of the Wholesale Wastewater Service Rate, or as a separate payment to Authority for such capital costs.

Article IV.

RATES AND CHARGES

Section 4.01 Wholesale Wastewater Service Rate and Fees.

(a) City will pay the Wholesale Wastewater Service Rate and applicable Wastewater Impact Fees for Wholesale Wastewater Service provided by the Authority under this Agreement.

(b) The Wholesale Wastewater Service Rate shall be calculated by Authority in accordance with standard principles for wholesale wastewater service, and shall be based on Costs of the System. Wastewater Impact Fees shall be calculated by Authority in accordance with the applicable provisions of Chapter 395, Texas Local Government Code and the Authority Service Rules and Policies.

Section 4.02 Amendment of Wholesale Wastewater Rates and Fees, Notices to and Review by City.

(a) Authority may amend the Wholesale Wastewater Service Rate and Wastewater Impact Fees from time to time as approved by the Authority Board of Directors.

(b) Authority will provide City with at least two (2) months prior written notice of any increases to the Wholesale Wastewater Service Rate. Written notice shall include the proposed new rates, and an updated cost of service study. Notice of changes to the Wastewater Impact Fee is governed by the provisions of Section 4.04(a) below.

(c) City will have the right to inspect and copy, at its expense, Authority's books and records to verify any statement, billing, charge, computation or demand made to City by Authority. Authority agrees to make all such information available to City for inspection and copying with reasonable promptness during normal business hours.

Section 4.03 Wastewater Impact Fees.

(a) City shall be obligated to pay Authority a Wastewater Impact Fee for each new retail wastewater customer that connects to the City System and receives wastewater service provided under this Agreement. For the term of this Agreement, the Wastewater Impact Fee will be the amount established from time to time in the Authority Service Rules and Policies, provided that no increase in the Wastewater Impact Fee will become effective for the City until the Authority has given at least 60 days' prior written notice of the change to City, and any such increases shall be applied to connections made in the Wholesale Service Area in accordance with Chapter 395, Texas Local Government Code, in order to allow the City adequate time to make corresponding changes to its rate order. The Wastewater Impact Fee paid for each new retail wastewater connection to the City System shall be due and payable to Authority within 45 days after the end of the calendar month in which the new retail wastewater connection is made.

(b) Within 45 days after the end of each calendar month, City shall submit a monthly report to Authority, reflecting the new customer(s), service address(es), meter size(s) and an estimated quantity of wastewater flows for which payment of a Wastewater Impact Fee is being made. The Authority reserves the right to audit all City submitted data and recalculate the estimated quantity of wastewater flows in accordance with the Authority Service Rules and Policies. If no new connections have been made, the monthly report will still be required, but will reflect that there have been no changes from the prior reporting period. If City fails to submit any report within the time period required by this Agreement, Authority may assess City a \$50 late charge per customer account not reported. Unless changed by written notice in accordance with Section 8.09, the Wastewater Impact Fees and monthly reports required by Section 5.06 and this subsection will be submitted to the following address:

Cibolo Creek Municipal Authority
P.O. Box 930
Schertz, Texas 78154
Attention: General Manager

(c) The Wastewater Impact Fee has been designed to fund or recover all or a part of the Costs of the Authority System for capital improvements or facility expansions intended to serve "new development" (as that term is defined in the Texas Impact Fee Law, Chapter 395 of the Texas Local Government Code) in the Authority's service area and, upon payment, City will have a

guaranteed reservation of capacity in the Authority System for the quantity of wastewater flows for which a Wastewater Impact Fee has been paid.

(d) Authority specifically acknowledges and agrees that Wastewater Impact Fees may be paid by other third parties on behalf of City.

Section 4.04 City Wastewater Rates and Charges. City will determine and charge its retail Wastewater customers such rates as are determined by its governing body. During the term of this Agreement, City will fix and collect rates and charges for retail Wastewater service that are, in the opinion of its governing body, sufficient, together with any other revenues available to City, to produce the amount necessary to operate, repair, and maintain the City System, and to pay the cost of Wholesale Wastewater Service from Authority. City will establish retail rates consistent with industry standard ratemaking principles. City will be solely responsible for ensuring that its retail rates and charges are determined and collected in accordance with applicable law.

Section 4.05 City Wastewater Impact Fees. The Parties acknowledges that City has the right to the extent allowed under applicable law to assess, charge, and collect such impact fees, capital recovery fees, connection fees, meter fees, or other service fees, rates, taxes, or other charges as its governing body will deem appropriate in addition to the Wastewater Impact Fee. This Agreement will not be construed to require, limit, or restrict the governmental power of City to implement same. City will be solely responsible for the proper exercise of its governmental power to assess and collect such fees and charges and for ensuring that all fees, taxes, rates, and charges City elects to charge are in compliance with applicable law.

Article V.

WHOLESALE PAYMENT METHODOLOGY, REPORTS AND OTHER RELATED MATTERS

Section 5.01 Monthly Payment. By the 30th day of each month, City shall submit to Authority payment for Wholesale Wastewater Service for the prior month for its residential and non-residential customers. City shall calculate monthly usage for Wholesale Wastewater Service for residential customers based on the monthly average water usage for the months of November to March and City shall provide Authority documentation establishing such average water usage with its payment. City shall multiply the monthly usage for residential customers by the Wholesale Wastewater Rate to determine the monthly billing for residential customers. City shall calculate the payment for Wholesale Wastewater Service for non-residential customers based on the prior month's actual quantity of Wholesale Wastewater Service provided multiplied by the Wholesale Wastewater Service Rate. Payments for Wholesale Wastewater Service shall be mailed to the Authority's mailing address as provided in Section 8.09, or can be hand-delivered to Authority's main office in Schertz, Texas, upon prior arrangement. If payments will be made by bank-wire, City shall verify wiring instructions. In the event City or an assignee responsible for payment in accordance with this Agreement fails to timely make a payment as provided herein, City shall pay Authority's then-current approved late payment charges in addition to the unpaid monthly payment.

Section 5.02 Infiltration and Inflow. City acknowledges that water entering the Authority System from the City System emanating from any source whatsoever must be given treatment and

handling whether or not its source is revenue producing for City. Therefore, City agrees to pay for Infiltration and Inflow originating within the Wholesale Service Area without abatement in the same manner and cost as other Wastewater entering Authority's System from the City System at the Wholesale Wastewater Service Rate.

Section 5.03 Effect of Nonpayment. With respect to monthly billings, if Authority has not received payment from City by the due date, the bill will be considered delinquent, unless contested in good faith. In such event, Authority will notify City, or its assignee responsible for payment in accordance with this Agreement, of such delinquency in writing, if City or its assignee fails to make payment of the delinquent billing within 30 calendar days from the date of transmittal of such written notice of delinquency from Authority, then Authority may, at its discretion, terminate or reduce the level of Wholesale Wastewater Service to City until payment is made.

Section 5.04 Additional Required Notices. In addition to the monthly reports required by Section 4.03(b) above, City shall:

- (a) Provide to Authority a copy of each final subdivision plat of property within the Wholesale Service Area.
- (b) Provide to Authority by June 1 of every year during the term of this Agreement a report setting forth: (i) the total number of retail wastewater service connections within the Wholesale Service Area as of April 1 of the same year; and, (ii) the total number of new retail wastewater service connections to the City System during the prior annual period ending April 1 of the same year.

Article VI.

REGULATORY COMPLIANCE

Section 6.01 Agreement Subject to Applicable Law. The Agreement will be subject to all valid rules, regulations, and applicable laws of the United States of America, the State of Texas and/or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 6.02 Cooperation to Assure Regulatory Compliance. Since the Parties must comply with all federal, state, and local requirements to obtain permits, grants, and assistance for system construction, studies, etc., each party will cooperate in good faith with the other Party at all times to assure compliance with any such governmental requirements where noncompliance or non-cooperation may subject the parties to penalties, loss of grants or other funds, or other adverse regulatory action in the performance of this Agreement.

Section 6.03 Sewer System Overflows. Each Party will initiate measures to remediate sewer system overflows in its System as directed by state, federal, or other officials, and immediately notify the other Party of the sewer system overflows affecting the Wholesale Service Area. Each Party is responsible for timely providing all required equipment and personnel to remediate a sewer system overflow, and providing any required notice to the EPA and/or the TCEQ regarding any overflows.

Article VII.
TERM, TERMINATION, DEFAULT, REMEDIES

Section 7.01 Term and Termination. This Agreement shall become effective upon the Effective Date and shall extend for a term of () years unless terminated earlier as provided herein. Provided the City provides at least () months written notice to the Authority, it may renew this Agreement for one additional term of () years. Authority may terminate this Agreement upon written notice to City for failure to pay any required Wastewater Impact Fees if the City fails to pay such Wastewater Impact Fees within ninety (90) days of Authority's written demand for payment of the unpaid Wastewater Impact Fees.

Section 7.02 Default.

(a) In the event City shall default in the payment of any amounts due to Authority under this Agreement, or in the performance of any material obligation to be performed by City under this Agreement, then Authority shall give City at least 30 days' written notice of such default and the opportunity to cure same. Thereafter, Authority shall have the right to temporarily limit Wholesale Wastewater Services to City under this Agreement pending cure of such default by City and also to pursue any remedy available at law or in equity, pending cure of such default by City. Anything herein to the contrary notwithstanding, any Wastewater Impact Fees paid to Authority under this Agreement after the effective date of Authority's written notice which are accepted by Authority or which are awarded as a remedy to Authority shall increase the quantity of wastewater for which Authority will provide Wholesale Wastewater Services in accordance with this Agreement.

(b) In the event Authority shall default in the performance of any material obligation to be performed by Authority under this Agreement, then City shall give Authority at least 30 days' written notice of such default and the opportunity to cure same. Thereafter, in the event such default remains uncured, the City shall have the right to pursue any remedy available at law or in equity, pending cure of such default by Authority. In the event such default remains uncured for an additional 180 days, then City shall, in addition to and not in lieu of any other remedies available to City, have the right to notify Authority that City intends to take a more limited amount of Wholesale Wastewater Services from Authority (which shall be at least the amount Authority is then able to provide to City) and City may then obtain other wastewater services from another provider or may take appropriate action to supply itself with additional wastewater services upon giving Authority written notice of its intent to do so. Authority acknowledges that the replacement of the Wholesale Wastewater Services which Authority has agreed to provide under this Agreement would be difficult and expensive for City, and agrees to use diligent good faith efforts to perform its obligations under this Agreement.

Section 7.03 Additional Remedies Upon Default. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies existing at law or in equity may be availed of by any party and shall be cumulative of the remedies provided. Recognizing however, that Authority's undertaking to provide and maintain the services of the Authority System is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone, Authority agrees, in the event of any default on its part, that City shall have available to it the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination

of this Agreement) that may also be available. In recognition that failure in the performance of City's obligations could not be adequately compensated in money damages alone, City agrees in the event of any default on its part that Authority shall have available to it the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies that may also be available to Authority including the right to obtain a writ of mandamus or an injunction against City requiring the governing body of City to levy and collect rates and charges sufficient to pay the amounts owed to Authority by City under this Agreement. If either party institutes legal proceedings to seek adjudication of an alleged default under this Agreement, the prevailing party in the adjudication shall be entitled to its reasonable and necessary attorneys' fees.

Article VIII.

GENERAL PROVISIONS

Section 8.01 Assignability. Assignment of this Agreement by either party is prohibited without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned; provided however that the City hereby consents to the assignment of this Agreement to a conservation and reclamation district authorized by Article XVI, Section 59 of the Texas Constitution created for the purpose of owning and operating the Authority System and acting as successor in interest to the Authority.

Section 8.02 Amendment. This Agreement may be amended or modified only by written agreement duly authorized by the respective governing bodies of City and Authority and executed by duly authorized representatives of each.

Section 8.03 Necessary Documents and Actions. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Agreement.

Section 8.04 Entire Agreement. This Agreement constitutes the entire agreement of the Parties and this Agreement supersedes any prior or contemporaneous oral or written understandings or representations of the Parties regarding Wholesale Wastewater Service by Authority to City for the Wholesale Service Area.

Section 8.05 Applicable Law. This Agreement will be construed under and in accordance with the laws of the State of Texas.

Section 8.06 Venue. All obligations of the Parties created in this Agreement are performable in [REDACTED] County, Texas, and venue for any action arising under this Agreement will be in [REDACTED] County, Texas.

Section 8.07 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than to the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

Section 8.08 Duplicate Originals. This Agreement may be executed in duplicate originals each of equal dignity.

Section 8.09 Notices. Any notice required under this Agreement may be given to the respective Parties by deposit in regular first-class mail or by hand-delivery and by email to the address of the other party shown below:

City:

City of Garden Ridge
9400 Municipal Pkwy.
Garden Ridge, Texas 78266
Attention: [REDACTED]

Authority:

Cibolo Creek Municipal Authority
P.O. Box 930
Schertz, Texas 78154
Attention: General Manager

Notices shall be deemed received on the date of hand delivery or within three days of deposit in first-class mail.

Section 8.10 Consents and Approvals. Wherever this Agreement requires any Party, or its agents or employees to provide a consent, approval or similar action, the parties agree that such consent, approval or similar action will not be unreasonably withheld or delayed.

Section 8.11 Severability. Should any court declare or determine that any provisions of this Agreement is invalid or unenforceable under present or future laws, that provision shall be fully severable; this Agreement shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in place of each such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable. Texas law shall govern the validity and interpretation of this Agreement.

Section 8.12 Records. Authority and City each agree to preserve, for a period of at least two years from their respective dates of origin, all books, records, test data, charts and other records pertaining to this Agreement. Authority and City shall each, respectively, have the right during reasonable business hours to inspect such records to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to any provisions of this Agreement.

Section 8.13 Force Majeure. If any party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement, other than an obligation to pay or provide money, then such obligations of that party to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time shall be suspended during the continuance of any inability so caused to the extent provided

but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the affected party, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of the affected party.

Section 8.14 Good Faith. Each party agrees that, notwithstanding any provision herein to the contrary (i) it will not unreasonably withhold or condition or unduly delay any consent, approval, decision, determination or other action which is required or permitted under the terms of this Agreement, and (ii) it will act in good faith and shall at all times deal fairly with the other party.

Section 8.15 Authority of Parties Executing Agreement, Validity. By their execution, each of the individuals executing this Agreement on behalf of a party represents and warrants to the other party that he or she has the authority to execute the document in the capacity shown on this document. Each of the parties further represent and warrant that this Agreement constitutes a valid and binding contract, enforceable against it in accordance with its terms.

Section 8.16 Exhibits. The following exhibits, attached to this Agreement, are incorporated into this Agreement as if fully set forth:

Exhibit A: Map Showing Point(s) of Entry

Exhibit B: Wholesale Service Area

Section 8.17 Effective Date. This Agreement will be effective from and after the last date of due execution by all Parties.

CIBOLO CREEK MUNICIPAL AUTHORITY

By: _____
Erich W. Strey, President
Board of Directors

Date: _____

ATTEST: _____
Reginna Agee, Secretary

CITY OF GARDEN RIDGE:

By: _____
Andrew Dalton, Mayor

Date: _____

ATTEST: _____
Shelley Goodwin, City Secretary

3705912_2.docx

Attachment 'F'

Draft Customer Service Agreement

(This Page Intentionally Left Blank)

**PRIVATELY OWNED COMMERCIAL GRINDER PUMP
SEWER SYSTEM SERVICE AGREEMENT**

This Agreement Concerning Commercial Grinder Pump Sewer Systems is entered into by and between _____ (the "District") and _____ ("Customer") for sanitary sewer service to the property located at _____ ("Property").

RECITALS

WHEREAS, the District owns, operates and maintains a centralized sanitary sewer system from which Customer desires to obtain sewer service; and

WHEREAS, the elevation and/or slope of the Property in relation to the location of the District's sanitary sewer system requires Customer's installation of a pressure sewer system commonly known as a grinder pump system ("System") in order to transport Customer's sewage to the District's sanitary sewer system; and

WHEREAS, the District's sanitary system is regulated by the rules and regulations of the Texas Commission on Environmental Quality ("TCEQ"); and

WHEREAS, the rules and regulations of the TCEQ require that the District only allow the use of a System by a Customer under terms and conditions set forth in a service agreement; and

WHEREAS, Customer desires to connect to the District's sanitary sewer system to receive sewer service from the District;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the District and Customer agree as follows:

1. As a condition to initiation and continuation of sanitary sewer service to Customer by the District:
 - a. The District shall have the right to prior approval of the design of the System, including size, materials and equipment, prior to installation of the System by Customer. It shall be the responsibility of the Customer to obtain from the District's engineer the design requirements for the System for the Property. A specific pump may be specified by the District's representative. The design requirements shall be determined by the District's engineer and shall be in accordance with the rules of the TCEQ (30 Texas Administrative Code 317.2) for sewage collection systems, as those rules are amended from time to time. The final design provided by the Customer shall be submitted to the District's representative at least five (5) business days in advance of desired installation.

- b. District shall have the right to inspect the installed System prior to initiation of service to the Property. Customer shall give the District at least two (2) business days notice requesting an inspection. Customer agrees to correct any deficiencies.
 - c. Customer agrees that the District shall have the right to stop any discharges from the System in order to prevent contamination of state waters.
 - d. District and Customer concur that this agreement hereby contracts for the District's representative to maintain and repair only the grinder pump portion of the System on behalf of the Customer and Customer shall pay to the District all costs incurred in such maintenance and repair.
 - e. Customer agrees that the District and its representatives shall have the right to enter the Customer's property to operate, maintain and repair the grinder pump on behalf of the Customer.
2. The District and Customer agree that, although the System is owned by Customer, the System shall be regarded as an integral component of the District's sanitary sewer system and not as a part of the plumbing for the Property as required by the Rules of the TCEQ.
 3. Customer agrees to pay all fees and charges set by the District as set forth in the District's Rate Order and Rules and Regulations regarding design, installation and operations and maintenance of the System as may be amended from time to time.
 4. All commercial lift and grinder stations connected to the wastewater system require regular professional maintenance and cleaning. This grinder pump service agreement refers ONLY to the grinder pump(s) and does not cover such things as routine maintenance, electrical repairs, cleaning, pumping or odor control. These items are the responsibility of the owner, and may be accomplished by a commercial professional or upon request. When these services are required, the Customer must pay the current rate for all services performed. Lack of proper maintenance can cause odor problems and pump malfunctions which can lead to costly backups, overflows and public health issues. Bypassing required alarms and controls is a violation of the state law and may lead to fines on the owner levied by the TCEQ agency. Routine maintenance is an integral part in preserving the integrity of sanitary wastewater system(s).
 5. Customer acknowledges and agrees that failure of Customer to pay all costs associated with the operation and maintenance of the grinder pump portion of the System as set forth in the District's Rate Order and Rules and Regulations or failure of Customer to allow the District and its representatives to enter Customer's property, as set forth in Section 1.e. above, shall be grounds for the disconnection of water and wastewater service to the Property.

6. This Agreement shall be performable in _____; Texas, which county shall be the exclusive place for venue for any disputes arising under the Agreement.
7. Any amendments to this Agreement must be in writing and signed by both the District and the Customer.
8. This Agreement is not assignable by Customer. Upon termination of service to the Property, any new customer desiring to receive water and/or wastewater service from the District shall be required to execute their own service agreement.
9. CUSTOMER AGREES TO INDEMNIFY AND HOLD HARMLESS THE DISTRICT, ITS OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES FROM ANY CLAIMS OR DAMAGES ASSOCIATED WITH OR ARISING FROM DESIGN, OPERATION OR MAINTENANCE OF THE GRINDER PUMP SYSTEM.
10. Customers with grinder pump stations acknowledge that they may be assessed a certain extra monthly fee to offset the cost of maintaining grinder pump maintenance equipment and personnel.
11. The System will be powered by Customer's electrical service. In the event that power service to the System is disrupted, Customer shall be responsible for taking measures to prevent the backup of wastewater on the Property.

ENTERED INTO this the _____ day of _____, 201__.

DISTRICT:

By: _____

CUSTOMER:

By: _____

Printed Name: _____

(This Page Intentionally Left Blank)

SERVICE AGREEMENT

Date: ____/____/____

Service Address: _____

Customer Name: _____

Billing Address: _____

Phone: _____

Email: _____

Closing Date: _____

Check Applicable Items: ____ Residential ____ Commercial ____ Owner ____ Tenant

This agreement is entered into by _____ ("District") and _____ ("Customer"), for water and/or wastewater service at the above address.

The District is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water system construction or configuration. The District enforces these rules to ensure public health and welfare.

RESTRICTIONS- The following unacceptable practices are prohibited by State regulations:

- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
- B. No cross-connection between the public drinking water supply and a private water system, including wells, is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure zone backflow prevention device.
- C. No connection which allows water to be returned to the public drinking water supply is permitted.
- D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
- E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

The Customer acknowledges that the system water pressure may vary **widely** from time to time depending upon equipment configuration and water demand. **A properly functioning pressure relief valve (PRV) is required to be installed by the Customer on all District connections.**

The District shall sell and deliver water service to the Customer and the Customer shall purchase, receive, and/or reserve water service from the District in accordance with the rules, policies, and rate structure of the District as amended from time to time by the Board of Directors.

All water shall be metered by meters installed and owned by the District. The meter and/or connection is for the sole use of the Customer and is to serve water to only one (1) dwelling and /or only one (1) business. Extension of pipe or pipes to transfer water from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, business, and/or property, is prohibited.

The District shall have the right to locate a water service meter and the pipe necessary to connect the meter on or near the Customer's property at a point to be chosen by the District, and shall have access to its property and equipment located upon the Customer's premises at all reasonable times for any purpose connected with its operations, and upon discontinuance of service, the District shall have the right to remove any of its equipment from the Customer's property. The District may trim landscaping, clear debris, or otherwise ensure clear access to meters.

The District's authorized employees shall have access to the Customer's property or premises and service lines and plumbing facilities at all reasonable times for the purpose of inspecting for possible violations of the District's policies and to ensure compliance with the state required Minimum Acceptable Operating Practices for Public Drinking Water Systems, as promulgated by the Texas Commission on Environmental Quality or successor agency, applicable plumbing codes, and utility construction standards.

The District has adopted the 2009 Edition of the Uniform Plumbing Code (Code) with local amendments which shall apply to the erection, installation, alteration, addition, repair, relocation, replacement, maintenance, or uses of any plumbing system connected to, or to be connected to, the District's water or wastewater system. All plumbing work done in the district shall meet the requirements set forth in this Code with the exception of those properties in the Cities of Austin or Lakeway which shall comply with the 2006 International Residential Code as required by state law. Commercial properties in the City of Lakeway shall comply with the 2009 Edition of the Uniform Plumbing Code. Plumbing permits are required for all residential and commercial construction, irrigation and pool system installation.

In the event the total water supply is insufficient to meet all of the needs of the Customers, or in the event there is a shortage of water, all Customers are required to comply with any water rationing plan indicated by the District.

The Customer shall install at his own expense a service line from the water meter to the point of use, including any customer service isolation valves and other equipment as may be specified by the District.

The Customer agrees to grant to the District any required easements or rights-of-way for the purpose of installing, maintaining and operating such pipe lines, meters, valves, and any other equipment which may be deemed necessary for the provision of Utility service to existing or future customers. The District will attempt to restore the Customer's property to its original condition after installation or repairs. This easement must be in such form as is required by the District. The Customer agrees not to interfere with the District's employees in the discharge of their duties. The Customer will not permit anyone except District employees to tamper with or interfere with any of the District's equipment installed on the Customer's premises.

By execution of this agreement, the Customer shall hold the District harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other customers/users of the District system, normal failures of the system, or other events beyond the District's control.

The Customer also hereby agrees to waive, release, and hold the District harmless from any claims and damages resulting from malfunctioning, failure, or absence of check valves, backflow prevention devices, and pressure relief valves, including without limitation, damages to persons or property, direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenue.

By execution of the Service Agreement, the Customer shall guarantee payment of all other rates, fees, and charges due. Bills are mailed by the 25th of each month, payments must be in the office by 5:00 p.m. on the due date of the following month. A 10% penalty is added after the due date. Service will be discontinued and a reconnect fee and service call(s) fee(s) charged when the bill becomes two (2) billing cycles delinquent. A Customer's obligation to make timely payments for service rendered is not released or diminished because a water bill(s) was/were not received.

If the Customer fails to comply with the terms of the Service Agreement, the District shall, at its option, terminate service or properly install, test and maintain an appropriate backflow prevention device at the service connection. Copies of all testing and maintenance records shall be provided to the District. Any expense associated with the enforcement of this agreement shall be billed to the Customer.

Customer Signature

Date

Attachment 'G'

Local Government Code Chapter 395

(This Page Intentionally Left Blank)

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C. PLANNING AND DEVELOPMENT PROVISIONS APPLYING TO MORE THAN ONE TYPE
OF LOCAL GOVERNMENT

CHAPTER 395. FINANCING CAPITAL IMPROVEMENTS REQUIRED BY NEW DEVELOPMENT IN
MUNICIPALITIES, COUNTIES, AND CERTAIN OTHER LOCAL GOVERNMENTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 395.001. DEFINITIONS. In this chapter:

(1) "Capital improvement" means any of the following facilities that have a life expectancy of three or more years and are owned and operated by or on behalf of a political subdivision:

(A) water supply, treatment, and distribution facilities; wastewater collection and treatment facilities; and storm water, drainage, and flood control facilities; whether or not they are located within the service area; and

(B) roadway facilities.

(2) "Capital improvements plan" means a plan required by this chapter that identifies capital improvements or facility expansions for which impact fees may be assessed.

(3) "Facility expansion" means the expansion of the capacity of an existing facility that serves the same function as an otherwise necessary new capital improvement, in order that the existing facility may serve new development. The term does not include the repair, maintenance, modernization, or expansion of an existing facility to better serve existing development.

(4) "Impact fee" means a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development. The term includes amortized charges, lump-sum charges, capital recovery fees, contributions in aid of construction, and any other fee that functions as described by this definition. The term does not include:

(A) dedication of land for public parks or payment in lieu of the dedication to serve park needs;

(B) dedication of rights-of-way or easements or construction or dedication of on-site or off-site water distribution, wastewater collection or drainage facilities, or streets, sidewalks, or curbs if the dedication or

construction is required by a valid ordinance and is necessitated by and attributable to the new development;

(C) lot or acreage fees to be placed in trust funds for the purpose of reimbursing developers for oversizing or constructing water or sewer mains or lines; or

(D) other pro rata fees for reimbursement of water or sewer mains or lines extended by the political subdivision.

However, an item included in the capital improvements plan may not be required to be constructed except in accordance with Section 395.019(2), and an owner may not be required to construct or dedicate facilities and to pay impact fees for those facilities.

(5) "Land use assumptions" includes a description of the service area and projections of changes in land uses, densities, intensities, and population in the service area over at least a 10-year period.

(6) "New development" means the subdivision of land; the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure; or any use or extension of the use of land; any of which increases the number of service units.

(7) "Political subdivision" means a municipality, a district or authority created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution, or, for the purposes set forth by Section 395.079, certain counties described by that section.

(8) "Roadway facilities" means arterial or collector streets or roads that have been designated on an officially adopted roadway plan of the political subdivision, together with all necessary appurtenances. The term includes the political subdivision's share of costs for roadways and associated improvements designated on the federal or Texas highway system, including local matching funds and costs related to utility line relocation and the establishment of curbs, gutters, sidewalks, drainage appurtenances, and rights-of-way.

(9) "Service area" means the area within the corporate boundaries or extraterritorial jurisdiction, as determined under Chapter 42, of the political subdivision to be served by the capital improvements or facilities expansions specified in the capital improvements plan, except roadway facilities and storm water, drainage, and flood control facilities. The service area, for the purposes of this chapter, may include all or part of the land within the political subdivision or its extraterritorial jurisdiction, except for roadway facilities and storm water, drainage, and flood control facilities. For roadway facilities, the service area is limited to an area within the corporate boundaries of the political subdivision and shall not exceed six miles. For storm water, drainage, and flood control facilities, the service area may

include all or part of the land within the political subdivision or its extraterritorial jurisdiction, but shall not exceed the area actually served by the storm water, drainage, and flood control facilities designated in the capital improvements plan and shall not extend across watershed boundaries.

(10) "Service unit" means a standardized measure of consumption, use, generation, or discharge attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards and based on historical data and trends applicable to the political subdivision in which the individual unit of development is located during the previous 10 years.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 1989, 71st Leg., ch. 566, Sec. 1(e), eff. Aug. 28, 1989; Acts 2001, 77th Leg., ch. 345, Sec. 1, eff. Sept. 1, 2001.

SUBCHAPTER B. AUTHORIZATION OF IMPACT FEE

Sec. 395.011. AUTHORIZATION OF FEE. (a) Unless otherwise specifically authorized by state law or this chapter, a governmental entity or political subdivision may not enact or impose an impact fee.

(b) Political subdivisions may enact or impose impact fees on land within their corporate boundaries or extraterritorial jurisdictions only by complying with this chapter, except that impact fees may not be enacted or imposed in the extraterritorial jurisdiction for roadway facilities.

(c) A municipality may contract to provide capital improvements, except roadway facilities, to an area outside its corporate boundaries and extraterritorial jurisdiction and may charge an impact fee under the contract, but if an impact fee is charged in that area, the municipality must comply with this chapter.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.012. ITEMS PAYABLE BY FEE. (a) An impact fee may be imposed only to pay the costs of constructing capital improvements or facility expansions, including and limited to the:

- (1) construction contract price;
- (2) surveying and engineering fees;
- (3) land acquisition costs, including land purchases, court awards and costs, attorney's fees, and expert witness fees; and
- (4) fees actually paid or contracted to be paid to an independent qualified engineer or financial consultant preparing or updating the capital improvements plan who is not an employee of the political subdivision.

(b) Projected interest charges and other finance costs may be included in determining the amount of impact fees only if the impact fees are used for the payment of principal and interest on bonds, notes, or other obligations issued by or on behalf of the political subdivision to finance the capital improvements or facility expansions identified in the capital improvements plan and are not used to reimburse bond funds expended for facilities that are not identified in the capital improvements plan.

(c) Notwithstanding any other provision of this chapter, the Edwards Underground Water District or a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may use impact fees to pay a staff engineer who prepares or updates a capital improvements plan under this chapter.

(d) A municipality may pledge an impact fee as security for the payment of debt service on a bond, note, or other obligation issued to finance a capital improvement or public facility expansion if:

- (1) the improvement or expansion is identified in a capital improvements plan; and
- (2) at the time of the pledge, the governing body of the municipality certifies in a written order, ordinance, or resolution that none of the impact fee will be used or expended for an improvement or expansion not identified in the plan.

(e) A certification under Subsection (d)(2) is sufficient evidence that an impact fee pledged will not be used or expended for an improvement or expansion that is not identified in the capital improvements plan.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 1995, 74th Leg., ch. 90, Sec. 1, eff. May 16, 1995.

Sec. 395.013. ITEMS NOT PAYABLE BY FEE. Impact fees may not be adopted or used to pay for:

- (1) construction, acquisition, or expansion of public facilities or assets other than capital improvements or facility expansions identified in the capital improvements plan;
- (2) repair, operation, or maintenance of existing or new capital improvements or facility expansions;
- (3) upgrading, updating, expanding, or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental, or regulatory standards;
- (4) upgrading, updating, expanding, or replacing existing capital improvements to provide better service to existing development;
- (5) administrative and operating costs of the political subdivision,

except the Edwards Underground Water District or a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may use impact fees to pay its administrative and operating costs;

(6) principal payments and interest or other finance charges on bonds or other indebtedness, except as allowed by Section 395.012.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.014. CAPITAL IMPROVEMENTS PLAN. (a) The political subdivision shall use qualified professionals to prepare the capital improvements plan and to calculate the impact fee. The capital improvements plan must contain specific enumeration of the following items:

(1) a description of the existing capital improvements within the service area and the costs to upgrade, update, improve, expand, or replace the improvements to meet existing needs and usage and stricter safety, efficiency, environmental, or regulatory standards, which shall be prepared by a qualified professional engineer licensed to perform the professional engineering services in this state;

(2) an analysis of the total capacity, the level of current usage, and commitments for usage of capacity of the existing capital improvements, which shall be prepared by a qualified professional engineer licensed to perform the professional engineering services in this state;

(3) a description of all or the parts of the capital improvements or facility expansions and their costs necessitated by and attributable to new development in the service area based on the approved land use assumptions, which shall be prepared by a qualified professional engineer licensed to perform the professional engineering services in this state;

(4) a definitive table establishing the specific level or quantity of use, consumption, generation, or discharge of a service unit for each category of capital improvements or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, and industrial;

(5) the total number of projected service units necessitated by and attributable to new development within the service area based on the approved land use assumptions and calculated in accordance with generally accepted engineering or planning criteria;

(6) the projected demand for capital improvements or facility expansions required by new service units projected over a reasonable period of time, not to exceed 10 years; and

(7) a plan for awarding:

(A) a credit for the portion of ad valorem tax and utility service

revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvements plan; or

(B) in the alternative, a credit equal to 50 percent of the total projected cost of implementing the capital improvements plan.

(b) The analysis required by Subsection (a)(3) may be prepared on a systemwide basis within the service area for each major category of capital improvement or facility expansion for the designated service area.

(c) The governing body of the political subdivision is responsible for supervising the implementation of the capital improvements plan in a timely manner.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 2, eff. Sept. 1, 2001.

Sec. 395.015. MAXIMUM FEE PER SERVICE UNIT. (a) The impact fee per service unit may not exceed the amount determined by subtracting the amount in Section 395.014(a)(7) from the costs of the capital improvements described by Section 395.014(a)(3) and dividing that amount by the total number of projected service units described by Section 395.014(a)(5).

(b) If the number of new service units projected over a reasonable period of time is less than the total number of new service units shown by the approved land use assumptions at full development of the service area, the maximum impact fee per service unit shall be calculated by dividing the costs of the part of the capital improvements necessitated by and attributable to projected new service units described by Section 395.014(a)(6) by the projected new service units described in that section.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 3, eff. Sept. 1, 2001.

Sec. 395.016. TIME FOR ASSESSMENT AND COLLECTION OF FEE. (a) This subsection applies only to impact fees adopted and land platted before June 20, 1987. For land that has been platted in accordance with Subchapter A, Chapter 212, or the subdivision or platting procedures of a political subdivision before June 20, 1987, or land on which new development occurs or is proposed without platting, the political subdivision may assess the impact fees at any time during the development approval and building process. Except as provided by Section 395.019, the political subdivision may collect the fees at either the time of recordation of the subdivision plat or connection to the political subdivision's water or sewer system or at the time the political subdivision

issues either the building permit or the certificate of occupancy.

(b) This subsection applies only to impact fees adopted before June 20, 1987, and land platted after that date. For new development which is platted in accordance with Subchapter A, Chapter 212, or the subdivision or platting procedures of a political subdivision after June 20, 1987, the political subdivision may assess the impact fees before or at the time of recordation. Except as provided by Section 395.019, the political subdivision may collect the fees at either the time of recordation of the subdivision plat or connection to the political subdivision's water or sewer system or at the time the political subdivision issues either the building permit or the certificate of occupancy.

(c) This subsection applies only to impact fees adopted after June 20, 1987. For new development which is platted in accordance with Subchapter A, Chapter 212, or the subdivision or platting procedures of a political subdivision before the adoption of an impact fee, an impact fee may not be collected on any service unit for which a valid building permit is issued within one year after the date of adoption of the impact fee.

(d) This subsection applies only to land platted in accordance with Subchapter A, Chapter 212, or the subdivision or platting procedures of a political subdivision after adoption of an impact fee adopted after June 20, 1987. The political subdivision shall assess the impact fees before or at the time of recordation of a subdivision plat or other plat under Subchapter A, Chapter 212, or the subdivision or platting ordinance or procedures of any political subdivision in the official records of the county clerk of the county in which the tract is located. Except as provided by Section 395.019, if the political subdivision has water and wastewater capacity available:

- (1) the political subdivision shall collect the fees at the time the political subdivision issues a building permit;
- (2) for land platted outside the corporate boundaries of a municipality, the municipality shall collect the fees at the time an application for an individual meter connection to the municipality's water or wastewater system is filed; or
- (3) a political subdivision that lacks authority to issue building permits in the area where the impact fee applies shall collect the fees at the time an application is filed for an individual meter connection to the political subdivision's water or wastewater system.

(e) For land on which new development occurs or is proposed to occur without platting, the political subdivision may assess the impact fees at any time during the development and building process and may collect the fees at either the time of recordation of the subdivision plat or connection to the political subdivision's water or sewer system or at the time the political

subdivision issues either the building permit or the certificate of occupancy.

(f) An "assessment" means a determination of the amount of the impact fee in effect on the date or occurrence provided in this section and is the maximum amount that can be charged per service unit of such development. No specific act by the political subdivision is required.

(g) Notwithstanding Subsections (a)-(e) and Section 395.017, the political subdivision may reduce or waive an impact fee for any service unit that would qualify as affordable housing under 42 U.S.C. Section 12745, as amended, once the service unit is constructed. If affordable housing as defined by 42 U.S.C. Section 12745, as amended, is not constructed, the political subdivision may reverse its decision to waive or reduce the impact fee, and the political subdivision may assess an impact fee at any time during the development approval or building process or after the building process if an impact fee was not already assessed.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 1997, 75th Leg., ch. 980, Sec. 52, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 345, Sec. 4, eff. Sept. 1, 2001.

Sec. 395.017. ADDITIONAL FEE PROHIBITED; EXCEPTION. After assessment of the impact fees attributable to the new development or execution of an agreement for payment of impact fees, additional impact fees or increases in fees may not be assessed against the tract for any reason unless the number of service units to be developed on the tract increases. In the event of the increase in the number of service units, the impact fees to be imposed are limited to the amount attributable to the additional service units.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.018. AGREEMENT WITH OWNER REGARDING PAYMENT. A political subdivision is authorized to enter into an agreement with the owner of a tract of land for which the plat has been recorded providing for the time and method of payment of the impact fees.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.019. COLLECTION OF FEES IF SERVICES NOT AVAILABLE. Except for roadway facilities, impact fees may be assessed but may not be collected in areas where services are not currently available unless:

(1) the collection is made to pay for a capital improvement or facility expansion that has been identified in the capital improvements plan and the political subdivision commits to commence construction within two years,

under duly awarded and executed contracts or commitments of staff time covering substantially all of the work required to provide service, and to have the service available within a reasonable period of time considering the type of capital improvement or facility expansion to be constructed, but in no event longer than five years;

(2) the political subdivision agrees that the owner of a new development may construct or finance the capital improvements or facility expansions and agrees that the costs incurred or funds advanced will be credited against the impact fees otherwise due from the new development or agrees to reimburse the owner for such costs from impact fees paid from other new developments that will use such capital improvements or facility expansions, which fees shall be collected and reimbursed to the owner at the time the other new development records its plat; or

(3) an owner voluntarily requests the political subdivision to reserve capacity to serve future development, and the political subdivision and owner enter into a valid written agreement.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.020. ENTITLEMENT TO SERVICES. Any new development for which an impact fee has been paid is entitled to the permanent use and benefit of the services for which the fee was exacted and is entitled to receive immediate service from any existing facilities with actual capacity to serve the new service units, subject to compliance with other valid regulations.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.021. AUTHORITY OF POLITICAL SUBDIVISIONS TO SPEND FUNDS TO REDUCE FEES. Political subdivisions may spend funds from any lawful source to pay for all or a part of the capital improvements or facility expansions to reduce the amount of impact fees.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.022. AUTHORITY OF POLITICAL SUBDIVISION TO PAY FEES. (a) Political subdivisions and other governmental entities may pay impact fees imposed under this chapter.

(b) A school district is not required to pay impact fees imposed under this chapter unless the board of trustees of the district consents to the payment of the fees by entering a contract with the political subdivision that imposes the fees. The contract may contain terms the board of trustees considers advisable to provide for the payment of the fees.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 250 (S.B. 883), Sec. 1, eff. May 25, 2007.

Sec. 395.023. CREDITS AGAINST ROADWAY FACILITIES FEES. Any construction of, contributions to, or dedications of off-site roadway facilities agreed to or required by a political subdivision as a condition of development approval shall be credited against roadway facilities impact fees otherwise due from the development.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.024. ACCOUNTING FOR FEES AND INTEREST. (a) The order, ordinance, or resolution levying an impact fee must provide that all funds collected through the adoption of an impact fee shall be deposited in interest-bearing accounts clearly identifying the category of capital improvements or facility expansions within the service area for which the fee was adopted.

(b) Interest earned on impact fees is considered funds of the account on which it is earned and is subject to all restrictions placed on use of impact fees under this chapter.

(c) Impact fee funds may be spent only for the purposes for which the impact fee was imposed as shown by the capital improvements plan and as authorized by this chapter.

(d) The records of the accounts into which impact fees are deposited shall be open for public inspection and copying during ordinary business hours.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.025. REFUNDS. (a) On the request of an owner of the property on which an impact fee has been paid, the political subdivision shall refund the impact fee if existing facilities are available and service is denied or the political subdivision has, after collecting the fee when service was not available, failed to commence construction within two years or service is not available within a reasonable period considering the type of capital improvement or facility expansion to be constructed, but in no event later than five years from the date of payment under Section 395.019(1).

(b) Repealed by Acts 2001, 77th Leg., ch. 345, Sec. 9, eff. Sept. 1, 2001.

(c) The political subdivision shall refund any impact fee or part of it that is not spent as authorized by this chapter within 10 years after the date of payment.

(d) Any refund shall bear interest calculated from the date of collection

to the date of refund at the statutory rate as set forth in Section 302.002, Finance Code, or its successor statute.

(e) All refunds shall be made to the record owner of the property at the time the refund is paid. However, if the impact fees were paid by another political subdivision or governmental entity, payment shall be made to the political subdivision or governmental entity.

(f) The owner of the property on which an impact fee has been paid or another political subdivision or governmental entity that paid the impact fee has standing to sue for a refund under this section.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 1997, 75th Leg., ch. 1396, Sec. 37, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 7.82, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 345, Sec. 9, eff. Sept. 1, 2001.

SUBCHAPTER C. PROCEDURES FOR ADOPTION OF IMPACT FEE

Sec. 395.041. COMPLIANCE WITH PROCEDURES REQUIRED. Except as otherwise provided by this chapter, a political subdivision must comply with this subchapter to levy an impact fee.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.0411. CAPITAL IMPROVEMENTS PLAN. The political subdivision shall provide for a capital improvements plan to be developed by qualified professionals using generally accepted engineering and planning practices in accordance with Section 395.014.

Added by Acts 2001, 77th Leg., ch. 345, Sec. 5, eff. Sept. 1, 2001.

Sec. 395.042. HEARING ON LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN. To impose an impact fee, a political subdivision must adopt an order, ordinance, or resolution establishing a public hearing date to consider the land use assumptions and capital improvements plan for the designated service area.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 5, eff. Sept. 1, 2001.

Sec. 395.043. INFORMATION ABOUT LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN AVAILABLE TO PUBLIC. On or before the date of the first publication of the notice of the hearing on the land use assumptions and capital improvements plan, the political subdivision shall make available to the public its land use assumptions, the time period of the projections, and a description

of the capital improvement facilities that may be proposed.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 5, eff. Sept. 1, 2001.

Sec. 395.044. NOTICE OF HEARING ON LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN. (a) Before the 30th day before the date of the hearing on the land use assumptions and capital improvements plan, the political subdivision shall send a notice of the hearing by certified mail to any person who has given written notice by certified or registered mail to the municipal secretary or other designated official of the political subdivision requesting notice of the hearing within two years preceding the date of adoption of the order, ordinance, or resolution setting the public hearing.

(b) The political subdivision shall publish notice of the hearing before the 30th day before the date set for the hearing, in one or more newspapers of general circulation in each county in which the political subdivision lies. However, a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may publish the required newspaper notice only in each county in which the service area lies.

(c) The notice must contain:

(1) a headline to read as follows:

"NOTICE OF PUBLIC HEARING ON LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN
RELATING TO POSSIBLE ADOPTION OF IMPACT FEES"

(2) the time, date, and location of the hearing;

(3) a statement that the purpose of the hearing is to consider the land use assumptions and capital improvements plan under which an impact fee may be imposed; and

(4) a statement that any member of the public has the right to appear at the hearing and present evidence for or against the land use assumptions and capital improvements plan.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 5, eff. Sept. 1, 2001.

Sec. 395.045. APPROVAL OF LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN REQUIRED. (a) After the public hearing on the land use assumptions and capital improvements plan, the political subdivision shall determine whether to adopt or reject an ordinance, order, or resolution approving the land use assumptions and capital improvements plan.

(b) The political subdivision, within 30 days after the date of the public hearing, shall approve or disapprove the land use assumptions and capital

improvements plan.

(c) An ordinance, order, or resolution approving the land use assumptions and capital improvements plan may not be adopted as an emergency measure.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 5, eff. Sept. 1, 2001.

Sec. 395.0455. SYSTEMWIDE LAND USE ASSUMPTIONS. (a) In lieu of adopting land use assumptions for each service area, a political subdivision may, except for storm water, drainage, flood control, and roadway facilities, adopt systemwide land use assumptions, which cover all of the area subject to the jurisdiction of the political subdivision for the purpose of imposing impact fees under this chapter.

(b) Prior to adopting systemwide land use assumptions, a political subdivision shall follow the public notice, hearing, and other requirements for adopting land use assumptions.

(c) After adoption of systemwide land use assumptions, a political subdivision is not required to adopt additional land use assumptions for a service area for water supply, treatment, and distribution facilities or wastewater collection and treatment facilities as a prerequisite to the adoption of a capital improvements plan or impact fee, provided the capital improvements plan and impact fee are consistent with the systemwide land use assumptions.

Added by Acts 1989, 71st Leg., ch. 566, Sec. 1(b), eff. Aug. 28, 1989.

Sec. 395.047. HEARING ON IMPACT FEE. On adoption of the land use assumptions and capital improvements plan, the governing body shall adopt an order or resolution setting a public hearing to discuss the imposition of the impact fee. The public hearing must be held by the governing body of the political subdivision to discuss the proposed ordinance, order, or resolution imposing an impact fee.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 5, eff. Sept. 1, 2001.

Sec. 395.049. NOTICE OF HEARING ON IMPACT FEE. (a) Before the 30th day before the date of the hearing on the imposition of an impact fee, the political subdivision shall send a notice of the hearing by certified mail to any person who has given written notice by certified or registered mail to the municipal secretary or other designated official of the political subdivision requesting notice of the hearing within two years preceding the date of adoption of the order or resolution setting the public hearing.

(b) The political subdivision shall publish notice of the hearing before the 30th day before the date set for the hearing, in one or more newspapers of general circulation in each county in which the political subdivision lies. However, a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may publish the required newspaper notice only in each county in which the service area lies.

(c) The notice must contain the following:

(1) a headline to read as follows:

"NOTICE OF PUBLIC HEARING ON ADOPTION OF IMPACT FEES"

(2) the time, date, and location of the hearing;

(3) a statement that the purpose of the hearing is to consider the adoption of an impact fee;

(4) the amount of the proposed impact fee per service unit; and

(5) a statement that any member of the public has the right to appear at the hearing and present evidence for or against the plan and proposed fee.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 5, eff. Sept. 1, 2001.

Sec. 395.050. ADVISORY COMMITTEE COMMENTS ON IMPACT FEES. The advisory committee created under Section 395.058 shall file its written comments on the proposed impact fees before the fifth business day before the date of the public hearing on the imposition of the fees.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 5, eff. Sept. 1, 2001.

Sec. 395.051. APPROVAL OF IMPACT FEE REQUIRED. (a) The political subdivision, within 30 days after the date of the public hearing on the imposition of an impact fee, shall approve or disapprove the imposition of an impact fee.

(b) An ordinance, order, or resolution approving the imposition of an impact fee may not be adopted as an emergency measure.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 5, eff. Sept. 1, 2001.

Sec. 395.052. PERIODIC UPDATE OF LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN REQUIRED. (a) A political subdivision imposing an impact fee shall update the land use assumptions and capital improvements plan at least every five years. The initial five-year period begins on the day the capital

improvements plan is adopted.

(b) The political subdivision shall review and evaluate its current land use assumptions and shall cause an update of the capital improvements plan to be prepared in accordance with Subchapter B.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 6, eff. Sept. 1, 2001.

Sec. 395.053. HEARING ON UPDATED LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN. The governing body of the political subdivision shall, within 60 days after the date it receives the update of the land use assumptions and the capital improvements plan, adopt an order setting a public hearing to discuss and review the update and shall determine whether to amend the plan.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.054. HEARING ON AMENDMENTS TO LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN, OR IMPACT FEE. A public hearing must be held by the governing body of the political subdivision to discuss the proposed ordinance, order, or resolution amending land use assumptions, the capital improvements plan, or the impact fee. On or before the date of the first publication of the notice of the hearing on the amendments, the land use assumptions and the capital improvements plan, including the amount of any proposed amended impact fee per service unit, shall be made available to the public.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.055. NOTICE OF HEARING ON AMENDMENTS TO LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN, OR IMPACT FEE. (a) The notice and hearing procedures prescribed by Sections 395.044(a) and (b) apply to a hearing on the amendment of land use assumptions, a capital improvements plan, or an impact fee.

(b) The notice of a hearing under this section must contain the following:

(1) a headline to read as follows:

"NOTICE OF PUBLIC HEARING ON AMENDMENT OF IMPACT FEES"

(2) the time, date, and location of the hearing;

(3) a statement that the purpose of the hearing is to consider the amendment of land use assumptions and a capital improvements plan and the imposition of an impact fee; and

(4) a statement that any member of the public has the right to appear at the hearing and present evidence for or against the update.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 345, Sec. 7, eff. Sept. 1, 2001.

Sec. 395.056. ADVISORY COMMITTEE COMMENTS ON AMENDMENTS. The advisory committee created under Section 395.058 shall file its written comments on the proposed amendments to the land use assumptions, capital improvements plan, and impact fee before the fifth business day before the date of the public hearing on the amendments.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.057. APPROVAL OF AMENDMENTS REQUIRED. (a) The political subdivision, within 30 days after the date of the public hearing on the amendments, shall approve or disapprove the amendments of the land use assumptions and the capital improvements plan and modification of an impact fee.

(b) An ordinance, order, or resolution approving the amendments to the land use assumptions, the capital improvements plan, and imposition of an impact fee may not be adopted as an emergency measure.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.0575. DETERMINATION THAT NO UPDATE OF LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN OR IMPACT FEES IS NEEDED. (a) If, at the time an update under Section 395.052 is required, the governing body determines that no change to the land use assumptions, capital improvements plan, or impact fee is needed, it may, as an alternative to the updating requirements of Sections 395.052-395.057, do the following:

(1) The governing body of the political subdivision shall, upon determining that an update is unnecessary and 60 days before publishing the final notice under this section, send notice of its determination not to update the land use assumptions, capital improvements plan, and impact fee by certified mail to any person who has, within two years preceding the date that the final notice of this matter is to be published, give written notice by certified or registered mail to the municipal secretary or other designated official of the political subdivision requesting notice of hearings related to impact fees. The notice must contain the information in Subsections (b)(2)-(5).

(2) The political subdivision shall publish notice of its determination once a week for three consecutive weeks in one or more newspapers with general circulation in each county in which the political subdivision lies. However, a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may publish the required newspaper notice only

in each county in which the service area lies. The notice of public hearing may not be in the part of the paper in which legal notices and classified ads appear and may not be smaller than one-quarter page of a standard-size or tabloid-size newspaper, and the headline on the notice must be in 18-point or larger type.

(b) The notice must contain the following:

(1) a headline to read as follows:

"NOTICE OF DETERMINATION NOT TO UPDATE

LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS

PLAN, OR IMPACT FEES";

(2) a statement that the governing body of the political subdivision has determined that no change to the land use assumptions, capital improvements plan, or impact fee is necessary;

(3) an easily understandable description and a map of the service area in which the updating has been determined to be unnecessary;

(4) a statement that if, within a specified date, which date shall be at least 60 days after publication of the first notice, a person makes a written request to the designated official of the political subdivision requesting that the land use assumptions, capital improvements plan, or impact fee be updated, the governing body must comply with the request by following the requirements of Sections 395.052-395.057; and

(5) a statement identifying the name and mailing address of the official of the political subdivision to whom a request for an update should be sent.

(c) The advisory committee shall file its written comments on the need for updating the land use assumptions, capital improvements plans, and impact fee before the fifth business day before the earliest notice of the government's decision that no update is necessary is mailed or published.

(d) If, by the date specified in Subsection (b)(4), a person requests in writing that the land use assumptions, capital improvements plan, or impact fee be updated, the governing body shall cause an update of the land use assumptions and capital improvements plan to be prepared in accordance with Sections 395.052-395.057.

(e) An ordinance, order, or resolution determining the need for updating land use assumptions, a capital improvements plan, or an impact fee may not be adopted as an emergency measure.

Added by Acts 1989, 71st Leg., ch. 566, Sec. 1(d), eff. Aug. 28, 1989.

Sec. 395.058. ADVISORY COMMITTEE. (a) On or before the date on which the

order, ordinance, or resolution is adopted under Section 395.042, the political subdivision shall appoint a capital improvements advisory committee.

(b) The advisory committee is composed of not less than five members who shall be appointed by a majority vote of the governing body of the political subdivision. Not less than 40 percent of the membership of the advisory committee must be representatives of the real estate, development, or building industries who are not employees or officials of a political subdivision or governmental entity. If the political subdivision has a planning and zoning commission, the commission may act as the advisory committee if the commission includes at least one representative of the real estate, development, or building industry who is not an employee or official of a political subdivision or governmental entity. If no such representative is a member of the planning and zoning commission, the commission may still act as the advisory committee if at least one such representative is appointed by the political subdivision as an ad hoc voting member of the planning and zoning commission when it acts as the advisory committee. If the impact fee is to be applied in the extraterritorial jurisdiction of the political subdivision, the membership must include a representative from that area.

(c) The advisory committee serves in an advisory capacity and is established to:

- (1) advise and assist the political subdivision in adopting land use assumptions;
- (2) review the capital improvements plan and file written comments;
- (3) monitor and evaluate implementation of the capital improvements plan;
- (4) file semiannual reports with respect to the progress of the capital improvements plan and report to the political subdivision any perceived inequities in implementing the plan or imposing the impact fee; and
- (5) advise the political subdivision of the need to update or revise the land use assumptions, capital improvements plan, and impact fee.

(d) The political subdivision shall make available to the advisory committee any professional reports with respect to developing and implementing the capital improvements plan.

(e) The governing body of the political subdivision shall adopt procedural rules for the advisory committee to follow in carrying out its duties.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

SUBCHAPTER D. OTHER PROVISIONS

Sec. 395.071. DUTIES TO BE PERFORMED WITHIN TIME LIMITS. If the governing

body of the political subdivision does not perform a duty imposed under this chapter within the prescribed period, a person who has paid an impact fee or an owner of land on which an impact fee has been paid has the right to present a written request to the governing body of the political subdivision stating the nature of the unperformed duty and requesting that it be performed within 60 days after the date of the request. If the governing body of the political subdivision finds that the duty is required under this chapter and is late in being performed, it shall cause the duty to commence within 60 days after the date of the request and continue until completion.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.072. RECORDS OF HEARINGS. A record must be made of any public hearing provided for by this chapter. The record shall be maintained and be made available for public inspection by the political subdivision for at least 10 years after the date of the hearing.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.073. CUMULATIVE EFFECT OF STATE AND LOCAL RESTRICTIONS. Any state or local restrictions that apply to the imposition of an impact fee in a political subdivision where an impact fee is proposed are cumulative with the restrictions in this chapter.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.074. PRIOR IMPACT FEES REPLACED BY FEES UNDER THIS CHAPTER. An impact fee that is in place on June 20, 1987, must be replaced by an impact fee made under this chapter on or before June 20, 1990. However, any political subdivision having an impact fee that has not been replaced under this chapter on or before June 20, 1988, is liable to any party who, after June 20, 1988, pays an impact fee that exceeds the maximum permitted under Subchapter B by more than 10 percent for an amount equal to two times the difference between the maximum impact fee allowed and the actual impact fee imposed, plus reasonable attorney's fees and court costs.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.075. NO EFFECT ON TAXES OR OTHER CHARGES. This chapter does not prohibit, affect, or regulate any tax, fee, charge, or assessment specifically authorized by state law.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.076. MORATORIUM ON DEVELOPMENT PROHIBITED. A moratorium may not be placed on new development for the purpose of awaiting the completion of all or any part of the process necessary to develop, adopt, or update land use assumptions, a capital improvements plan, or an impact fee.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 441, Sec. 2, eff. Sept. 1, 2001.

Sec. 395.077. APPEALS. (a) A person who has exhausted all administrative remedies within the political subdivision and who is aggrieved by a final decision is entitled to trial de novo under this chapter.

(b) A suit to contest an impact fee must be filed within 90 days after the date of adoption of the ordinance, order, or resolution establishing the impact fee.

(c) Except for roadway facilities, a person who has paid an impact fee or an owner of property on which an impact fee has been paid is entitled to specific performance of the services by the political subdivision for which the fee was paid.

(d) This section does not require construction of a specific facility to provide the services.

(e) Any suit must be filed in the county in which the major part of the land area of the political subdivision is located. A successful litigant shall be entitled to recover reasonable attorney's fees and court costs.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.078. SUBSTANTIAL COMPLIANCE WITH NOTICE REQUIREMENTS. An impact fee may not be held invalid because the public notice requirements were not complied with if compliance was substantial and in good faith.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989.

Sec. 395.079. IMPACT FEE FOR STORM WATER, DRAINAGE, AND FLOOD CONTROL IN POPULOUS COUNTY. (a) Any county that has a population of 3.3 million or more or that borders a county with a population of 3.3 million or more, and any district or authority created under Article XVI, Section 59, of the Texas Constitution within any such county that is authorized to provide storm water, drainage, and flood control facilities, is authorized to impose impact fees to provide storm water, drainage, and flood control improvements necessary to accommodate new development.

(b) The imposition of impact fees authorized by Subsection (a) is exempt

from the requirements of Sections 395.025, 395.052-395.057, and 395.074 unless the political subdivision proposes to increase the impact fee.

(c) Any political subdivision described by Subsection (a) is authorized to pledge or otherwise contractually obligate all or part of the impact fees to the payment of principal and interest on bonds, notes, or other obligations issued or incurred by or on behalf of the political subdivision and to the payment of any other contractual obligations.

(d) An impact fee adopted by a political subdivision under Subsection (a) may not be reduced if:

(1) the political subdivision has pledged or otherwise contractually obligated all or part of the impact fees to the payment of principal and interest on bonds, notes, or other obligations issued by or on behalf of the political subdivision; and

(2) the political subdivision agrees in the pledge or contract not to reduce the impact fees during the term of the bonds, notes, or other contractual obligations.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 669, Sec. 107, eff. Sept. 1, 2001.

Sec. 395.080. CHAPTER NOT APPLICABLE TO CERTAIN WATER-RELATED SPECIAL DISTRICTS. (a) This chapter does not apply to impact fees, charges, fees, assessments, or contributions:

(1) paid by or charged to a district created under Article XVI, Section 59, of the Texas Constitution to another district created under that constitutional provision if both districts are required by law to obtain approval of their bonds by the Texas Natural Resource Conservation Commission; or

(2) charged by an entity if the impact fees, charges, fees, assessments, or contributions are approved by the Texas Natural Resource Conservation Commission.

(b) Any district created under Article XVI, Section 59, or Article III, Section 52, of the Texas Constitution may petition the Texas Natural Resource Conservation Commission for approval of any proposed impact fees, charges, fees, assessments, or contributions. The commission shall adopt rules for reviewing the petition and may charge the petitioner fees adequate to cover the cost of processing and considering the petition. The rules shall require notice substantially the same as that required by this chapter for the adoption of impact fees and shall afford opportunity for all affected parties to participate.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 82(a), eff. Aug. 28, 1989. Amended by Acts 1995, 74th Leg., ch. 76, Sec. 11.257, eff. Sept. 1, 1995.

Sec. 395.081. FEES FOR ADJOINING LANDOWNERS IN CERTAIN MUNICIPALITIES.

(a) This section applies only to a municipality with a population of 115,000 or less that constitutes more than three-fourths of the population of the county in which the majority of the area of the municipality is located.

(b) A municipality that has not adopted an impact fee under this chapter that is constructing a capital improvement, including sewer or waterline or drainage or roadway facilities, from the municipality to a development located within or outside the municipality's boundaries, in its discretion, may allow a landowner whose land adjoins the capital improvement or is within a specified distance from the capital improvement, as determined by the governing body of the municipality, to connect to the capital improvement if:

(1) the governing body of the municipality has adopted a finding under Subsection (c); and

(2) the landowner agrees to pay a proportional share of the cost of the capital improvement as determined by the governing body of the municipality and agreed to by the landowner.

(c) Before a municipality may allow a landowner to connect to a capital improvement under Subsection (b), the municipality shall adopt a finding that the municipality will benefit from allowing the landowner to connect to the capital improvement. The finding shall describe the benefit to be received by the municipality.

(d) A determination of the governing body of a municipality, or its officers or employees, under this section is a discretionary function of the municipality and the municipality and its officers or employees are not liable for a determination made under this section.

Added by Acts 1997, 75th Leg., ch. 1150, Sec. 1, eff. June 19, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1043 (H.B. 3111), Sec. 5, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 100, eff. September 1, 2011.

RESOLUTION NO. 403-022017

A Resolution Ordering a Public Hearing on Land Use Assumptions and Capital
Improvements Plan relating to possible adoption of Impact Fees
(Wastewater Master Plan and Impact Fee Study)

WHEREAS, the City Council of the City of Garden Ridge, Texas received a recommendation from the City of Garden Ridge Impact Fee Committee on February 1, 2017 recommending adoption of Land Use Assumptions and Capital Improvements Plan relating to possible adoption of Impact Fees (Wastewater Master Plan and Impact Fee Study and adoption of a Wastewater Impact Fee of \$5,689.00), and;

WHEREAS, the City of Garden Ridge City Council must adopt a resolution establishing a public hearing date to consider Land Use Assumptions and Capital Improvements Plan relating to the possible adoption of Impact Fees (Wastewater Master Plan and Impact Fee Study) for the designated service area in accordance with Local Government Code Chapter 395, and;

THEREFORE, Be it Resolved by the City Council of the City of Garden Ridge, Texas that:

1. A Public Hearing will be conducted on March 6, 2017 at 6:00 p.m. to receive citizen comments on a proposed Land Use Assumptions and Capital Improvements Plan relating to possible adoption of Impact Fees (Wastewater Master Plan and Impact Fee Study).
2. The Public Hearing will be conducted in the City Council Chambers, 9400 Municipal Parkway, Garden Ridge, Texas.
3. The City Council directs the City Administrator to make available to the public for review the proposed Land Use Assumptions and Capital Improvements Plan relating to possible adoption of Impact Fees (Wastewater Master Plan and Impact Fee Study).
4. The City Council directs the City Administrator to publish the required notices for the Public Hearing in the official City newspaper.

PASSED AND APPROVED this 1st day of February, 2017.

John McCaw, Mayor Pro tem

ATTEST:

Shelley Goodwin, City Secretary

Council Ideas/Suggestions List by Category

Updated: January 24, 2017

Ongoing items

Items	Status	Completed Council Approval
1. Issues with 2013 CIP project		
a. Warranty issues –		
i. Letter to contractor	Sent	
ii. Meeting with contractor	March 24, 2016	
iii. Status of repairs/corrections	Ongoing and to be completed by May 10 Paving repairs to be completed when paving occurs in current CIP Project	
2. Concealed handguns (Councilman Thompson)		
a. Letter/contact with Judge	Presented at May 5, 2016 Council meeting	Completed-Awaiting Councilman Thompson's approval
b. Cost of wands or other monitoring devices	Presented at May 5, 2016 Council meeting Included in FY 2016 Budget Amendment #1 Equipment installed	Completed-Awaiting Councilman Thompson's approval
3. Sewer Along 2252 (Councilman Lantzy)	City Council, City Engineer, staff, City Attorney, Financial Advisor continue gathering information, discussions and study. Continue as Executive Session item monthly until ready for Council action 6/15/16-City Council authorized staff to move forward with	

	aspects of project Reimbursement Resolution to City Council August 3, 2016 with Council decision on whether to include water line extension on Naco Loop as part of project Reimbursement Resolution approved August 17, 2016 by City Council City Engineer working on Wastewater Master Plan and Impact Fee Study Coordinating Impact Fee Committee Meeting in Dec. 2016 Impact Fee Committee met Dec. 12, 2016 Impact Fee Committee met on Jan. 19, 2017 and developed recommendation to City Council concerning approval of Wastewater Master Plan and Impact Fee	
4. iPerl Meter Installation and registration questions (Councilman Trial)	iPerl meter installation ongoing Audit of 80 random iPerl meters ongoing (in 2nd month) Sensus software update complete Tablets utilized for meter reading in April Audit results will be presented to Council upon completion Working with Sensus on review of iPerl meter readings and	

	billings Sensus reviewing meter reading information	
5. Personnel Policy (Mayor Knaus) Incentive Pay (Councilman Thompson)	Meeting scheduled for May 18, 2016 with City Council, staff, City Attorney to begin review of draft document Incentive Pay will be discussed during Personnel Policy draft document discussions 6/15/16 – City Attorney looking at another possible policy for Council Consideration and to bring back to Council upon completion of review City Attorney continues work on revising policy with proposed revised chapters to Council for comment City staff working on plan to complete policy for presentation to Council	
6. Hickory Bend erosion /Maintenance (Councilman Thompson)	Meeting with RCE, Staff & homeowners met March 30 City Engineer completing plans and acquiring cost estimate Public Works Director contacting contractors for bids on the project Two bids received with City Engineer awaiting one additional bid One additional bid	

	received and City Engineer reviewing contractor's references. Item on September 7, 2016 Council meeting City Engineering discussed lowest bid received for project at Sept. 7, 2016 Council meeting and Council by consensus awarded bid with ratification of bid award to occur at Oct. 5, 2016 Council meeting Bid award ratified 10/5/16 – 45 days to complete project Project began Dec. 12 and to be completed prior to end of 2016 Project completed	
7. Council Chamber Sound System (Mayor Knaus)	Met with contractors and awaiting proposals/cost estimates FY 2017 Budget item Postponed due to budgetary constraints Eric Lowman worked on sound system in Dec. and improved sound in Council Chambers	
8. Electronic Payments (Councilman Thompson)	Researched & cost included in FY 2016 Budget Amendment #1 Software upgrade for Incode on May 19 Service Charge and Convenience fee Ordinance to Council June/July Contract with new	Convenience Fee Ordinance adopted May 2016 Software upgrade completed Cost of project included in FY2016 Budget Amendment #1

Electronic Water Billing (Councilman Thompson)	credit card provider Design website link Goal for full implementation Oct. 1, 2017 Contract with credit card processor completed Possible revisions to Convenience Fee Ordinance may be necessary-to discuss with City Attorney New credit card machine in use Software upgrade on May 19 Include in FY 2017 Budget Begin implementation FY 2017 Full implementation TBD Online water bill payments active September 14, 2016 Online Court payments active October 2016	Software upgrade completed
9. Community Center (Councilman Lantzy)	Comparing pricing of similar venues Developing fully loaded cost for facility Acquiring estimates for removal of overhead doors, sound system, commercial stove, AC system Developing list of aesthetical improvements to center that may affect lighting, energy and electrical	

improvements
Staff working on
maintenance items
Comparing
contracts from
other venues for
revisions to current
contract
Bring information at
hand to Council in
June for discussion
and direction
Councilman Lantzy
discussed
Community Center
with Council on
6/6/16
Proposals for door
removal, new air
conditioning and
ducting received
and to be presented
to City Council with
funding through CIP
Council approved
funding on August 3,
2016 through CIP.
Doors removed,
new air conditioning
installed. Awaiting
install of duct work
on September 12,
2016
Duct work
installation
completed
September 12/13,
2016
City Attorney
revising Community
Center Contract per
Council direction
10/5/16 –
Marketing and
future projects
being discussed by
Council
Work continues on
revising Community
Center Contract
Council to consider

	revised agreement in Feb. Council meeting	
10. Training for Commissioners (Councilman Thompson)	Continuous/Ongoing Staff will advise Commissioners of training/seminars as information available Budget Training/Travel annually Councilman Thompson to attend TML Newly Elected Officials training August 18 Councilmen Thompson and Trial attended August 18, 2016 training Two P&Z members and Councilman attended AACOG Planning & Zoning training P&Z Chair Stocks to attend a training session in February 2017	
11. Update Ordinances (Councilmen Thompson and Lantzy)	Cost for Codifying to be included in FY 2017 Budget Work with legal to develop plan for updating Identify ordinances to be updated Codifying of ordinances postponed due to budgetary constraints	
12. Assistant City Administrator (Mayor Knaus and Councilman Lantzy)	City Administrator to develop job description Include position in FY 2017 Budget	

	Postponed due to budgetary constraints	
13. Code Compliance (Councilman Thompson)	City Council discussion on need for Code Compliance Officer Council objectives for Code Compliance Officer Obtain legal requirement for Code Compliance Officer Determine budgetary impact Place on Council agenda in June for discussion of above Possible inclusion in 2017 Budget Postponed due to budgetary constraints	
14. Quarterly Issues Town Hall Meeting (Councilman Lantzy)	Determine dates for Meetings	
15. Interface with Businesses (Councilman Trial)	Review Grapevine Policy with comments from legal Review website link with comments from legal Placement of above on June/July agenda	
16. Bat Cave Road widening (Councilman McCaw)	General briefing on future agenda	
Completed Items	Status	Completed Council Approval
1.City Concerns/Ideas (Councilman Thompson)	Review of existing process Communication with Council	Done Done-Monthly list of complaints/issues submitted to Council Done-Call to citizens in

	Process Improvement	April/May Grapevine to submit qualifications for reengineering experience
2. Agenda Tracking (Mayor Knaus)	Short term – methodology developed and in use Long term – Determination to made if needed at later date	Done
3. Citizen Input to Budget (Councilman Lantzy)	Placed in Grapevine – contact your Councilman	Done
4. Training for Council members (Councilman Thompson)	List of recommended training developed and submitted to Council	Done
5. Grapevine and inserts policy (Councilman Thompson)	Policy sent to Councilman – per Councilman, no action required at this time	Done
6. Freezing of Taxes for persons over 65 and/or disabled (Councilman Lantzy)	Placed on April agenda	Discussed in April Council Meeting –Awaiting Councilman Lantzy's approval - Done
7. Finish seating areas for Community Center (Councilman Trial)	Painting of benches can be accomplished by Public Works Future discussion if necessary when Community Center is discussed	Benches painted in May – Awaiting Councilman Trial's approval Done per Councilman Trial – 6/8/16
Pending	Status	Completed Council Approval
8. Annual or semi-annual inspection of buildings and other City facilities (Councilman Trial)	To be implemented semi-annually	Implemented Monthly
9. Disaster recovery plan for City (Councilman Trial)	Discuss at future Council meeting to determine the scope of recovery plan	
10. Disaster recovery plan for Water Department	Discuss at future Council meeting to	

(Councilman Trial)	determine the scope of recovery plan	
11. Complaint system process reengineering (Councilman Thompson)	Pending citizen volunteer response to determine next step June 2016 citizen volunteer Jessie Valdez met with Mayor and staff to begin review of and analyze process Review of process completed with Staff developing report for Public Works and Water Department employees	
12. Location of middle school (Councilman Arvidson and Councilman Trial)	Discussions have begun with CISD	
13. Interpretive Services for meetings (Councilman Thompson)	Identified source for various interpretive services Devices for hearing impaired could be part of sound system upgrade in Council room	
14. Video stream Council meetings (Councilman Trial)	Discuss with legal pros/cons Sound system in Council room can be planned for future streaming capabilities Requires additional technology upgrades and equipment Budget impact	
15. Permit for feeding deer (Councilman Trial)	Discuss at future Council meeting	
16. Videos for website (Councilman Trial)	Maybe prepared by GRES or students to increase civic involvement	
17. Coffee with Mayor and Council (Councilman Trial)	Discuss at future Council meeting and determine dates	

18. Business outreach by Council – walk businesses (Councilman Trial)	Discuss at future Council meeting	

2017 Rolling Agenda

February 1, 2017

Topics on Rolling Agenda: (21 days before mtg) 1/12/17
Items Due to City Secretary: (15 days before mtg) 1/17/17
Agenda locked @ 10am
CAadm Final Approval: (14 days before meeting) 1/18/17
Draft Agenda to Mayor/City Atty (12 days before mtg) 1/20/17
Agenda posted on (6 days before meeting) 1/26/17

Red=City Council Purple=Quarry Commission
Green= Planning & Zoning Blue= Water Commission
Orange =City Holidays Pink=Impact Fee Committee

Sun	Mon	Tues	Wed	Thur	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

Proclamations/Awards (Before Citizen Comment Period)

Consent Agenda

1. Minutes 1-7-17
2. Financial Report
3. Staff Reports (Admin, Library, Public Works, Water, PD)

Public Hearings

Non-Consent Agenda

- 1.
- 2.

Ordinances and Resolutions and CIP presentation

1. CIP
 - CIP Project for 2013
Status report
 - CIP Project for 2015
Status report
Trinity Wells pumpage and infrastructure
 - CIP Project for 2016
Status report
Prioritization of additional projects
 - Water Master Plan
 - Sewer System Update (FM 2252)
1. Call May 6, 2017 City Council Election (Mayor, Place 2 and Place 3)

Commission Items

1. P&Z
2. Quarry
3. Water

1/25/2017 8:35:13 AM

Reduction request
Amendments to Ord 54

Discussion

1. Future Agenda Items requested by City Council

Updates

1. City Attorney Update
 - a. Animal Ordinance
 - b. Sign Ordinance
 - c. Employee Personnel Policy
3. City Council Communications
 - a. Council Idea/Suggestions
 - b. Citizen/ Issue Process
4. Parks Committee (Trial)
5. Deer Management (Arvidson)
6. Rolling Agenda

Executive Session

March 1, 2017

Topics on Rolling Agenda: (21 days before mtg) 1/12/17
 Items Due to City Secretary: (15 days before mtg) 1/17/17
 Agenda locked @ 10am
 CAadm Final Approval: (14 days before meeting) 1/18/17
 Draft Agenda to Mayor/City Atty (12 days before mtg) 1/20/17
 Agenda posted on (6 days before meeting) 1/26/17

Red=City Council Purple=Quarry Commission
 Green= Planning & Zoning Blue= Water Commission
 Orange =City Holidays Pink=Impact Fee Committee

Sun	Mon	Tues	Wed	Thur	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Proclamations/Awards (Before Citizen Comment Period)

Consent Agenda

1. Minutes 1-17-17
2. Minutes 2-1-17
2. Financial Report
3. Staff Reports (Admin, Library, Public Works, Water, PD)

Public Hearings

Non-Consent Agenda

- 1.
- 2.

Ordinances and Resolutions and CIP presentation

1. CIP
 - CIP Project for 2013
Status report
 - CIP Project for 2015
Status report
Trinity Wells pumpage and infrastructure
 - CIP Project for 2016
Status report
Prioritization of additional projects
 - Water Master Plan
 - Sewer System Update (FM 2252)
2. Approve agreement with CISD for joint election May 6, 2017
3. Approve agreement with Comal for equipment May 6, 2017 election

Commission Items

1. P&Z
Recommendation of Planner
Sign Ordinance
2. Quarry
3. Water

1/25/2017 8:35:13 AM

Discussion

1. Future Agenda Items requested by City Council

Updates

1. City Attorney Update
 - a. Animal Ordinance
 - b. Sign Ordinance
 - c. Employee Personnel Policy
3. City Council Communications
 - a. Council Idea/Suggestions
 - b. Citizen/ Issue Process
4. Parks Committee (Trial)
5. Deer Management (Arvidson)
6. Rolling Agenda

Executive Session

PENDING FUTURE AGENDA ITEMS

- 1) 2/2/16 Discussion of issues surrounding Bat Cave Road will be placed on future Council agenda...*J. McCaw*
- 2) Ordinance update plan....*Legal & S. Goodwin*
- 3) 2017 Earth Day Proclamation...*N Knaus*
- 4) Oak Wilt Town Hall
- 5) Daily cost per animal that Garden Ridge keeps....*S. Trial*

Items for further discussion before adding to list

State of City.....*N. Cain*