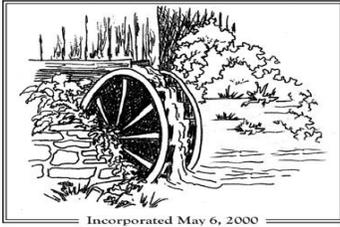


**REGULAR CITY
COUNCIL MEETING
PACKET**

Thursday, March 7, 2019

5:30 p.m.



City of Wimberley

221 Stillwater, P.O. Box 2027, Wimberley, Texas 78676

REGULAR CITY COUNCIL MEETING
WIMBERLEY CITY HALL – CITY COUNCIL CHAMBERS
221 STILLWATER, WIMBERLEY, TEXAS 78676
THURSDAY, MARCH 7, 2019 – 5:30 P.M.

AGENDA

1. **CALL TO ORDER** March 7, 2019 at 5:30 p.m.

2. **CALL OF ROLL** City Secretary

3. **INVOCATION**

4. **PLEDGE OF ALLEGIANCE/SALUTE TO THE TEXAS FLAG**

5. **CITIZENS COMMUNICATIONS**

The City Council welcomes comments from citizens who have a direct stake in the business of the city, such as a landowner, resident, vendor or business owner on issues and items of concern, not on this agenda. Those wishing to speak must sign-in before the meeting begins and observe a three-minute time limit when addressing Council. Speakers will have one opportunity to speak during the time period. Speakers desiring to speak on an agenda item will be allowed to speak when the agenda item is called. Inquiries about matters not listed on the agenda will either be directed to staff or placed on a future agenda for Council consideration. Comments from speakers should not be directed towards any specific member of City Council or City staff. Comments should not be accusatory, derogatory or threatening in nature.

6. **PRESENTATION AND POSSIBLE ACTION**

Presentation and consider possible action to approve Resolution No. 02-2019, opposing the routing of the proposed Permian Highway Pipeline through the Wimberley Valley and requesting immediate action from the State Legislature. (Wimberley Valley Watershed Association Executive Director David Baker and Place Three Council Member Allison Davis)

7. **EXECUTIVE SESSION**

In accordance with Texas Government Code, Chapter 551, Subchapter D, the City Council may convene in a closed session. After the Executive Session, discussion on any of the following items, any final action or vote taken will be in public.

Executive Session pursuant to Texas Government Code, Section 551.071 (Consultation with Attorney) to receive legal advice regarding review of a potential Aqua Texas contract.

8. OPEN SESSION

Discussion and possible action resulting from Executive Session.

9. CONSENT AGENDA

A. Approval of minutes from the Regular City Council Meeting held February 7, 2019.

B. Approval of minutes from the Regular City Council Meeting held February 21, 2019.

C. Approval of December 2018 Financial Statements for the City of Wimberley.

10. CITY ADMINISTRATOR REPORT

Update regarding the status of the Central Wimberley Wastewater Project, Hidden Valley Fish Weir, completed and on-going road projects and short-term rental ordinance revisions (*City Administrator Shawn Cox*)

11. DISCUSSION AND POSSIBLE ACTION

A. Discuss and consider possible action regarding an updated agreement for usage of Blue Hole Regional Park soccer fields. (*Parks Director Rebecca Manning*)

B. Discuss and consider possible action regarding the City of Wimberley Annual Financial and Compliance Report for the Fiscal Year ending September 30, 2018. (*Armstrong, Vaughan & Associates, P.C.*)

C. Discuss and consider possible action to approve Resolution No. 03-2019, supporting inclusion into the Texas Countywide Polling Place Program. (*City Secretary Laura Calcote*)

D. Discuss and consider possible action to approve Resolution No. 04-2019, opposing the routing of the proposed Permian Highway Pipeline through Hays County and request for legislative/administrative changes. (*Place Two Council Member Craig Fore and Place Four Council Member Gary Barchfeld*)

E. Discuss and consider possible action to amend the City of Wimberley Governance Policy and Rules of Procedure regarding the length of presentations at City Council meetings and protocol for thanking outgoing citizen volunteers. (*Place Four Council Member Gary Barchfeld*)

F. Discuss and consider possible action regarding agenda language for citizen's comments at all public meetings. (*Place Four Council Member Gary Barchfeld*)

G. Discuss and consider possible action to plan a joint workshop with City Council and the Short-Term Rental Review Committee to discuss all aspects of the Committee's work. (*Place Four Council Member Gary Barchfeld*)

H. Discuss and consider possible action to approve the engagement letter of Norton Rose Fulbright US LLP as bond counsel for the City of Wimberley. (*Place Four Council Member Gary Barchfeld*)

I. Discuss and consider possible action regarding the Central Wimberley Wastewater Project and the Texas Water Development Board. (*Place Four Council Member Gary Barchfeld*)

J. Discuss and consider possible action regarding the appointment of a consensus member to the Board of Adjustment. *(Place Four Council Member Gary Barchfeld)*

12. CITY COUNCIL REPORTS

A. Announcements

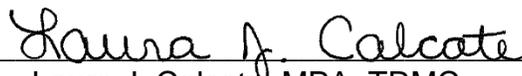
B. Future agenda items

13. ADJOURNMENT

The City Council may retire into Executive Session at any time between the meeting's opening and adjournment for the purpose of discussing any matters listed on the agenda as authorized by the Texas Government Code including, but not limited to, homeland security pursuant to Chapter 418.183 of the Texas Government Code; consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code; discussion about real estate acquisition pursuant to Chapter 551.072 of the Texas Government Code; discussion of personnel matters pursuant to Chapter 551.074 of the Texas Government Code; deliberations about gifts and donations pursuant to Chapter 551.076 of the Texas Government Code; discussion of economic development pursuant to Chapter 551.087 of the Texas Government Code; action, if any, will be taken in open session.

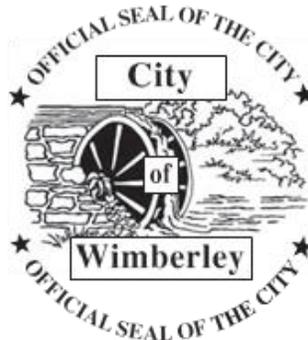
CERTIFICATION

I hereby certify the above Notice of Meeting was posted on the bulletin board at Wimberley City Hall, a place convenient and readily accessible to the general public at all times, and to the City's website, www.cityofwimberley.com, in compliance with Chapter 551, Texas Government Code, on Monday, March 4, 2019, by 5:30 p.m., and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.



Laura J. Calcote, MPA, TRMC
City Secretary

The City of Wimberley is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please contact City Secretary Laura Calcote at (512) 847-0025 two business days in advance of the meeting for appropriate arrangements.





AGENDA ITEM: Resolution No. 02-2019
SUBMITTED BY: Allison Davis, Place Three Council Member
DATE SUBMITTED: February 14, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Presentation and consider possible action to approve Resolution No. 02-2019, opposing the routing of the proposed Permian Highway Pipeline through the Wimberley Valley and requesting immediate action from the State Legislature.

REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

- | | | | |
|-------------------|-------------------------------------|---------------------------|----|
| Budgeted Item | <input type="checkbox"/> | Original Estimate/Budget: | \$ |
| Non-budgeted Item | <input type="checkbox"/> | Current Estimate: | \$ |
| Not Applicable | <input checked="" type="checkbox"/> | Amount Under/Over Budget: | \$ |

STAFF RECOMMENDATION

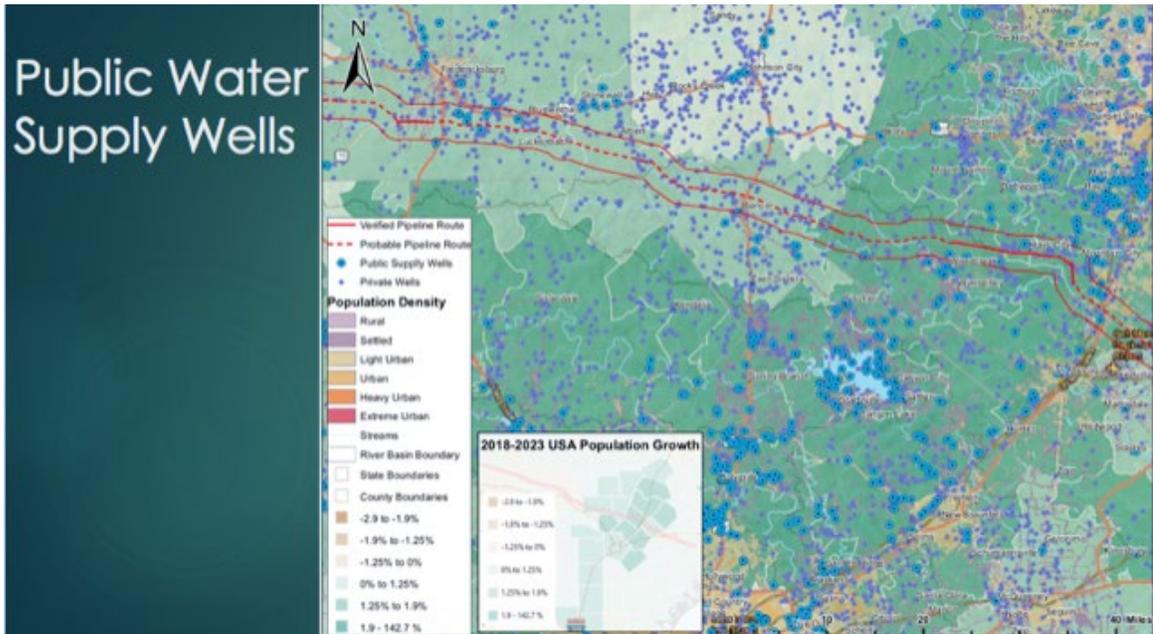
From: [Place3](#)
To: [Laura Calcote](#)
Subject: Fwd: Images for KM Pipeline Resolution
Date: Monday, March 4, 2019 11:07:30 AM
Attachments: [Screen Shot 2019-02-15 at 9.52.38 PM.PNG](#)
[Screen Shot 2019-02-18 at 4.41.25 PM.PNG](#)
[Screen Shot 2019-02-15 at 9.38.13 PM.PNG](#)
[image.PNG](#)
[image.PNG](#)

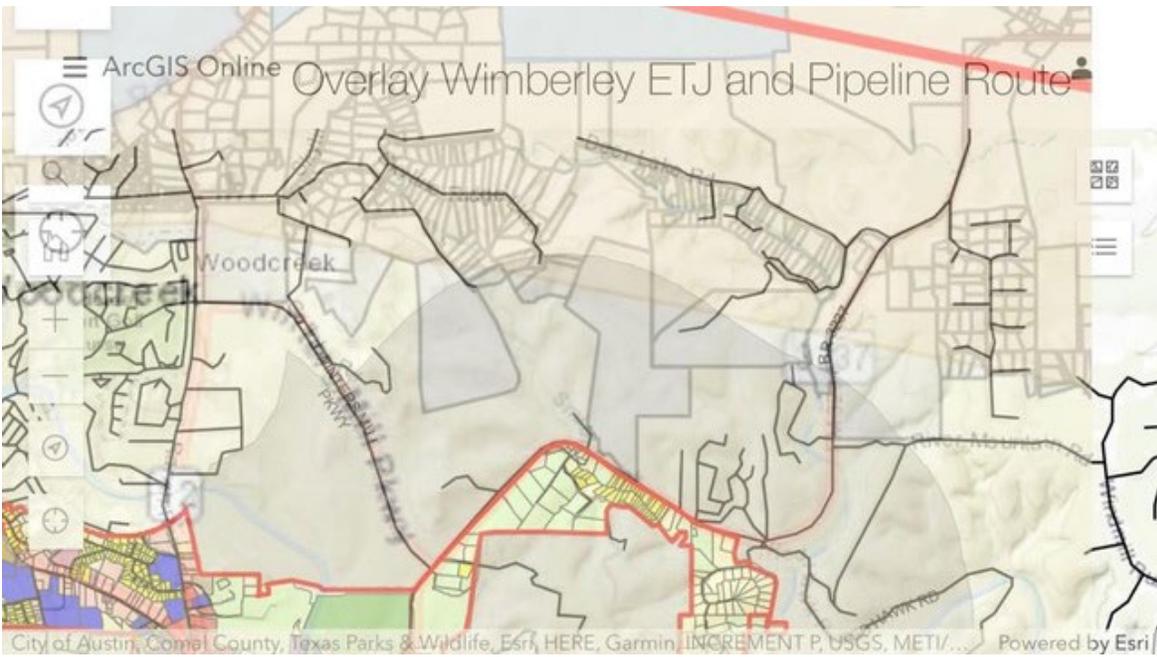
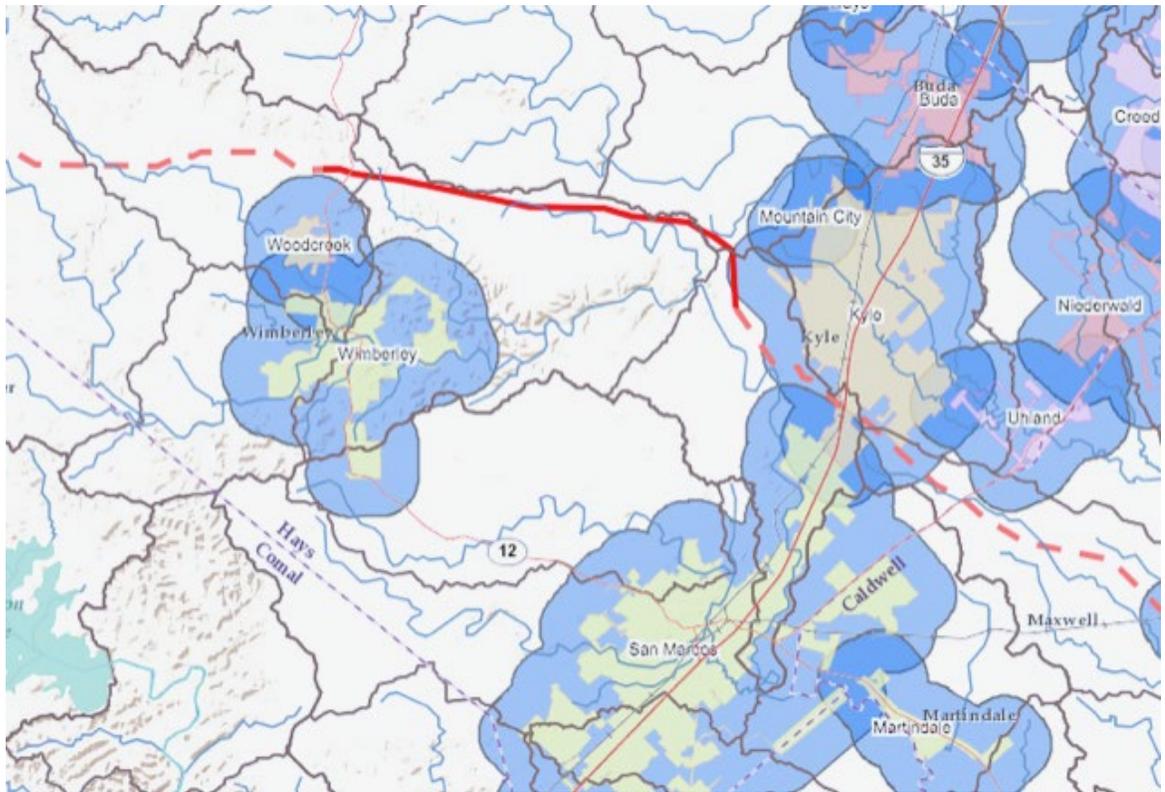
Laura,

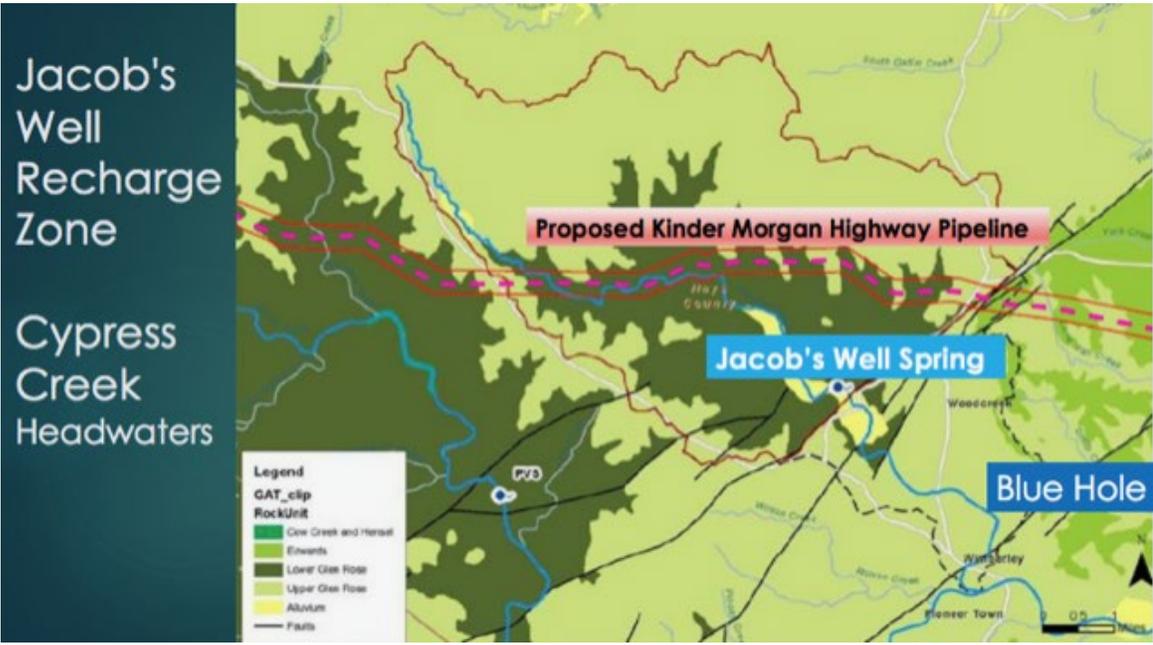
Would you please put these images in the packet this week under my pipeline item?

Thank you,
Allison

Allison Davis, PhD
Councilmember, Place 3
City of Wimberley
P.O. Box 2027
221 Stillwater, Wimberley, TX 78676
P: (512) 847-0025
F: (512) 847-042
www.cityofwimberley.com



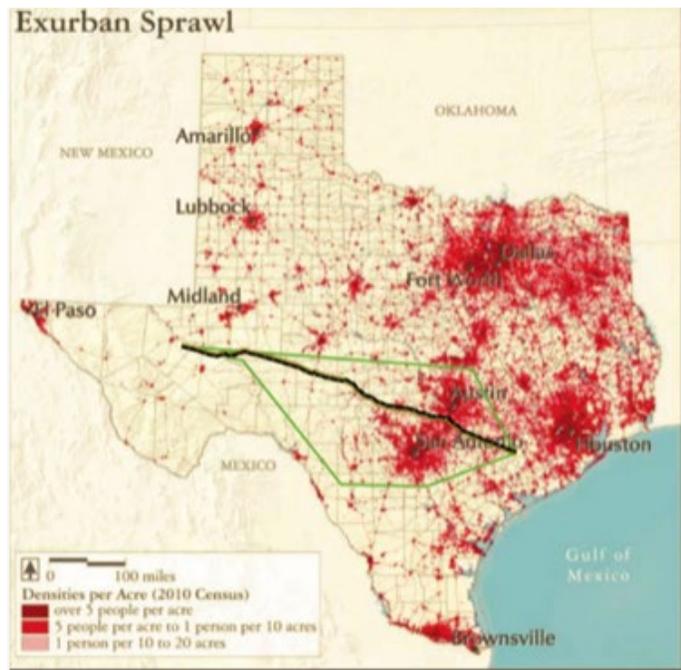






Map provided by Kinder-Morgan.

Two pipeline routes
 - avoid the Hill Country
 - are between 400 - 450 miles long



Sent from my iPhone

RESOLUTION NO. 02-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WIMBERLEY, TEXAS, OPPOSING THE ROUTING OF THE PROPOSED PERMIAN HIGHWAY PIPELINE THROUGH THE WIMBERLEY VALLEY AND REQUESTING IMMEDIATE ACTION FROM THE STATE LEGISLATURE

WHEREAS, Kinder Morgan and Exxon Mobil in partnership with EagleClaw Midstream Ventures (“Private Partnership”) have begun the process of routing a 42-inch buried natural gas pipeline, known as the Permian Highway Pipeline (“PHP”) from Coyanosa, Texas to Sheridan, Texas through the Texas Hill Country and Hays County; and

WHEREAS, the State of Texas has delegated to the Private Partnership the authority to choose the route of the PHP and to take the private land traversed by the PHP using the governmental power of eminent domain; and

WHEREAS, the laws of Texas provide for no oversight or regulatory process to limit this delegation to the Private Partnership, or any opportunity for the landowners of the impacted property to participate in the routing process; and

WHEREAS, the PHP will traverse the watersheds and aquifer recharge zones that provide clean drinking water supply to the City of Wimberley.

WHEREAS, the Private Partnership has not performed an Environmental Impact Study evaluating the potential impact to property near or adjacent to the PHP, the Trinity and Edwards Aquifers, and the surrounding community; and

WHEREAS, the citizens of The City of Wimberley have expressed opposition to the presence of the PHP in the Wimberley Valley due to its potential negative impacts to the environment, soil, water system, and land values; and

WHEREAS, The City of Wimberley, by and through the above-named members of the governing body, has an interest in the protection of its natural resources and an interest in how the PHP may affect its citizens;

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WIMBERLEY HEREBY ADOPTS THE FOLLOWING RESOLUTION THAT:

Section 1. Findings of Fact. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

Section 2. Opposition. The City of Wimberley opposes the PHP on behalf of the interests of the citizens of the City of Wimberley and in recognition of the potential harm the PHP poses to its natural and economic resources.

Section 3. Call to Action. The City of Wimberley requests immediate action by all members of both houses of the Texas Legislature to protect landowners, landowner’s property rights and communities from the negative impact of PHP and other potential oil and gas pipelines by:

1. Creating a regulatory process for oil and gas pipeline routing that enables impacted landowners and communities to have a voice in the approval process.
2. Requiring Environmental and Economic Impact Studies for all intra-state oil and gas pipelines.
3. Rescinding the unlimited power of eminent domain granted to private companies.

PASSED AND ADOPTED this 7th day of March, 2019.

ATTEST:

THE CITY OF WIMBERLEY

Laura J. Calcote, City Secretary

Susan Jagers, Mayor



Mike McCullough, City Council Place 1

Craig Fore, City Council Place 2

Allison Davis, City Council Place 3

Gary Barchfeld, City Council Place 4

Erik Wollam, City Council Place 5

A RESOLUTION ~~OF THE CITY OF WIMBERLEY, TEXAS~~ IN OPPOSITION TO THE ROUTING OF THE PROPOSED PERMIAN HIGHWAY PIPELINE THROUGH ~~THE WIMBERLEY VALLEY HAYS COUNTY~~ AND A REQUESTING FOR ~~IMMEDIATE ACTION FROM THE STATE LEGISLATURE~~IVE/ADMINISTRATIVE CHANGES

~~WHEREAS, Exxon Mobil and Kinder Morgan in partnership with EagleClaw Midstream~~

~~(“Private Partnership”) have begun the process of routing a 42-inch buried natural gas pipeline, k_n_o_w_n_a_s_t_h_e_P_e_r_m_i_a_n_H_i_g_h_w_a_y_P_i_p_e_l_i_n_e (“P_H_P”) from Coyanosa, Texas to Sheridan, Texas through the Texas Hill Country and Hays County; and~~

WHEREAS, Kinder Morgan and Exxon Mobil in partnership with EagleClaw Midstream Ventures (“Private Partnership”) have begun the process of routing a 42-inch buried natural gas pipeline, known as the Permian Highway Pipeline (“PHP”) from Coyanosa, Texas to Sheridan, Texas through the Texas Hill Country and Hays County; and

WHEREAS, the State of Texas, **by way of the Railroad Commission,** has delegated to the Private Partnership the authority to choose the route of the PHP and to take the private land traversed by the PHP using the governmental power of eminent domain; and

~~WHEREAS, the laws of Texas provide for no oversight or regulatory process to limit this delegation to the Private Partnership, or any opportunity for the landowners of the impacted property to participate in the routing process; and~~

~~WHEREAS, the PHP will traverse the watersheds and aquifer recharge zones that provide clean drinking water supply to the City of Wimberley.~~

~~WHEREAS, the Private Partnership has not performed an Environmental Impact Study evaluating the potential impact to property near or adjacent to the PHP, the Trinity and Edwards Aquifers, and the surrounding community; and~~

WHEREAS, the citizens of ~~The City of Wimberley~~ the Wimberley Valley and Hays County have expressed strong concerns and opposition to the ~~presence of the PHP in the Wimberley Valley~~ to the proposed route of the PHP due to its potential negative impacts to the environment, soil, water system, and land values; and

WHEREAS, The City of Wimberley, by and through the above named members of the governing body, has an interest in the protection of its natural resources and an interest in how the PHP may affect its citizens;

NOW THEREFORE, BE IT RESOLVED ~~THAT THE CITY COUNCIL OF THE CITY OF WIMBERLEY HEREBY ADOPTS THE FOLLOWING RESOLUTION BY THE CITY OF WIMBERLEY THAT:~~

~~**Section 1. Findings of Fact.** The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.~~

~~**Section 2. Opposition.** 1) The City of Wimberley opposes the PHP on behalf of the interests of the citizens of the ~~City of Wimberley~~ **Wimberley Valley** and in recognition of the potential harm the PHP poses to its natural and economic resources.~~

~~2) The City of Wimberley requests that legislative and/or administrative changes be made that:~~

~~**Section 3. Call to Action.** The City Of Wimberley requests immediate action by all members of both houses of the Texas Legislature to protect landowners, landowner's property rights and communities from the negative impact of PHP and other potential oil and gas pipelines by:~~

~~1.— A) Create **inge better** regulatory processes for oil and gas pipeline routing that enables impacted landowners and **communities local government entities** to have a voice in the approval process.~~

~~2.— B) Require **inge** Environmental and Economic Impact Studies for **all intra-state** oil and gas pipelines **whether they are intrastate or interstate.**~~

~~3.— C) **Rescinding the unlimited power of** Enhance checks and balances against the broad delegation of eminent domain **authority granted** to private companies.~~

PASSED AND ADOPTED this _____ day of ~~February~~ **March**, 2019.

ATTEST:

THE CITY OF WIMBERLEY

Laura Calcote, City Secretary

Susan Jagers, Mayor ~~of Wimberley~~

~~Gary Barchfeld, Mayor Pro Tem~~

Mike McCullough, ~~City Council~~ **member,**

Place 1

Craig Fore, City Councilmember, Place 2

Allison Davis, City Councilmember, Place 3

Gary Barchfeld, Mayor Pro Tem City

Council, Place 4

Eric Wollam, City Councilmember, Place 5

A RESOLUTION APPROVED BY MAYOR <xxx>, MAYOR PRO TEM <xxx>, COUNCILMEMBER <xxx> ALL OF THE CITY OF <xxx>, TEXAS OPPOSING THE ROUTING OF THE PROPOSED PERMIAN HIGHWAY PIPELINE THROUGH THE CITY OF <xxx> AND ITS EXTRATERRITORIAL JURISDICTION AND REQUESTING IMMEDIATE ACTION FROM THE STATE LEGISLATURE

WHEREAS, Kinder Morgan and Exxon Mobil in partnership with EagleClaw Midstream Ventures (“Private Partnership”) have begun the process of routing a 42-inch buried natural gas pipeline, known as the Permian Highway Pipeline (“PHP”) from Cayanosa, Texas to Sheridan, Texas through the Texas Hill Country and Hays County; and

WHEREAS, the State of Texas has delegated to the Private Partnership the authority to choose the route of the PHP and to take the private land traversed by the PHP using the governmental power of eminent domain; and

WHEREAS, the laws of Texas provide for no oversight or regulatory process to limit this delegation of powers generally reserved for governmental bodies or with oversight of governmental bodies to the Private Partnership, or any opportunity for the landowners of the impacted property to participate in the routing process; and

WHEREAS, the PHP will traverse the properties of multiple landowner properties requiring a permanent easement of fifty (50) feet, plus an additional seventy (75) feet of temporary construction easements; and

WHEREAS, the Private Partnership has not performed an Environmental Impact Study evaluating the potential impact to property near or adjacent to the PHP, the Trinity and Edwards <and/or> Aquifers, and the surrounding community; and

WHEREAS, the citizens of the City of <xxx> have expressed strong concerns and opposition to the presence of the PHP in the City of <xxx> and <xxx> County due to its potential negative impacts to the environment, soil, water system, and land values; and

WHEREAS, the City of <xxx>, by and through the above named members of the governing body, has an interest in the protection of its natural resources and an interest in how the PHP may affect its citizens;

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF <xxx> HEREBY ADOPTS THE FOLLOWING RESOLUTION THAT:

Section 1. Findings of Fact. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

Section 2. Opposition. The City of <xxx>. opposes the PHP on behalf of the interests of the citizens of the City of <xxx> and in recognition of the potential harm the PHP poses to its natural and economic resources.

Section 3. Call to Action. The City of <xxx> requests immediate action by all members of both houses of the Texas Legislature to protect landowners, landowner’s property rights and communities from the negative impact of PHP and other potential oil and gas pipelines by:

1. Creating a regulatory process for oil and gas pipeline routing that enables impacted landowners and communities to have a voice in the approval process.
2. Requiring Environmental and Economic Impact Studies for all intra-state oil and gas pipelines.
3. Rescinding the unlimited power of eminent domain granted to private companies.

PASSED AND ADOPTED this _____ day of <xxx>, 2019.

ATTEST:

THE CITY OF <xxx>

<xxx>, City Secretary

<xxx>, Mayor

<xxx>, Mayor Pro Tem

<xxx>, Councilmember

<xxx>,, Councilmember

<xxx>,, Councilmember

<xxx>,, Councilmember

<xxx>,, Councilmember

A RESOLUTION APPROVED BY MAYOR TRAVIS MITCHELL, MAYOR PRO TEM DEX ELLISON, COUNCILMEMBER TRACY SCHEEL, COUNCILMEMBER SHANE ARIBIE, COUNCILMEMBER ALEX VILLALOBOS, COUNCILMEMBER RICK KOCH AND COUNCILMEMBER DAPHNE TENORIO, ALL OF THE CITY OF KYLE, TEXAS OPPOSING THE ROUTING OF THE PROPOSED PERMIAN HIGHWAY PIPELINE THROUGH THE CITY OF KYLE AND ITS EXTRATERRITORIAL JURISDICTION AND REQUESTING IMMEDIATE ACTION FROM THE STATE LEGISLATURE

WHEREAS, Kinder Morgan and Exxon Mobil in partnership with EagleClaw Midstream Ventures (“Private Partnership”) have begun the process of routing a 42-inch underground high pressure natural gas pipeline, known as the Permian Highway Pipeline (“PHP”) from Coyanosa, Texas to Sheridan, Texas through the Texas Hill Country and Hays County; and

WHEREAS, the Private Partnership asserts that the State of Texas has delegated to the Private Partnership the authority to choose the route of the PHP and to take the private land traversed by the PHP using the governmental delegated power of eminent domain; and

WHEREAS, the laws of Texas provide for little oversight of the routing of private pipelines like the PHP pipeline and the laws of Texas provide no formal opportunity for the landowners of the impacted property to participate in the routing selection process; and

WHEREAS, the PHP project will traverse the properties of multiple landowner and the Private Partnership has asserted it intends to take and clear cut of all trees and vegetation a permanent easement of fifty (50) feet, plus an additional seventy (75) feet of temporary construction easements; and

WHEREAS, the Private Partnership has not performed a formal Environmental Impact Study evaluating the potential impact to property near or adjacent to the PHP, the Trinity and Edwards Aquifers, other groundwater sources, erosion, drainage, subsidence and other generally detrimental impacts to the surrounding community; and

WHEREAS, the citizens of the City of Kyle have expressed strong concerns and opposition to the presence of the PHP in the City of Kyle and Hays County due to its potential negative impacts to the environment, soil, air, development, water system, and land values; and

WHEREAS, the PHP project will cause developmental limitations on affected properties and will cause a diminution in value to affected properties; and

WHEREAS, the City of Kyle, by and through the above named members of the governing body, has an interest in the protection of its natural resources and an interest in how the PHP may affect its citizens;

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF KYLE HEREBY ADOPTS THE FOLLOWING RESOLUTION THAT:

Section 1. Findings of Fact. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

Section 2. Opposition. The City of Kyle opposes the PHP on behalf of the interests of the citizens of the City of Kyle and in recognition of the potential harm the PHP poses to its natural and economic resources.

Section 3. Call to Action. The City of Kyle requests immediate action by all members of both houses of the Texas Legislature to protect landowners, landowners' property rights and communities from the negative impact of PHP and other potential oil and gas pipelines by:

1. Creating a regulatory process for oil and gas pipeline routing that enables impacted landowners and communities to have a voice and to have the right to participate in a public, open, and transparent routing process much like the process for selecting the routing of electric transmission lines before the Public Utility Commission.
2. Requiring formal and thorough Environmental and Economic Impact Studies for all intra-state oil and gas pipelines, including the participation of governmental entities and affected landowners.
3. Requiring substantial governmental oversight over the power of eminent domain delegated to private companies or rescinding the unlimited power of eminent domain delegated to private companies.

PASSED AND ADOPTED this _____ day of February 20, 2019.

ATTEST:

THE CITY OF KYLE

Jennifer Vetrano, City Secretary

Travis Mitchell, Mayor

Dex Ellison, Mayor Pro Tem

Tracy Scheel, Councilmember

Shane Arabie, Councilmember

Alex Villalobos, Councilmember

Rick Koch, Councilmember

Daphne Tenorio, Councilmember

A RESOLUTION OF THE CITY OF WOODCREEK, TEXAS OPPOSING THE ROUTING OF THE PROPOSED PERMIAN HIGHWAY PIPELINE THROUGH THE WIMBERLEY VALLEY AND REQUESTING IMMEDIATE ACTION FROM THE STATE LEGISLATURE

WHEREAS, Exxon Mobil and Kinder Morgan in partnership with EagleClaw Midstream (“Private Partnership”) have begun the process of routing a 42-inch buried natural gas pipeline, known as the Permian Highway Pipeline (“PHP”) from Cayanosa, Texas to Sheridan, Texas through the Texas Hill Country and Hays County; and

WHEREAS, the State of Texas has delegated to the Private Partnership the authority to choose the route of the PHP and to take the private land traversed by the PHP using the governmental power of eminent domain; and

WHEREAS, the laws of Texas provide for no oversight or regulatory process to limit this delegation to the Private Partnership, or any opportunity for the landowners of the impacted property to participate in the routing process; and

WHEREAS, the PHP will traverse the properties of multiple landowner properties requiring a permanent easement of 50 feet, plus an additional 75 feet of temporary construction easements; and

WHEREAS, the Private Partnership has not performed an Environmental Impact Study evaluating the potential impact to property near or adjacent to the PHP, the Trinity and Edwards Aquifers, and the surrounding community; and

WHEREAS, the citizens of The City of Woodcreek have expressed opposition to the presence of the PHP in the City of Woodcreek and Hays County due to its potential negative impacts to the environment, soil, water system, and land values; and

WHEREAS, The City of Woodcreek has an interest in the protection of its natural resources and an interest in how the PHP may affect its citizens;

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WOODCREEK HEREBY ADOPTS THE FOLLOWING RESOLUTION THAT:

Section 1.

The City of Woodcreek opposes the PHP on behalf of the interests of the citizens of the City of Woodcreek and in recognition of the potential harm the PHP poses to its natural and economic resources.

Section 2.

The City of Woodcreek requests immediate action by the Texas legislature to protect landowners and communities from the negative impact of PHP and other potential oil and gas pipelines by:

1. Creating a regulatory process for oil and gas pipeline routing that enables impacted landowners and communities to have a voice in the approval process.
2. Requiring Environmental and Economic Impact Studies for all intra-state oil and gas pipelines.
3. Rescinding the unlimited power of eminent domain from private companies.

SECTION 3.

This Resolution shall be effective immediately upon its passage.

PASSED AND APPROVED this, the ___ day of _____, 2019, by a vote of ___ (ayes) to ___(nays) to ___ (abstentions) of the City Council of Woodcreek, Texas.

City of Woodcreek

by: _____
William P. Scheel, Mayor

ATTEST:

by: _____
Brenton Lewis, City Manager

RESOLUTION NO. 2019- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS OPPOSING THE ROUTING OF THE PROPOSED PERMIAN HIGHWAY PIPELINE THROUGH HAYS COUNTY; REQUESTING IMMEDIATE ACTION FROM THE STATE LEGISLATURE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Kinder Morgan and Exxon Mobil in partnership with EagleClaw Midstream Ventures (“Private Partnership”) have begun the process of routing a 42-inch underground high pressure natural gas pipeline, known as the Permian Highway Pipeline (“PHP”) from Coyanosa, Texas to Sheridan, Texas through the Texas Hill Country and Hays County; and

WHEREAS, the Private Partnership asserts that the State of Texas has delegated to the Private Partnership the authority to choose the route of the PHP and to take the private land traversed by the PHP using the governmental delegated power of eminent domain; and

WHEREAS, the laws of Texas provide for little oversight of the routing of private pipelines like the PHP pipeline and the laws of Texas provide no formal opportunity for the landowners of the impacted property to participate in the routing selection process; and

WHEREAS, the PHP project will traverse the properties of multiple landowner and the Private Partnership has asserted it intends to take and clear cut of all trees and vegetation a permanent easement of fifty (50) feet, plus an additional seventy (75) feet of temporary construction easements; and

WHEREAS, the Private Partnership has not performed a formal Environmental Impact Study evaluating the potential impact to property near or adjacent to the PHP, the Trinity and Edwards Aquifers, other groundwater sources, erosion, drainage, subsidence and other generally detrimental impacts to the surrounding community; and

WHEREAS, the citizens of the City of San Marcos have expressed strong concerns and opposition to the presence of the PHP in Hays County due to its potential negative impacts to the environment, soil, air, development, water system, and land values; and

WHEREAS, the PHP project will cause developmental limitations on affected properties and will cause a diminution in value to affected properties; and

WHEREAS, the City of San Marcos has an interest in the protection of its natural resources including the Edwards Aquifer and an interest in how the PHP may affect its citizens;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

Part 1. Findings of Fact. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

Part 2. Opposition. The City of San Marcos opposes the PHP on behalf of the interests of its citizens and in recognition of the potential harm the PHP poses to its natural and economic resources.

Part 3. Call to Action. The City of San Marcos requests immediate action by all members of both houses of the Texas Legislature to protect landowners, landowners' property rights and communities from the negative impact of PHP and other potential oil and gas pipelines by:

1. Creating a regulatory process for oil and gas pipeline routing that enables impacted landowners and communities to have a voice and to have the right to participate in a public, open, and transparent routing process much like the process for selecting the routing of electric transmission lines before the Public Utility Commission.
2. Requiring formal and thorough Environmental and Economic Impact Studies for all intra-state oil and gas pipelines, including the participation of governmental entities and affected landowners.
3. Requiring substantial governmental oversight over the power of eminent domain delegated to private companies or rescinding the unlimited power of eminent domain delegated to private companies.

Part 4. Effective Date. This resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED on March 5, 2019.

Jane Hughson
Mayor

Attest:

Jamie Lee Case



A RESOLUTION IN OPPOSITION TO THE ROUTING OF THE PROPOSED PERMIAN HIGHWAY PIPELINE THROUGH HAYS COUNTY AND REQUEST FOR LEGISLATIVE/ADMINISTRATIVE CHANGES

WHEREAS, Kinder Morgan and Exxon Mobil in partnership with EagleClaw Midstream Ventures (“Private Partnership”) have begun the process of routing a 42-inch buried natural gas pipeline, known as the Permian Highway Pipeline (“PHP”) from Coynosa, Texas to Sheridan, Texas through the Texas Hill Country and Hays County; and

WHEREAS, the State of Texas, by way of the Railroad Commission, has delegated to the Private Partnership the authority to choose the route of the PHP and to take the private land traversed by the PHP using the governmental power of eminent domain; and

WHEREAS, the laws of Texas and the practices of the Texas Railroad Commission related to Common Carriers provide insufficient oversight and scant regulatory process to limit this delegation of powers generally reserved for governmental bodies;

WHEREAS, the PHP will traverse the properties of multiple landowner properties requiring a permanent easement of fifty (50) feet, plus an additional seventy (75) feet of temporary construction easements; and

WHEREAS, the Private Partnership has not performed an Environmental Impact Study evaluating the potential impact to property near or adjacent to the PHP, including probable impacts to the Trinity and Edwards Aquifers and to the surrounding community; and

WHEREAS, the Private Partnership has not sufficiently engaged local governments to ascertain near-term areas of growth where subdivisions and development are already in the process of being permitted; and

WHEREAS, the citizens of Hays County have expressed strong concerns and opposition to the proposed route of the PHP due to its potential negative impacts to the environment, soil, water system, and land values; and

WHEREAS, Hay County, by and through the above named members of the governing body, has an interest in the protection of its natural resources and an interest in how the PHP may affect its citizens;

NOW THEREFORE, BE IT RESOLVED BY THE HAYS COUNTY COMMISSIONERS COURT THAT:

- 1)** Hays County opposes the PHP on behalf of the interests of the citizens of Hays County and in recognition of the potential harm the PHP poses to its natural and economic resources.
- 2)** Hays County requests that legislative and/or administrative changes be made that:
 - A) Create better regulatory processes for oil and gas pipeline routing that enable impacted landowners and local governmental entities to have a voice in the approval process.
 - B) Require Environmental and Economic Impact Studies for all oil and gas pipelines, whether they are intrastate or interstate.
 - C) Enhance checks and balances against the broad delegation of eminent domain authority to private companies.

RESOLVED AND ADOPTED this _____ day of February, 2019.

Ruben Becerra
Hays County Judge

Debbie Gonzales Ingalsbe
Commissioner, Pct. 1

Mark Jones
Commissioner, Pct. 2

Lon A. Shell
Commissioner, Pct. 3

Walt Smith
Commissioner, Pct. 4

ATTEST:

Elaine H. Cárdenas, MBA, PhD
Hays County Clerk



AGENDA ITEM: Consent Agenda
SUBMITTED BY: Laura Calcote, City Secretary
DATE SUBMITTED: March 4, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

- A. Approval of minutes from the Regular City Council Meeting held February 7, 2019.
- B. Approval of minutes from the Regular City Council Meeting held February 21, 2019.
- C. Approval of December 2018 Financial Statements for the City of Wimberley.

REQUESTED ACTION

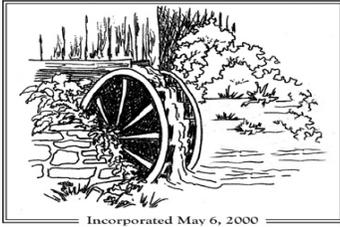
- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

- Budgeted Item Original Estimate/Budget: \$
- Non-budgeted Item Current Estimate: \$
- Not Applicable Amount Under/Over Budget: \$

STAFF RECOMMENDATION

Approval of Items A-C



City of Wimberley

221 Stillwater, P.O. Box 2027, Wimberley, Texas 78676

REGULAR CITY COUNCIL MEETING
WIMBERLEY CITY HALL – CITY COUNCIL CHAMBERS
221 STILLWATER, WIMBERLEY, TEXAS 78676
THURSDAY, FEBRUARY 7, 2019 – 5:30 P.M.

MINUTES

CALL TO ORDER

Mayor Susan Jagers called the meeting to order at 5:35 p.m.

CALL OF ROLL

Council Members Present: Susan Jagers Mayor
Mike McCullough Place One
Craig Fore Place Two
Allison Davis Place Three
Gary Barchfeld Place Four

City Staff Present: Shawn Cox City Administrator
Laura Calcote City Secretary
John Provost Public Works Superintendent
Rebecca Manning Parks Director
Richard Shaver Parks Program and Operations Manager

INVOCATION

Council Member Gary Barchfeld gave the invocation.

PLEDGE OF ALLEGIANCE/SALUTE TO THE TEXAS FLAG

Mayor Susan Jagers led the pledges to the United States and Texas flags.

PROCLAMATION

Mayor Susan Jagers read aloud a proclamation of the City of Wimberley, Texas proclaiming February 2019 as Dating Violence Awareness and Prevention Month.

CITIZENS COMMUNICATIONS

Roger Gonzales invited City Council and the audience to “The Hot Rod Showdown” on Saturday, February 23rd, at 7A Ranch/Pioneer Town.

CONSENT AGENDA

Motion to approve the Consent Agenda was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Craig Fore. Motion carried unanimously (4-0).

A. Approval of minutes from the Special City Council Meeting held January 8, 2019 at 5:30 p.m.

B. Approval of minutes from the Special City Council Meeting held January 8, 2019 at 7:30 p.m.

- C. Approval of minutes from the Regular City Council Meeting held January 17, 2019.
- D. Approval of the October 2018 and November 2018 Financial Statements for the City of Wimberley.

CITY ADMINISTRATOR REPORT

City Administrator Shawn Cox updated Council regarding the status of the Central Wimberley Wastewater Project. Mr. Cox noted Capital Excavation had completed the installation of all collection lines that they design for to date. Additionally, the January 8th Public Hearing documents had been submitted to the Texas Water Development Board (TWDB) by the end of January, and the TWDB had tentatively placed the City on their February 25th agenda to consider approval of the change in scope for the Project.

Mr. Cox also stated the repaving of River Road and Blue Hole Lane had been completed, and provided an update on other on-going City topics, including the short-term rental ordinance, the short-term rental software contract and sales tax.

PUBLIC HEARING AND POSSIBLE ACTION

Hold a public hearing and consider approval of the second and final reading of an ordinance amending Chapter 9 (Planning & Development Regulations) Article 9.03 (Zoning), Division 3 (District Regulations), Sections 9.03.090 & 9.03.091 (Lodging District Regulations) of the City of Wimberley Code of Ordinances; and providing for the following: findings of fact; a savings clause; a repealing clause; a severability clause; effective date and proper notice and meeting.

City Administrator Shawn Cox presented the ordinance, which would allow for the sale of beer, wine and alcohol for in room consumption for both Lodging Districts (L-1 and L-2) as a permitted use, eating establishments: sit-down, including the sale of beer, wine, or alcohol for on-premise consumption as a conditional use for L-1 and include bars/taverns as conditional use for L-2. The Planning and Zoning Commission had recommended approval at their January 10th meeting by a 5-0-1 vote. City Council had approved the first reading of the ordinance by a unanimous vote at the January 17th meeting.

Mayor Susan Jagers opened the public hearing at 5:57 p.m.

There were no public comments.

Mayor Susan Jagers closed the public hearing at 5:58 p.m.

Motion to approve the second and final reading of an ordinance amending Chapter 9 (Planning & Development Regulations) Article 9.03 (Zoning), Division 3 (District Regulations), Sections 9.03.090 & 9.03.091 (Lodging District Regulations) of the City of Wimberley Code of Ordinances; and providing for the following: findings of fact; a savings clause; a repealing clause; a severability clause; effective date and proper notice and meeting was made by Council Member Craig Fore. Motion was seconded by Council Member Gary Barchfeld. Motion carried unanimously (4-0).

DISCUSSION AND POSSIBLE ACTION

A. Discuss and consider possible action to approve a quote in the amount of \$1,403.00 from Event Wristbands for the purchase of swim season wristbands. (*Parks Director Rebecca Manning*)

Motion to approve a quote in the amount of \$1,403.00 from Event Wristbands for the purchase of swim season wristbands was made by Council Member Allison Davis. Motion was seconded by Council Member Craig Fore. Motion carried unanimously (4-0).

- B. Discuss and consider possible action to approve a bid in the amount of \$1,150.00 from Drippin' Irrigation for repair of the downtown irrigation system. (*Public Works Superintendent John Provost*)

Motion to approve a bid in the amount of \$1,150.00 from Drippin' Irrigation for repair of the downtown irrigation system was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Craig Fore. Motion carried unanimously (4-0).

- C. Discuss and consider possible action to approve the second and final reading of Ordinance No. 2019-03, granting Texas Disposal Systems, Inc. its successors and assigns certain rights to operate and maintain solid waste and recycling collection and disposal routes and services within the City of Wimberley for a period of ten (10) years, providing an exclusive franchise, prohibiting the operation of any other residential or commercial solid waste and recycling collection business or entity, providing for certain rights, duties, terms, and conditions, providing for payment of franchise fees of twelve (12) percent of grantee's gross revenues, civil and criminal penalties not to exceed \$2,000, effective dates, severability and other provisions related to the grant of a solid waste and recycling franchise. (*City Administrator Shawn Cox*)

City Administrator Shawn Cox advised the effective date of the agreement would begin on March 1, 2019, and the addition of compactors would be added to Attachment C of the agreement. City Council had approved the first reading of the Ordinance by a unanimous vote at the January 17th meeting.

Motion to approve the second and final reading of Ordinance No. 2019-03, granting Texas Disposal Systems, Inc. its successors and assigns certain rights to operate and maintain solid waste and recycling collection and disposal routes and services within the City of Wimberley for a period of ten (10) years, providing an exclusive franchise, prohibiting the operation of any other residential or commercial solid waste and recycling collection business or entity, providing for certain rights, duties, terms, and conditions, providing for payment of franchise fees of twelve (12) percent of grantee's gross revenues, civil and criminal penalties not to exceed \$2,000, effective dates, severability and other provisions related to the grant of a solid waste and recycling franchise was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Craig Fore. Motion carried unanimously (4-0).

- D. Discuss and consider possible action to approve Ordinance No. 2019-04, regarding attorney/client privilege, waiver of attorney/client privilege, and required action by City Council membership to waive attorney/client privilege. (*City Attorney Charlie Zech*)

City Attorney Charlie Zech advised Council that it is common practice to adopt a measure relating to attorney/client privilege and is in the best interest of the governing body to do so. There was some discussion among Council and Mr. Zech relating to attorney/client privilege.

Motion to approve Ordinance No. 2019-04, regarding attorney/client privilege, waiver of attorney/client privilege, and required action by City Council membership to waive attorney/client privilege was made by Council Member Allison Davis. Motion was seconded by Council Member Craig Fore. Motion carried unanimously (4-0).

- E. Discuss and consider possible action regarding the City of Wimberley Investment Policy. (*City Administrator Shawn Cox*)

City Administrator Shawn Cox noted the City is required by State Law to annually review and adopt its Investment Policy. No changes to the Policy were recommended.

Motion to approve the City of Wimberley Investment Policy was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Allison Davis. Motion carried unanimously (4-0).

- F. Discuss and consider possible action to amend the City of Wimberley Governance Policy and Rules of Procedure. *(Place Two Council Member Craig Fore)*
There was discussion relating to Council member's access the City Attorney and how to control legal costs in allowing leeway for Council members to speak with the attorneys.
No action was taken on this item.

(Motion to Move Item No. I (Legal Expenditures) to Item No. G on the agenda was made by Council Member Allison Davis. Motion was seconded by Council Member Craig Fore. Motion carried unanimously (4-0).

- G. Discuss and consider possible action regarding legal expenditures. *(Place Three Council Member Allison Davis)*
There was discussion among Council and City Attorney Charlie Zech regarding legal cost concerns and how to track the amount each Council member is spending on attorney's fees. City Attorney Zech advised the firm could assist in tracking these costs.
No action was taken on this item.

- H. Discuss and consider possible action concerning the reuse of reclaimed water from the Central Wimberley Wastewater Project at Blue Hole Regional Park, and its inclusion in the change of scope application to the Texas Water Development Board (TWDB) and the associated costs in the change of scope application to the TWDB. *(Place Three Council Member Allison Davis)*
There was lengthy discussion regarding the reuse of reclaimed water at Blue Hole Regional Park, and the Park's budget in paying for the reused water without receiving the benefits of irrigation. There was also discussion on the potential Aqua Texas and City of Wimberley contract, as well as loan forgiveness from the Texas Water Development Board.
There was one citizen comment. Steve Thurber addressed Council regarding the January 22nd Texas Parks and Wildlife Department letter, which was included in the meeting packet. Mr. Thurber highlighted that the City's requested change in scope from the Texas Water Development Board and the TPWD letter did not coincide, and there were substantial differences in the recommendations.
Mayor Susan Jaggars responded to Mr. Thurber regarding the TPWD letter.
No action was taken on this item.

- I. Discuss and consider possible action concerning Central Wimberley Wastewater Project change of scope plan costs. *(Place Three Council Member Allison Davis)*
There was discussion among Council and City Administrator Shawn Cox regarding the setback and boring cost associated with the Cypress Creek for the Project and the recommendations from the Texas Parks and Wildlife Department (TPWD) pertaining to the topic. Council Member Allison Davis requested clarification on the Creek boring location, and stated the Council needed to protect the environment at the highest possible level and prioritize the costs. The Mayor stated the TPWD letter was only a recommendation, not a requirement.
No action was taken on this item.

- J. Discuss and consider possible action regarding the purchase of supplies for the patio kitchen area. *(Mayor Susan Jagers)*

This item was not discussed, and no action was taken.

- K. Discuss and consider possible action regarding engineering for the Hidden Valley Low Water Crossing. *(Mayor Susan Jagers)*

There were two citizen's comments. They were as follows:

1. Cindy McShurley spoke regarding the grates at the Hidden Valley Low Water Crossing creating problems for wildlife and water levels.

2. Chris Webre addressed Council relating to fluctuating water levels and the fish weir at the Hidden Valley Low Water Crossing. Mr. Webre noted the weir does not work properly and the grates are a safety concern.

There was discussion on the Hidden Valley Low Water Crossing's original design and the needed steps to correct the problems with the grates/fish weir.

Motion to direct the City Administrator to speak with Stantec Engineering and the Texas Parks and Wildlife Department regarding the issues surrounding the Hidden Valley Low Water Crossing and report back to City Council in March 2019 was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Craig Fore. Motion carried unanimously (4-0).

- L. Discuss and consider possible action regarding the Cypress Creek Nature Preserve Trail. *(Mayor Susan Jagers)*

There were eight citizen's comments. They were as follows:

1. Susan Neeney spoke regarding the history of the Cypress Creek Nature Preserve and the Parks Master Plan. Ms. Neeney also offered rebuttals to the February 7th Mayor's Corner article in the Wimberley View relating to the Preserve. She stated the area belongs to the City and the Wimberley community, and encouraged a master plan be drafted for the Preserve.

2. Bex Hale addressed Council regarding the Special Parks Board Meeting held January 16th, where Board members walked the Preserve Trail, and no action was taken on the matter. Ms. Hale spoke of the actions the following week to barricade the trail from public access. She also called for a comprehensive/master plan for the Preserve.

3. Martha Knies spoke regarding the Cypress Creek Nature Preservers group. Ms. Knies also refuted statements made in the February 7th Mayor's Corner article and requested to see documentation of the false claims made in the article. She encouraged the Preserve continue to be publicly accessible.

4. Merry Gibson addressed Council regarding the history of the Cypress Creek Nature Preservers group, and the Conservation Easement between the City and the Wimberley Valley Watershed Association. Additionally, Ms. Gibson noted vandalism occurring regularly at the Preserve, and requested the restoration of a gate at the entry point nearest the Wimberley Square.

5. Ashley Gibson thanked Keep Wimberley Beautiful and the Constable's Office for their efforts in helping to maintain the Preserve. Ms. Gibson stated the area had become hazardous and called for the restoration of a gate at the entry point as permitted in the Conservation Easement.

6. Christine Byrne cited various observations and quotes regarding the Cypress Creek Nature Preserve from residents and visitors over the years and encouraged Council to keep the area open to the public for continued enjoyment. Furthermore, Ms. Byrne called for a master plan for the Preserve.

7. Malcom Harris, President of the Wimberley Valley Watershed Association, addressed Council and stated David Baker, Council Member Gary Barchfeld and himself had met to discuss the Preserve, and had come to an understanding and solution for the topic.

8. Davis Baker, Executive Director of the Wimberley Valley Watershed Association, encouraged all Preserve stakeholders to take a step back and work together moving forward to draft a master plan for the Cypress Creek Nature Preserve. Mr. Baker encouraged seeking the services of a professional planner to aid in drafting the master plan, and that the Watershed Association would allocate funds for the planning. He requested 60 days to complete the draft and then bring the plan back to City Council for review and possible action.

There was discussion among Council regarding the Preserve and the Conservation Easement.

Motion to accept the Wimberley Valley Watershed Association’s offer to begin a 60-day professional planning process with all stakeholders for the Cypress Creek Nature Preserve was made by Council Member Allison Davis. Motion was seconded by Council Member Gary Barchfeld. Motion carried unanimously (4-0).

M. Discuss and consider possible action regarding a reimbursement to Mayor Jagers for the purchase of a desktop computer. *(Mayor Susan Jagers)*

Mayor Susan Jagers recused herself from the discussion.

Council members discussed reimbursing Mayor for an unbudgeted purchase of a desktop computer. Council Members Craig Fore and Allison Davis were against the reimbursement, due to the purchase being unauthorized and not budgeted.

Motion to deny the reimbursement to Mayor Jagers for the purchase of a desktop computer was made by Council Member Allison Davis. Motion was seconded by Council Member Craig Fore. Motion failed as follows (2-2):

| | |
|-----------------|-----|
| Allison Davis | Aye |
| Craig Fore | Aye |
| Mike McCullough | Nay |
| Gary Barchfeld | Nay |

(There was a recess at 8:16 p.m. Council Member Allison Davis left the meeting at 8:16 p.m. The meeting reconvened at 8:24 p.m.)

Mayor Susan Jagers rejoined the meeting and continued discussion on reimbursement for the desktop computer after a vote had been taken by Council. Council members discouraged further discussion.

Motion to move from Item No. M to Item No. N was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Mike McCullough. Motion carried unanimously (3-0).

N. Discuss and consider possible action to receive direction regarding Fiscal Year 2019 budget amendment. *(City Administrator Shawn Cox)*

This item was not discussed, and no action was taken.

O. Discuss and consider possible action regarding the regular City Council meeting schedule. *(Mayor Susan Jagers)*

There was discussion on moving the regular City Council meetings to the first and third Tuesdays of the month and holding special meetings any other day.

No action was taken on this item.

P. Discuss and consider possible action to fill a vacancy for Place Five on the Wimberley City Council by appointment until the next General Election in May 2019.

Motion to nominate and appoint Erik Wollam to fill the Place Five vacancy on the Wimberley City Council was made by Council Member Craig Fore. Motion was seconded by Council Member Gary Barchfeld. Motion carried unanimously (3-0).

CITY COUNCIL REPORTS

A. Announcements – None.

B. Future agenda items – None.

ADJOURNMENT

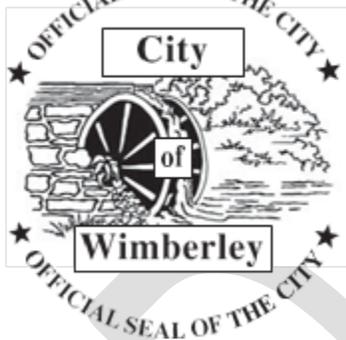
Motion to adjourn the meeting at 8:39 p.m. was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Craig Fore. Motion carried unanimously (3-0).

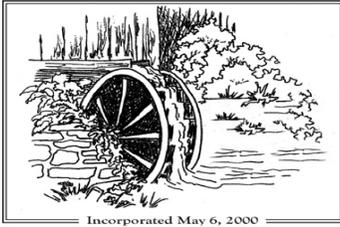
RECORDED BY:

Laura J. Calcote, City Secretary

APPROVED BY:

Susan Jagers, Mayor





City of Wimberley

221 Stillwater, P.O. Box 2027, Wimberley, Texas 78676

REGULAR CITY COUNCIL MEETING
WIMBERLEY CITY HALL – CITY COUNCIL CHAMBERS
221 STILLWATER, WIMBERLEY, TEXAS 78676
THURSDAY, FEBRUARY 21, 2019 – 5:30 P.M.

MINUTES

CALL TO ORDER

Mayor Susan Jaggars called the meeting to order at 5:30 p.m.

CALL OF ROLL

Council Members Present: Susan Jaggars Mayor
Craig Fore Place Two
Allison Davis Place Three
Gary Barchfeld Place Four
Erik Wollam Place Five

Council Members Absent: Mike McCullough Place One

City Staff Present: Shawn Cox City Administrator
Laura Calcote City Secretary
John Provost Public Works Superintendent

INVOCATION

Council Member Gary Barchfeld gave the invocation.

PLEDGE OF ALLEGIANCE/SALUTE TO THE TEXAS FLAG

Mayor Susan Jaggars led the pledges to the United States and Texas flags.

(Motion to move Item No. 6. Citizens Communications to Item No. 5 on the agenda was made by Council Member Allison Davis. Motion was seconded by Council Member Gary Barchfeld. Motion carried unanimously (4-0).

CITIZENS COMMUNICATIONS

There were two citizen's comments. They were as follows:

1. Sylvia Dinsmore addressed Council regarding the Conditional Use Permit (CUP) for 309 Lange Road, which had been heard by the Planning and Zoning Commission at their February 14th meeting. Ms. Dinsmore presented the City with a petition and accompanying photographs against the CUP and stated the neighborhood did not want another manufactured home in the area.

2. Greg Neal spoke regarding proposed Resolution No. 02-2019 in opposition to the Permian Highway Pipeline. Mr. Neal stated the Resolution was lacking, and that the City should speak directly with Kinder Morgan and other interested parties before taking any action on the pipeline topic.

PRESENTATIONS AND POSSIBLE ACTION

A. Presentation and consider possible action to approve Resolution No. 02-2019, opposing the routing of the proposed Permian Highway Pipeline through the Wimberley Valley and requesting immediate action from the State Legislature. (*Wimberley Valley Watershed Association Executive Director David Baker and Place Three Council Member Allison Davis*) Wimberley Valley Watershed Executive Director David Baker presented information pertaining to the proposed Permian Highway Pipeline through the Wimberley Valley and surround areas. Mr. Baker stated the pipeline route is unsustainable and there are a plethora of environmental and property rights concerns surrounding the issue as well. He noted the WVWA had been discussing these concerns with Kinder Morgan to try to find a reasonable solution. Mr. Baker encouraged City Council to pass the Resolution in accordance with other cities in Hays County.

There was lengthy discussion among Council members regarding the Resolution, and the City's purview in passing the measure. Some Council members had concerns with the Resolution language, and supporting the document as presented.

There were three citizen's comments. They were as follows:

1. Alan Munde spoke in support of the Resolution and encouraged City Council to support the item as well by taking a stand.
2. Larry Becker addressed Council regarding the negative environmental effects the pipeline could have on the area, such as water quality, trees, wildlife and health and safety of residents. Mr. Becker also noted the explosion risk that comes with a pipeline in a heavily populated area. He also encouraged City Council to pass the Resolution.
3. Lila McCall spoke on the history of other pipelines in the state and area and noted the proposed pipeline would not hurt the environment. She urged Council not to pass the Resolution, as presented, and to follow the County's stance on the topic once known.

Motion to approve Resolution No. 02-2019, opposing the routing of the proposed Permian Highway Pipeline through the Wimberley Valley and requesting immediate action from the State Legislature was made by Council Member Allison Davis. The motion was not seconded. Motion fell to the floor.

Motion to table the item until the March 7th City Council Meeting was made by Council Member Allison Davis. Motion was seconded by Council Member Erik Wollam. Motion carried unanimously (4-0).

B. Presentation from Langford Community Management Services, Inc. regarding an update on HMGP/GLO projects. (*Judy Langford*) Judy Langford presented information regarding the status 2015 flood recovery efforts within the City. Ms. Langford discussed the Hazard Mitigation Grant Program through FEMA and General Land Office funding for housing elevations and buyouts for several property owners in the City. There was discussion among Ms. Langford and Council members on the expected completion dates of these projects.

(*There was a recess at 6:57 p.m. The meeting reconvened at 7:07 p.m.*)

CITY ADMINISTRATOR REPORT

Update regarding the status of the Central Wimberley Wastewater Project and investment updates for the first quarter of FY 2019. *(City Administrator Shawn Cox)*

Brian Magness of Armstrong, Vaughan & Associates, P.C. presented the Fiscal Year 2018 Audit for the City. Mr. Magness highlighted certain sections of the audit report, and there was discussion among Council. The audit would be brought back to Council at their next meeting for discussion and approval.

City Administrator Shawn Cox provided an update of the Central Wimberley Wastewater Project and presented investment information for the first quarter of Fiscal Year 2019, which included October through December 2018. Council Member Craig Fore asked Mr. Cox a couple of questions, including how to handle crowd control at public meetings and how to keep track of attorney legal fees. Mr. Cox advised how other cities address these matters.

PUBLIC HEARING AND POSSIBLE ACTION

Hold a public hearing and consider approval regarding case ZA-19-001, an application to change the zoning from Single-Family Residential 2 (R-2) to Commercial-Low Impact (C-1) for property located at 13301 Ranch Road 12, Wimberley, Hays County, Texas; and providing for the following: delineation on zoning map; findings of fact; severability; effective date and proper notice and meeting. *(Mystic Hill, LLC, Sibyl Burrows, Applicant)*

City Administrator Shawn Cox presented the requested zoning change. The Planning and Zoning Commission had recommended approval by a 5-0-1 vote at their February 14th meeting.

Mayor Susan Jagers opened the public hearing at 7:37 p.m.

There were no public comments.

Mayor Susan Jagers closed the public hearing at 7:37 p.m.

There was discussion among Council members regarding the difference between R2 and C1 zoning and water pollution by impervious cover.

Motion to approve the zoning change was made by Council Member Gary Barchfeld. The motion was not seconded. Motion fell to the floor.

DISCUSSION AND POSSIBLE ACTION

A. Discuss and consider possible action regarding a request to operate a food service trailer at 411 FM 2325 in Wimberley, Texas. *(Angie Henderson, Applicant)*

Stan Allen spoke on behalf of his daughter, Angie Henderson, regarding the request to operate a food service trailer at Odie's Food Court.

Motion to approve the request to operate a food service trailer at 411 FM 2325 in Wimberley, Texas was made by Council Member Allison Davis. Motion was seconded by Council Member Gary Barchfeld. Motion carried unanimously (4-0).

B. Discuss and consider possible action to approve a bid in the amount of \$4,700.00 from The Fence Guy to install bollards and cable along Spoke Hollow Road. *(Public Works Superintendent John Provost)*

Motion to approve a bid in the amount of \$4,700.00 from The Fence Guy to install bollards and cable along Spoke Hollow Road was made by Council Member Craig Fore. Motion was seconded by Council Member Gary Barchfeld. Motion carried as follows (3-1):

| | |
|----------------|-----|
| Craig Fore | Aye |
| Gary Barchfeld | Aye |
| Erik Wollam | Aye |
| Allison Davis | Nay |

- C. Discuss and consider possible action to enter into a contract with Host Compliance for the provision of STR software for an amount not to exceed \$19,000. *(City Administrator Shawn Cox)*

There were three citizen's comments. They were as follows:

1. Ned Murphy encouraged City Council to decline the purchase of the STR software until after the proposed joint workshop between the Short-Term Rental Review Committee and the Planning and Zoning Commission. Mr. Murphy stated the software would be divisive for the community and asked for the item to be tabled.
2. Maridel Martinez addressed Council and asked for the STR software purchase to be declined, due to inaccurate information being circulated regarding short-term rentals. Ms. Martinez noted STRs are not a problem within the City or surrounding areas.
3. Molly Bowen stated the short-term rental data provided to City Council did not exist and urged Council to table the item until after the joint workshop. Ms. Bowen also noted the Short-Term Rental Review Committee had self-serving members, who's lodging businesses would benefit from short-term rentals being shutdown within the City and extraterritorial jurisdiction.

There was discussion among Council pertaining to the software being a budgeted expenditure, data provided and the contract language.

Motion to enter into a contract with Host Compliance for the provision of STR software for an amount not to exceed \$19,000, subject to City Administrator Cox and Council Member Wollam review of contract language, was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Craig Fore. Motion carried as follows (3-2):

| | |
|-----------------------|------------|
| Craig Fore | Aye |
| Gary Barchfeld | Aye |
| Susan Jagers | Aye |
| Allison Davis | Nay |
| Erik Wollam | Nay |

- D. Discuss and consider possible action regarding the City's protocol to thank citizen volunteers for their efforts at the end of their service term. *(Place Four Council Member Gary Barchfeld)*
Council Member Gary Barchfeld noted this item had come before Council previously, and the City needed to implement a better procedure moving forward to thank citizen volunteers.
Motion to place an item addressing the procedure to thank citizen volunteers for their time and effort in the City of Wimberley Governance Policy and Rules of Procedure to be considered at the next City Council meeting was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Erik Wollam. Motion carried unanimously (4-0).
- E. Discuss and consider possible action to plan a joint workshop with City Council and the Wastewater Ad Hoc Advisory Committee. *(Place Four Council Member Gary Barchfeld)*
There was discussion to schedule a joint workshop with the City Council and the Wastewater Ad Hoc Advisory Committee on February 26th at 6:00 p.m. No action was taken.
- F. Discuss and consider possible action regarding Division 2, City Administrator, of Article 2.05, City Officers, of Chapter 2, Administration and Personnel. *(Mayor Susan Jagers)*
This item was not discussed, and no action was taken.

- G. Discuss and consider possible action regarding Division 2, Article 2.02.013, Relationship with City Staff. (*Mayor Susan Jagers*)
This item was not discussed, and no action was taken.

CITY COUNCIL REPORTS

A. Announcements – None.

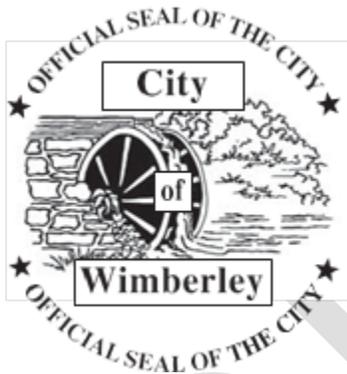
B. Future agenda items – None.

ADJOURNMENT

Motion to adjourn the meeting at 8:26 p.m. was made by Council Member Gary Barchfeld. Motion was seconded by Council Member Craig Fore. Motion carried unanimously (4-0).

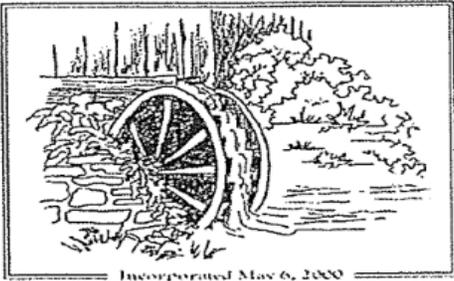
RECORDED BY:

Laura J. Calcote, City Secretary



APPROVED BY:

Susan Jagers, Mayor



CITY OF WIMBERLEY

Summary Financial Statements

Three Months Ended December 31, 2018

City of Wimberley
Balance Sheets
December 31, 2018

| | Major Funds | | | | | Nonmajor Funds | | |
|---|---------------------|----------------|----------------|--------------------|-------------------------|-----------------|-----------------|------------------|
| | General | Blue Hole | HOT | Wastewater Utility | Wastewater Construction | Municipal Court | BHP Development | FM 2325 Sidwalks |
| Cash and investments | \$ 1,278,795 | 499,897 | 142,194 | 11,164 | 2,776,712 | 5,564 | 18,762 | 5,025 |
| Receivables and other | 170,824 | - | - | 618 | - | - | - | - |
| Construction, sinking funds and restricted cash | - | - | - | 186,965 | 605,700 | - | - | - |
| Net investment in fixed assets | - | - | - | 754,460 | - | - | - | - |
| Total Assets | \$ 1,449,619 | 499,897 | 142,194 | 953,208 | 3,382,412 | 5,564 | 18,762 | 5,025 |
| Payables | \$ 33,707 | 2,812 | - | 59,966 | 193 | 873 | - | - |
| Debt (old) | - | - | - | 342,148 | - | - | - | - |
| Debt - TWDB (new) | - | - | - | - | 5,255,000 | - | - | - |
| Total Liabilities | <u>33,707</u> | <u>2,812</u> | <u>-</u> | <u>402,114</u> | <u>5,255,193</u> | <u>873</u> | <u>-</u> | <u>-</u> |
| Fund Balance | <u>1,415,912</u> | <u>497,085</u> | <u>142,194</u> | <u>551,094</u> | <u>(1,872,780)</u> | <u>4,692</u> | <u>18,762</u> | <u>5,025</u> |
| Total Liabilities and Fund Balance | \$ 1,449,619 | 499,897 | 142,194 | 953,208 | 3,382,412 | 5,564 | 18,762 | 5,025 |

Note:

Wastewater Funds considered "proprietary funds", and thus includes investment in fixed assets, while other funds do not.

City of Wimberley
Revenues and Expenditures - General Fund

Three Months Ended December 31, 2018

| | 12/31/2018 | YTD | 2019 Budget | YTD % Budget 25% |
|--|-------------------|-----------------|------------------|------------------------|
| Revenues | | | | |
| Sales taxes | \$ 101,961 | 254,212 | 860,000 | 30% |
| Mixed beverage tax | \$ 3,583 | 3,583 | 9,500 | 38% |
| Franchise tax | \$ - | 11,327 | 278,250 | 4% |
| Permit fees | \$ 7,904 | 12,325 | 55,750 | 22% |
| Grant funds | \$ - | - | - | - |
| Service fees | \$ 3,408 | 13,020 | 50,700 | 26% |
| Community Center rental fees | \$ 2,338 | 12,948 | 55,000 | 24% |
| Other income | \$ 570 | 7,094 | 4,000 | 177% |
| Total Revenues | \$ 119,764 | 314,509 | 1,313,200 | 24% |
| Expenditures | | | | |
| Administration | 61,026 | 159,697 | 806,047 | 20% |
| Administration - Legal | 17,085 | 39,562 | 200,000 | 20% |
| Council/Board | 5,300 | 6,650 | 65,575 | 10% |
| Building | 2,430 | 9,738 | 39,000 | 25% |
| Public Safety | 8,202 | 13,948 | 105,254 | 13% |
| Municipal Court | 1,000 | 4,715 | - | - |
| Public Works | 10,396 | 33,671 | 161,131 | 21% |
| Roads | 2,305 | 57,282 | 253,500 | 23% |
| Waste/Wastewater | 3,117 | 7,318 | 34,000 | 22% |
| Community Center | 11,117 | 27,930 | 136,819 | 20% |
| Nature Trail | 281 | 6,570 | 10,300 | 64% |
| Total Expenditures | 122,259 | 367,079 | 1,811,626 | 20% |
| Excess Revenues Over Expenditures | (2,495) | (52,570) | (498,426) | |
| | \$ (2,495) | (52,570) | (498,426) | |

City of Wimberley
Revenues and Expenditures - Blue Hole

Three Months Ended December 31, 2018

| | 12/31/2018 | YTD | 2019 Budget | YTD % Budget 25% |
|--|--------------------|-----------------|------------------|------------------------|
| <u>Revenues</u> | | | | |
| Gate fees | \$ - | (30) | 341,680 | 0% |
| Other fees | 1,000 | 4,385 | 51,500 | 9% |
| Miscellaneous | 234 | 1,827 | 4,650 | 39% |
| Total Revenues | 1,234 | 6,182 | 397,830 | 2% |
| <u>Expenditures</u> | | | | |
| Wages and benefits | 18,487 | 48,285 | 276,127 | 17% |
| Contract services | 125 | 7,109 | 18,200 | 39% |
| Other | 2,254 | 11,848 | 83,303 | 14% |
| Purchase under reclaimed water agreement | - | - | - | - |
| Capital Outlay | - | - | 20,000 | 0% |
| Operating Transfer Out | - | - | 200,000 | 0% |
| Total Expenditures | 20,866 | 67,242 | 597,630 | 11% |
| Excess Revenues Over Expenditures | \$ (19,632) | (61,060) | (199,800) | |
| Transfer in from General Fund | - | - | 101,572 | |
| Net Change in Fund Balance | \$ (19,632) | (61,060) | (98,228) | |

City of Wimberley

Revenues and Expenditures - Hotel Occupancy Tax

Three Months Ended December 31, 2018

| | 12/31/2018 | YTD | 2019 Budget | YTD % Budget 25% |
|--|-------------|----------------|-------------|------------------------|
| Revenues | | | | |
| Hotel Occupancy Tax | \$ - | - | - | - |
| Interest income | 6 | 18 | - | - |
| Miscellaneous | - | - | - | - |
| Total Revenues | 6 | 18 | - | - |
| Expenditures | | | | |
| Wages & Bennifits | - | - | - | - |
| Other | - | - | - | - |
| Contract Services | - | 2,054 | - | - |
| HOT Disbursements | - | - | - | - |
| General Operating Supplies | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total Expenditures | - | 2,054 | - | - |
| Excess Revenues Over Expenditures | \$ 6 | (2,036) | - | |
| Transfer in from General Fund | - | - | - | |
| Net Change in Fund Balance | \$ 6 | (2,036) | - | |

City of Wimberley

Revenues and Expenditures - Wastewater Utility Fund

Three Months Ended December 31, 2018

| | 12/31/2018 | YTD | 2019 Budget | YTD % Budget 25% |
|--|-------------------|------------------|------------------|------------------------|
| Revenues | | | | |
| Charges for utility services | \$ 10,516 | 30,312 | 117,286 | 26% |
| Reclaimed water revenues | - | - | - | |
| Interest | 8 | 29 | - | - |
| Total Revenues | 10,524 | 30,341 | 117,286 | 26% |
| Expenditures | | | | |
| Contract Services | 12,456 | 105,529 | 268,020 | 39% |
| Utilities | 438 | 1,822 | 7,500 | 24% |
| Project Manager | 2,907 | 31,385 | 90,000 | 35% |
| Other Expenses | 137 | 292 | 675 | 43% |
| Capital Outlay (debt repayment) | 31,250 | 41,100 | 31,250 | 132% |
| Wastewater Debt Service - Principal | - | - | 216,734 | 0% |
| Wastewater Debt Service - Interest | - | - | 89,606 | 0% |
| Total Expenditures | 47,188 | 180,129 | 703,785 | 26% |
| Excess Revenues Over Expenditures | (36,664) | (149,788) | (586,499) | |
| Transfer In | 31,250 | 31,250 | 501,131 | 6% |
| Net Change in Fund Balance | \$ (5,414) | (118,538) | (85,368) | |

City of Wimberley

Revenues and Expenditures - Wastewater Collection and Treatment Plant

Three Months Ended December 31, 2018

| | 12/31/2018 | YTD | 2019 Budget | YTD % Budget 25% |
|--|---------------------|------------------|-------------|------------------------|
| Revenues | | | | |
| Interest revenues | \$ 145 | 430 | - | - |
| Investment income | (381,710) | (372,635) | - | - |
| WW Bond Reserve Funds | - | - | - | - |
| Total Revenues | (381,565) | (372,205) | - | - |
| Expenditures | | | | |
| Records management | - | - | - | - |
| Capital outlay | 386,294 | 453,596 | - | - |
| Other expenses | - | - | - | - |
| Total Expenditures | 386,294 | 453,596 | - | - |
| Excess Revenues Over Expenditures | (767,859) | (825,800) | - | - |
| Transfer in from General Fund | - | - | - | - |
| Net Change in Fund Balance | \$ (767,859) | (825,800) | - | - |

City of Wimberley
Revenues and Expenditures - Nonmajor Funds

Three Months Ended December 31, 2018

| | Municipal Court | | | BHP Development | | | FM 2325 Sidewalk | | |
|--|-----------------|-------|-------------|-----------------|-----|-------------|------------------|-----|-------------|
| | 12/31/2018 | YTD | 2019 Budget | 12/31/2018 | YTD | 2019 Budget | 12/31/2018 | YTD | 2019 Budget |
| Total Revenues | \$ 325 | 1,271 | - | \$ 2 | 7 | 18 | \$ 0 | 1 | 2 |
| Total Expenditures | - | - | - | - | - | - | - | - | - |
| Excess Revenues Over Expenditures | \$ 325 | 1,271 | - | \$ 2 | 7 | 18 | \$ 0 | 1 | 2 |
| Fund Transfers | - | - | - | - | - | - | - | - | - |
| Net Change in Fund Balance | \$ 325 | 1,271 | - | \$ 2 | 7 | 18 | \$ 0 | 1 | 2 |



AGENDA ITEM: City Administrator’s Report
SUBMITTED BY: Shawn Cox, City Administrator
DATE SUBMITTED: March 4, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

The City Administrator will provide an update to Council on the progress of the Central Wimberley Wastewater Project, including construction progress, expenditures to date, and other updates related to the project. Additionally, updates will be provided on the Hidden Valley Fish Weir, completed and on-going road projects, and STR Ordinance revisions.

REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

| | | | |
|-------------------|-------------------------------------|---------------------------|----|
| Budgeted Item | <input type="checkbox"/> | Original Estimate/Budget: | \$ |
| Non-budgeted Item | <input type="checkbox"/> | Current Estimate: | \$ |
| Not Applicable | <input checked="" type="checkbox"/> | Amount Under/Over Budget: | \$ |

STAFF RECOMMENDATION



AGENDA ITEM: Updated Agreement for usage of Blue Hole Regional Park soccer fields
SUBMITTED BY: Rebecca Manning
DATE SUBMITTED: 03/01/19
MEETING DATE: 0/07/19

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

The usage of Blue Hole Regional Park soccer fields has grown in recent years because of the registration expansion of Wimberley Youth Sports Organization and Wimberley Surge Soccer. A new usage agreement has been written with input from the Wimberley Parks and Recreation Board and both soccer organizations. This agreement details out specific rules and regulations to better maintain fields and regulate field usage.

REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

- Budgeted Item Original Estimate/Budget:
- Non-budgeted Item Current Estimate:
- Not Applicable Amount Under/Over Budget:

STAFF RECOMMENDATION

Staff recommends to approve this item.

12. Only the fields specified in this agreement may be used for the intended activity. _____
13. The seeding, sodding, or administration of any organic materials must be approved _____
by park management prior to application.
14. Placing any sign or banner on park property is prohibited without proper permits. _____
15. The sale of any merchandise, food, or beverages must be approved by park _____
management prior to the sales date.
16. Fields must be shared between all youth sports organizations with an agreement _____
with the City of Wimberley, and all scheduling and maintenance of fields must be
agreed upon by youth sports organizations. Additional fees may be applied if City
staff is utilized for scheduling and additional maintenance.
17. Seasonal game schedules must be provided to park staff in writing through email _____
prior to the start-date of the season.
18. All smaller goals must be moved to the designated area behind staff maintenance _____
shed within one week of the closing of each season. Large goals may be left but
need to be moved to an area of least impact.
19. Only benches and goals may be left after field usage – all flags, tents, spray cans, _____
etc. must be removed from the facility within one hour of usage.
20. Prior to use of the facilities, user shall provide a Certificate of Insurance in the _____
amount specified below with the City of Wimberley and Blue Hole Regional Park
being named as additionally insured.
21. The City agrees to continue regular maintenance of fields such as mowing, _____
weed-eating, and pesticide application as needed on fields.
22. User agrees to hold harmless and indemnify the City of Wimberley and Blue Hole _____
Regional Park with respect to claim of loss, injury, or damage because of negligence
of the user or user’s employees or agency, including damage to park property.
23. User agreed that activities will be orderly and lawful and not of a nature to incite _____
others to disorder.
24. All organizations need to provide a 501©3 documentation. _____
25. Users shall conform to all policies and procedures established by the City Council _____
and City of Wimberley Parks Department.

INSURANCE REQUIRED WITH APPLICATION

All athletic facility use requests require that the group or organization furnish a Certificate of Insurability to show the following:

| | | | |
|------------------------------|-------------|-------------------|-----------------|
| Commercial General Liability | \$1,000,000 | Each Occurrence | Bodily Injury |
| | \$2,000,000 | General Aggregate | Bodily Injury |
| | \$500,000 | Each Occurrence | Property Damage |

OR

A combined single limit of \$1,000,000 is required.

Coverage is to include Products Liability, Personal Injury, and Fire Damage Legal Liability. The Certificate shall certify that the policy has been endorsed to name as an additional insured, City of Wimberley, P.O. Box 2027, Wimberley, Texas, 78676 and the Blue Hole Regional Park, 100 Blue Hole Lane, Wimberley, Texas, 78676.

RISK ACKNOWLEDGEMENT/HOLD HARMLESS

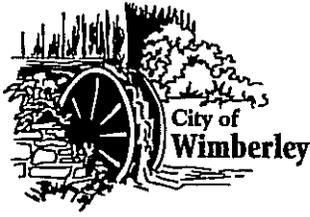
I, the undersigned, acknowledge that I am aware of and understand the potential risks associated with being the responsible party for any and all activities conducted during the facility reservation. I and/or the organization being represented further agree that I/we shall indemnify and hold harmless the City of Wimberley, Blue Hole Regional Park, Wimberley Parks Department, City officials, employees, agents and assigns from and against any and all claims, damages, losses, actions, liabilities and expenses, including but not limited to reasonable attorney fees, arising from or in connection with the undersigned's access to and use of the reserved facility.

I understand the stipulations of this reservation and agree to abide by all facility rules and policies. I have reviewed the regulations governing the use of athletic facilities and have been advised of the free use and fee-based policies.

Signature: _____ Print Name: _____

Organization: _____ Date: _____

Please attach copy of liability insurance and 501©3 documentation.



AGENDA ITEM: City of Wimberley Annual Financial and Compliance Report for FY 2018
SUBMITTED BY: Laura Calcote, City Secretary
DATE SUBMITTED: February 28, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Discuss and consider possible action regarding the City of Wimberley Annual Financial and Compliance Report for the Fiscal Year ending September 30, 2018.

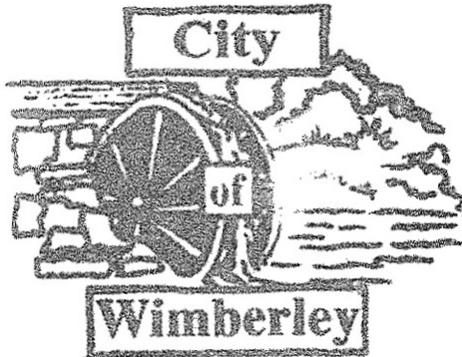
REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

- | | | | |
|-------------------|-------------------------------------|---------------------------|----|
| Budgeted Item | <input type="checkbox"/> | Original Estimate/Budget: | \$ |
| Non-budgeted Item | <input type="checkbox"/> | Current Estimate: | \$ |
| Not Applicable | <input checked="" type="checkbox"/> | Amount Under/Over Budget: | \$ |

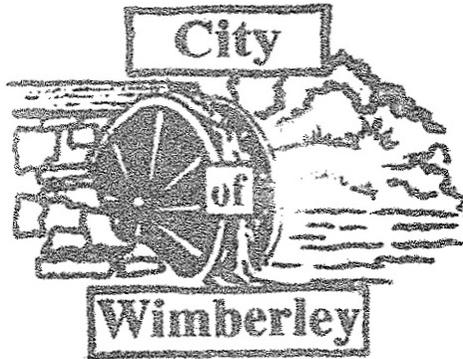
STAFF RECOMMENDATION



CITY OF WIMBERLEY, TEXAS

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2018**



CITY OF WIMBERLEY
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

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CITY OF WIMBERLEY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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CITY OF WIMBERLEY

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR

SUSAN JAGGERS

CITY COUNCIL

MIKE MCCULLOUGH

CRAIG FORE

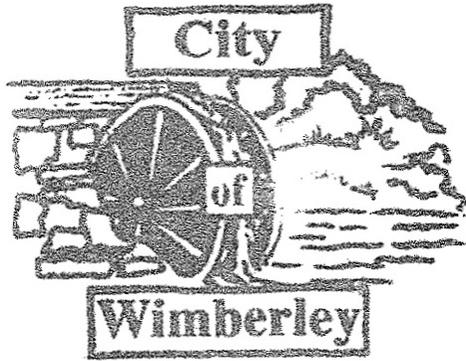
ALLISON DAVIS

GARY BARCHFELD

PATRICIA CANTU KELLY

CITY ADMINISTRATOR

SHAWN COX





INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Wimberley, 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 Wimberley as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise City of Wimberley's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Wimberley, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 pension and other post employment benefit schedules 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 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 Wimberley's basic financial statements as a whole. The combining nonmajor fund financial statements and comparative individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

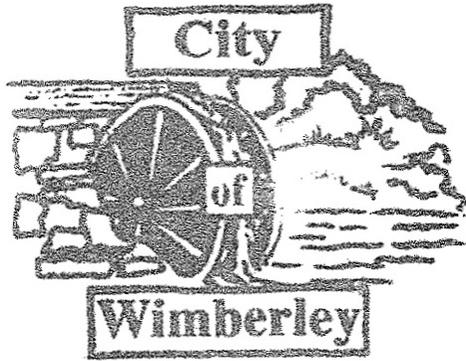
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2019 on our consideration of the City of Wimberley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wimberley's internal control over financial reporting and compliance.

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

Armstrong, Vaughan & Associates, P.C.

February 5, 2019



MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the City of Wimberley’s annual financial report presents our discussion and analysis of the City’s financial performance during the fiscal year ended September 30, 2018. Please read it in conjunction with the City’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

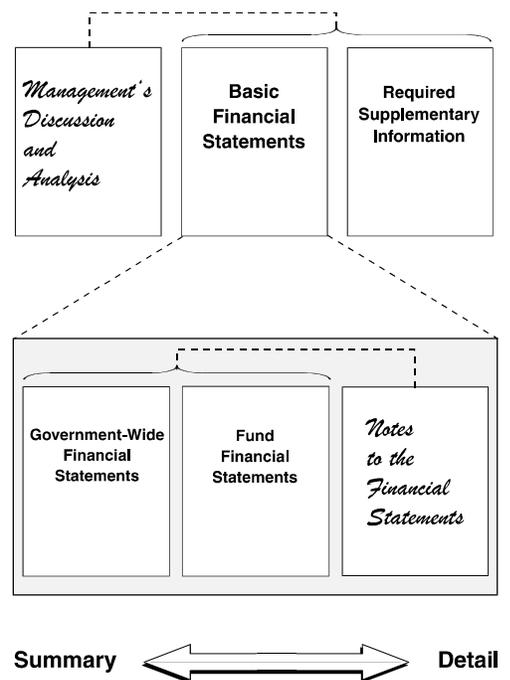
- The City’s total combined net position was \$13.2 million at September 30, 2018.
- The City’s governmental expenses (including assistance to the wastewater utility) were \$775 thousand more than the \$1.9 million generated in general and program revenues for governmental activities. The total cost of the City’s governmental programs decreased 33.3% from the prior year.
- The City’s business-type expenses were \$418 thousand more than the \$165 thousand generated in charges for services and other revenues. The City transferred \$372 thousand from governmental funds to assist with the Wastewater Project. The total cost of the City’s business-type activities increased 436% from the prior year, due primarily to the new Wastewater Project.
- The general fund reported a fund balance this year of \$1.42 million, a decrease of 9% due primarily to transfers to support the wastewater utility.
- The City issued \$5,255,000 of revenue bonds in support of the new Wastewater Project. These bonds bear interest rates of .7% to 2.15% and mature serially through 2046.

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*.

Figure A-1F, 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. Major Features of the City's Government-wide and Fund Financial Statements | | | |
|---|--|---|--|
| <i>Type of Statements</i> | Fund Statements | | |
| | Government-wide | Governmental Funds | Proprietary Funds |
| <i>Scope</i> | Entire City's government (except fiduciary funds) and the City's component units | The activities of the town that are not proprietary or fiduciary | Activities of the City that operate similar to private businesses: wastewater |
| <i>Required financial statements</i> | • Statement of net position | • Balance Sheet | • Statement of net position |
| | • Statement of activities | • Statement of revenues, expenditures & changes in fund balances | • Statement of revenues, expenses & changes in net position • Statement of cash flows |
| <i>Accounting basis and measurement focus</i> | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| <i>Type of asset/liability information</i> | 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 |
| <i>Type of inflow/outflow information</i> | 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 |

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.

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 and liabilities—is one way to measure the City's financial health or *position*.

- Over time, increases or decreases in the City’s net position are 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 non-financial 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 administration, inspections, police, court, streets, culture and recreation, and parks. Sales taxes 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 on the subsequent page, which explains 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

The City's combined net position was \$13 million at September 30, 2018. (See Table A-1).

Table A-1
City's Net Position

| | Governmental Activities | | Business-Type Activities | | Total | | Percentage Change |
|----------------------------|----------------------------|----------------------|-----------------------------|-------------------|----------------------|----------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | |
| <i>Assets:</i> | | | | | | | |
| Current Assets | \$ 2,076,882 | \$ 2,553,912 | \$ 126,610 | \$ 180,499 | \$ 2,203,492 | \$ 2,734,411 | (19.4) |
| Other Assets | 163,527 | 322,048 | 3,986,050 | 166,529 | 4,149,577 | 488,577 | 749.3 |
| Capital Assets (net) | 10,451,747 | 10,843,463 | 2,770,149 | 754,460 | 13,221,896 | 11,597,923 | 14.0 |
| <i>Total Assets</i> | <u>12,692,156</u> | <u>13,719,423</u> | <u>6,882,809</u> | <u>1,101,488</u> | <u>19,574,965</u> | <u>14,820,911</u> | 32.1 |
| <i>Deferred Outflows:</i> | <u>32,086</u> | <u>15,054</u> | <u>-</u> | <u>-</u> | <u>32,086</u> | <u>15,054</u> | 113.1 |
| <i>Liabilities:</i> | | | | | | | |
| Current Liabilities | 101,373 | 432,216 | 988,951 | 137,992 | 1,090,324 | 570,208 | 91.2 |
| Long-Term Liabilities | 111,331 | 17,678 | 5,195,000 | 219,431 | 5,306,331 | 237,109 | 2137.9 |
| <i>Total Liabilities</i> | <u>212,704</u> | <u>449,894</u> | <u>6,183,951</u> | <u>357,423</u> | <u>6,396,655</u> | <u>807,317</u> | 692.3 |
| <i>Deferred Inflows:</i> | <u>19,984</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,984</u> | <u>-</u> | 100.0 |
| <i>Net Position:</i> | | | | | | | |
| Invested in Capital Assets | 10,451,747 | 10,843,463 | 419,363 | 443,655 | 10,871,110 | 11,287,118 | (3.7) |
| Restricted | 170,520 | 334,401 | 714,190 | 131,600 | 884,710 | 466,001 | 89.9 |
| Unrestricted | 1,869,287 | 2,106,719 | (434,695) | 168,810 | 1,434,592 | 2,275,529 | (37.0) |
| <i>Total Net Position</i> | <u>\$ 12,491,554</u> | <u>\$ 13,284,583</u> | <u>\$ 698,858</u> | <u>\$ 744,065</u> | <u>\$ 13,190,412</u> | <u>\$ 14,028,648</u> | (6.0) |

Governmental Activities

- Sales tax revenues decreased \$15 thousand, or 1.6%, and franchise tax revenues fell \$12 thousand, or 4.2%. The hotel occupancy tax, reduced to 0% in the prior fiscal year, was repealed by Council action in September, 2018.
- In the prior year the City received \$137 thousand from a disaster recovery grant administered by the Texas Department of Public Safety and recognized insurance proceeds of \$921 thousand for infrastructure damage from the City's insurance carrier.

Business-Type Activities

- Expenses increased 436% due expenses associated with the Wastewater Project.
- Rates were kept the same as fiscal year 2017 to help reduce the burden on the City's one major customer.

Table A-2
Changes in City's Net Position

| | Governmental Activities | | Business-Type Activities | | Total | | Percentage Change |
|-------------------------------|----------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | |
| <i>Program Revenues:</i> | | | | | | | |
| Charges for Services | \$ 670,766 | \$ 528,067 | \$ 118,776 | \$ 118,776 | \$ 789,542 | \$ 646,843 | 22.1 |
| Capital Contributions | - | 136,908 | - | - | - | 136,908 | (100.0) |
| <i>General Revenues:</i> | | | | | | | |
| Taxes | 1,192,176 | 1,294,921 | - | - | 1,192,176 | 1,294,921 | (7.9) |
| Interest Earnings | 3,925 | 2,341 | 45,915 | 141 | 49,840 | 2,482 | 1908.1 |
| Insurance Proceeds | - | 921,019 | - | - | - | 921,019 | (100.0) |
| Miscellaneous | 23,124 | 56,977 | - | - | 23,124 | 56,977 | (59.4) |
| TOTAL REVENUES | 1,889,991 | 2,940,233 | 164,691 | 118,917 | 2,054,682 | 3,059,150 | (32.8) |
| <i>Program Expenses:</i> | | | | | | | |
| Administration | 895,850 | 690,304 | - | - | 895,850 | 690,304 | 29.8 |
| Inspections | 43,954 | 46,354 | - | - | 43,954 | 46,354 | (5.2) |
| Police and Court | 130,428 | 64,413 | - | - | 130,428 | 64,413 | 102.5 |
| Public Works | 161,311 | 78,201 | - | - | 161,311 | 78,201 | 106.3 |
| Highways and Roads | 276,718 | 157,913 | - | - | 276,718 | 157,913 | 75.2 |
| Sanitation | 38,625 | 37,887 | - | - | 38,625 | 37,887 | 1.9 |
| Culture and Recreation | 154,342 | 148,632 | - | - | 154,342 | 148,632 | 3.8 |
| Parks | 591,318 | 496,176 | - | - | 591,318 | 496,176 | 19.2 |
| Wastewater | - | - | 582,201 | 133,438 | 582,201 | 133,438 | 336.3 |
| TOTAL EXPENSES | 2,292,546 | 1,719,880 | 582,201 | 133,438 | 2,874,747 | 1,853,318 | 55.1 |
| Transfers | (372,303) | (132,871) | 372,303 | 132,871 | - | - | 280.2 |
| Change in Net Position | \$ (774,858) | \$ 1,087,482 | \$ (45,207) | \$ 118,350 | \$ (820,065) | \$ 1,205,832 | 168.0 |

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 cost of all *governmental* activities this year was \$2.3 million.

Table A-3
Net Cost of Selected City Functions

| | Total Cost of Services | | | Percentage Change | Net Cost of Services | | | Percentage Change |
|------------------------|---------------------------|------------|-------|----------------------|-------------------------|----------|--|----------------------|
| | 2018 | 2017 | | | 2018 | 2017 | | |
| Administration | \$ 895,850 | \$ 690,304 | 29.8 | \$ 895,850 | \$ 689,504 | 29.9 | | |
| Inspections | 43,954 | 46,354 | (5.2) | (80,375) | (66,140) | 21.5 | | |
| Police and Court | 130,428 | 64,413 | 102.5 | 129,760 | 53,072 | 144.5 | | |
| Public Works | 161,311 | 78,201 | 106.3 | 161,311 | 78,201 | 106.3 | | |
| Highways and Roads | 276,718 | 157,913 | 75.2 | 276,718 | 157,913 | 75.2 | | |
| Sanitation | 38,625 | 37,887 | 1.9 | 38,625 | 37,887 | 1.9 | | |
| Culture and Recreation | 154,342 | 148,632 | 3.8 | 100,720 | 101,967 | (1.2) | | |
| Parks | 591,318 | 496,176 | 19.2 | 99,171 | 139,409 | (28.9) | | |
| Wastewater | 582,201 | 133,438 | 336.3 | (463,425) | 14,662 | (3260.7) | | |

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

- The fund balance of the General Fund declined by \$154 thousand, primarily due to support of the new Wastewater Project.
- The Hotel Occupancy Tax was reduced to 0 effective January 31, 2017 and completely repealed September 20, 2018.
- Revenue bonds in the amount of \$5,255,000 were issued to cover the cost of the Wastewater Project.

Budgetary Highlights

- General Fund revenues were over budget by \$37 thousand due mainly to better than expected sales tax revenues.
- General Fund expenditures were \$94 thousand below budget overall due primarily to lower than expected expenditures for road repairs and capital outlay savings.
- Overall the City's General Fund change in fund balance exceeded the budget by \$131 thousand due to the factors noted above.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2018, the City had invested \$13.2 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.) The significant most significant capital addition was the construction in process related to the Wastewater Project. The City also purchased a portable restroom facility for the Downtown Square.

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

| | Governmental Activities | | Business-Type Activities | | Total | | Total Percentage Change |
|--------------------------------|----------------------------|-----------------|-----------------------------|---------------|-----------------|-----------------|-------------------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | |
| Land | \$ 3,483 | \$ 3,483 | \$ - | \$ - | \$ 3,483 | \$ 3,483 | 0.0 |
| Buildings and Improvements | 6,429 | 6,428 | - | - | 6,429 | 6,428 | 0.0 |
| Infrastructure | 2,910 | 2,910 | 224 | 224 | 3,134 | 3,134 | 0.0 |
| Equipment | 382 | 344 | - | - | 382 | 344 | 11.0 |
| Construction in Progress | 10 | 11 | 2,586 | 564 | 2,596 | 575 | 351.5 |
| Totals at Historical Cost | 13,214 | 13,176 | 2,810 | 788 | 16,024 | 13,964 | 14.8 |
| Total Accumulated Depreciation | (2,762) | (2,332) | (40) | (34) | (2,802) | (2,366) | 18.4 |
| Net Capital Assets | <u>\$10,452</u> | <u>\$10,844</u> | <u>\$ 2,770</u> | <u>\$ 754</u> | <u>\$13,222</u> | <u>\$11,598</u> | 14.0 |

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

Long Term Debt

The City's debt balances are outlined in Table A-5. As noted above, the City issued \$5,255,000 in revenue bonds during the year. 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 dollars)

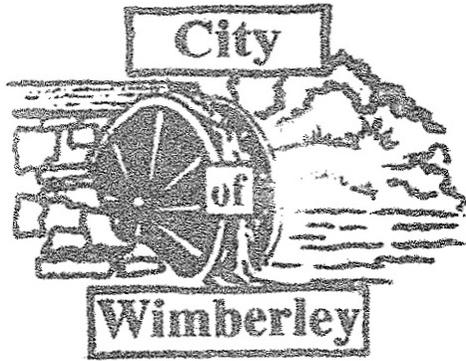
| | Governmental | | Business-Type | | Total | | Total Percentage Change |
|-----------------------------|--------------|------|---------------|--------|----------|--------|-------------------------------|
| | Activities | | Activities | | | | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | |
| Note Payable - GBRA | \$ - | \$ - | \$ 29 | \$ 57 | \$ 29 | \$ 57 | (49.1) |
| Notes Payable - 2013 Series | - | - | 190 | 285 | 190 | 285 | (33.3) |
| Bonds Payable - 2018 Series | - | - | 5,255 | - | 5,255 | - | 100.0 |
| Total Long-Term Debt | \$ - | \$ - | \$ 5,474 | \$ 342 | \$ 5,474 | \$ 342 | 1500.6 |

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

For the 2019 fiscal year, the City projects General Fund revenues are expected to remain at \$1.3 million. Expenditures and operating transfers to the wastewater utility are budgeted to increase to \$1.8 million, due primarily to expected increases in the wastewater utility transfer and legal fees. The deficit is projected to come from fund balance. The City is planning for expenses related to the new wastewater treatment facility to ultimately be funded by user fees. No other major changes are planned to City services.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our 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 City Hall at (512) 847-0025 or visit the City’s website at www.cityofwimberley.com.

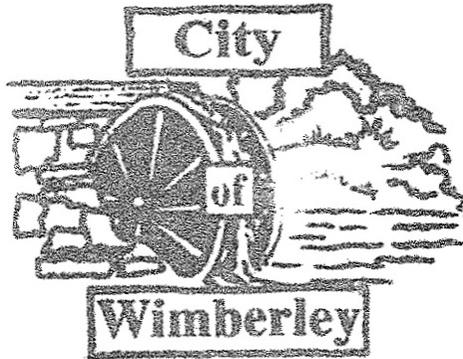


BASIC FINANCIAL STATEMENTS

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 WIMBERLEY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,850,873 | \$ 125,374 | \$ 1,976,247 |
| Receivables | 226,009 | 1,236 | 227,245 |
| Restricted Cash | 153,436 | 3,986,050 | 4,139,486 |
| Prepaid Items | 10,091 | - | 10,091 |
| Capital Assets (net) | 10,451,747 | 2,770,149 | 13,221,896 |
| TOTAL ASSETS | 12,692,156 | 6,882,809 | 19,574,965 |
| DEFERRED OUTFLOWS | | | |
| Deferred Other Post Employment Benefit Related Outflows | 1,705 | - | 1,705 |
| Deferred Pension Related Outflows | 30,381 | - | 30,381 |
| TOTAL DEFERRED OUTFLOWS | 32,086 | - | 32,086 |
| LIABILITIES | | | |
| Accounts Payable | 64,229 | 443,088 | 507,317 |
| Accrued Wages | 10,103 | - | 10,103 |
| Payroll Deductions and Withholdings | 6,452 | - | 6,452 |
| Accrued Compensated Absences | 15,489 | - | 15,489 |
| Accrued Interest | - | 23,427 | 23,427 |
| Deposits and Unearned Revenue | 5,100 | 243,005 | 248,105 |
| Current Portion of Long-term Debt | - | 279,431 | 279,431 |
| <i>Noncurrent Liabilities:</i> | | | |
| Long-term Debt Net of Current Portion | - | 5,195,000 | 5,195,000 |
| Total Other Post Employment Benefit Liability | 21,897 | - | 21,897 |
| Net Pension Liability | 89,434 | - | 89,434 |
| TOTAL LIABILITIES | 212,704 | 6,183,951 | 6,396,655 |
| DEFERRED INFLOWS | | | |
| Deferred Pension Related Outflows | 19,984 | - | 19,984 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 10,451,747 | 419,363 | 10,871,110 |
| Restricted for: | | | |
| Debt Service and Bond Reserve | - | 714,190 | 714,190 |
| Federal Program | 17,844 | - | 17,844 |
| Municipal Court | 3,421 | - | 3,421 |
| Capital Projects | 5,025 | - | 5,025 |
| Tourism Development | 144,230 | - | 144,230 |
| Unrestricted | 1,869,287 | (434,695) | 1,434,592 |
| TOTAL NET POSITION | \$ 12,491,554 | \$ 698,858 | \$ 13,190,412 |

See accompanying notes to basic financial statements.

CITY OF WIMBERLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

| <u>Functions and Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|--|---------------------|---------------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary Government: | | | | |
| <i>Governmental Activities:</i> | | | | |
| Administration | \$ 895,850 | \$ - | \$ - | \$ - |
| Inspections | 43,954 | 124,329 | - | - |
| Police and Court | 130,428 | 668 | - | - |
| Public Works | 161,311 | - | - | - |
| Highways and Roads | 276,718 | - | - | - |
| Sanitation | 38,625 | - | - | - |
| Culture and Recreation | 154,342 | 53,622 | - | - |
| Parks | 591,318 | 492,147 | - | - |
| <i>Total Governmental Activities</i> | <u>2,292,546</u> | <u>670,766</u> | <u>-</u> | <u>-</u> |
| <i>Business-Type Activities:</i> | | | | |
| Wastewater Utility | 582,201 | 118,776 | - | - |
| <i>Total Business-Type Activities</i> | <u>582,201</u> | <u>118,776</u> | <u>-</u> | <u>-</u> |
| Total Primary Government | <u>\$ 2,874,747</u> | <u>\$ 789,542</u> | <u>\$ -</u> | <u>\$ -</u> |
| General Revenues: | | | | |
| Taxes | | | | |
| Sales Taxes | | | | |
| Franchise Taxes | | | | |
| Interest and Investment Earnings | | | | |
| Miscellaneous | | | | |
| Total General Revenues | | | | |
| Transfers | | | | |
| Change in Net Position | | | | |
| Net Position at Beginning of Year | | | | |
| Prior Period Adjustment | | | | |
| Net Position at End of Year | | | | |

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position
Primary Government

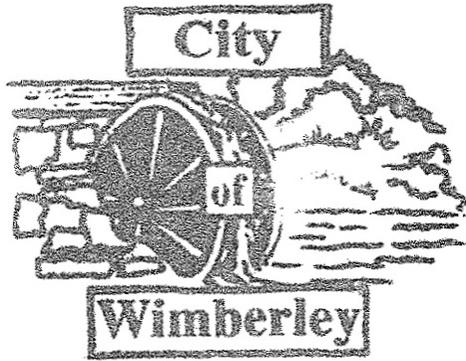
| <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|----------------------|
| \$ (895,850) | | \$ (895,850) |
| 80,375 | | 80,375 |
| (129,760) | | (129,760) |
| (161,311) | | (161,311) |
| (276,718) | | (276,718) |
| (38,625) | | (38,625) |
| (100,720) | | (100,720) |
| (99,171) | | (99,171) |
| <u>(1,621,780)</u> | | <u>(1,621,780)</u> |
| | \$ (463,425) | (463,425) |
| | <u>(463,425)</u> | <u>(463,425)</u> |
| | | <u>(2,085,205)</u> |
| 915,250 | - | 915,250 |
| 276,926 | - | 276,926 |
| 3,925 | 45,915 | 49,840 |
| 23,124 | - | 23,124 |
| <u>1,219,225</u> | <u>45,915</u> | <u>1,265,140</u> |
| <u>(372,303)</u> | <u>372,303</u> | <u>-</u> |
| (774,858) | (45,207) | (820,065) |
| 13,284,583 | 744,065 | 14,028,648 |
| (18,171) | | (18,171) |
| <u>\$ 12,491,554</u> | <u>\$ 698,858</u> | <u>\$ 13,190,412</u> |

CITY OF WIMBERLEY
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

| | <u>Major Fund</u> General Fund | <u>Major Fund</u> Blue Hole Park | <u>Major Fund</u> Hotel Occupancy |
|---|--------------------------------------|--|---|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,266,274 | \$ 565,845 | \$ 144,230 |
| Receivables (net of allowances for uncollectibles): | | | |
| Other Receivables | 226,009 | - | - |
| Prepaid Items | - | - | 10,091 |
| TOTAL ASSETS | <u>\$ 1,492,283</u> | <u>\$ 565,845</u> | <u>\$ 154,321</u> |
| LIABILITIES AND FUND BALANCES | | | |
| <i>Liabilities:</i> | | | |
| Accounts Payable | \$ 60,497 | \$ 2,973 | \$ - |
| Accrued Wages | 7,160 | 2,943 | - |
| Payroll Deductions and Withholdings | 4,950 | 1,502 | - |
| Unearned Revenue | 4,200 | 900 | - |
| <i>Total Liabilities</i> | <u>76,807</u> | <u>8,318</u> | <u>-</u> |
| <i>Fund Balances:</i> | | | |
| Nonspendable for: | | | |
| Prepaid Items | - | - | 10,091 |
| Restricted for: | | | |
| Federal Program | 17,844 | - | - |
| Municipal Court | - | - | - |
| Tourism Development | - | - | 144,230 |
| Capital Projects | - | - | - |
| Committed for: | | | |
| Public Works | 559,053 | - | - |
| Wastewater System | 504,204 | - | - |
| Grant Matches | 334,375 | - | - |
| Park Operations and Improvements | - | 557,527 | - |
| <i>Total Fund Balances</i> | <u>1,415,476</u> | <u>557,527</u> | <u>154,321</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,492,283</u> | <u>\$ 565,845</u> | <u>\$ 154,321</u> |

See accompanying notes to basic financial statements.

| Other Nonmajor Funds | Total Governmental Funds |
|----------------------------|--------------------------------|
| \$ 27,961 | \$ 2,004,310 |
| - | 226,009 |
| - | 10,091 |
| <u>\$ 27,961</u> | <u>\$ 2,240,410</u> |
| | |
| \$ 760 | \$ 64,230 |
| - | 10,103 |
| - | 6,452 |
| - | 5,100 |
| <u>760</u> | <u>85,885</u> |
| | |
| - | 10,091 |
| - | 17,844 |
| 3,421 | 3,421 |
| - | 144,230 |
| 5,025 | 5,025 |
| - | 559,053 |
| - | 504,204 |
| - | 334,375 |
| 18,755 | 576,282 |
| <u>27,201</u> | <u>2,154,525</u> |
| | |
| <u>\$ 27,961</u> | <u>\$ 2,240,410</u> |



CITY OF WIMBERLEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 2,154,525

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. 10,451,747

Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds. (15,489)

Net pension liabilities (and related deferred outflows of resources) do not consume current financial resources and are not reported in the funds.

| | | |
|-----------------------------------|----------|----------|
| Net Pension Liability | (89,434) | |
| Pension Related Deferred Outflows | 30,381 | (59,053) |

Net other post employment benefit (OPEB) liabilities (and related deferred outflows of resources) do not consume current financial resources and are not reported in the funds.

| | | |
|--------------------------------|----------|----------|
| Net OPEB Liability | (21,897) | |
| OPEB Related Deferred Outflows | 1,705 | (20,192) |

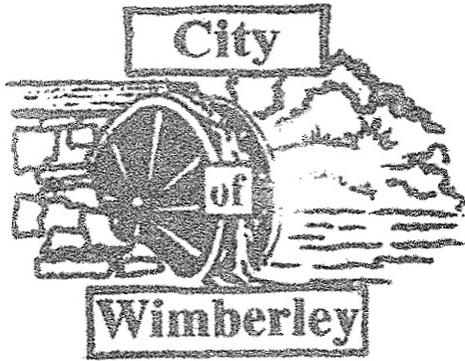
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 12,491,554

CITY OF WIMBERLEY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

| | <u>Major Fund</u> General Fund | <u>Major Fund</u> Blue Hole Park | <u>Major Fund</u> Hotel Occupancy |
|--|--------------------------------------|--|---|
| REVENUES | | | |
| Sales Taxes | \$ 915,250 | \$ - | \$ - |
| Franchise Tax | 342,891 | - | - |
| Licenses and Permits | 58,363 | - | - |
| Charges for Services | 53,622 | 492,147 | - |
| Fines and Penalties | 596 | - | - |
| Interest Income | 3,570 | 204 | 121 |
| Miscellaneous | 14,184 | 8,561 | - |
| TOTAL REVENUES | <u>1,388,476</u> | <u>500,912</u> | <u>121</u> |
| EXPENDITURES | | | |
| <i>Current:</i> | | | |
| Administration | 685,357 | - | 147,277 |
| Police and Court | 119,611 | - | - |
| Inspections | 43,954 | - | - |
| Highways and Streets | 205,848 | - | - |
| Sanitation | 31,595 | - | - |
| Culture and Recreation | 103,780 | - | - |
| Parks | 7,360 | 347,357 | - |
| Capital Outlay | 38,420 | 6,338 | - |
| TOTAL EXPENDITURES | <u>1,235,925</u> | <u>353,695</u> | <u>147,277</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 152,551 | 147,217 | (147,156) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers Out | <u>(306,760)</u> | <u>(65,543)</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(306,760)</u> | <u>(65,543)</u> | <u>-</u> |
| Net Change in Fund Balance | (154,209) | 81,674 | (147,156) |
| Fund Balances at Beginning of Year | 1,569,685 | 475,853 | 301,477 |
| Fund Balances at End of Year | <u>\$ 1,415,476</u> | <u>\$ 557,527</u> | <u>\$ 154,321</u> |

See accompanying notes to basic financial statements.

| Total Nonmajor Funds | Total Governmental Funds |
|----------------------------|--------------------------------|
| \$ - | \$ 915,250 |
| - | 342,891 |
| - | 58,363 |
| - | 545,769 |
| 253 | 849 |
| 33 | 3,928 |
| - | 22,745 |
| <u>286</u> | <u>1,889,795</u> |
| | |
| - | 832,634 |
| 6,900 | 126,511 |
| - | 43,954 |
| 69,135 | 274,983 |
| - | 31,595 |
| - | 103,780 |
| - | 354,717 |
| - | 44,758 |
| <u>76,035</u> | <u>1,812,932</u> |
| | |
| (75,749) | 76,863 |
| | |
| <u>-</u> | <u>(372,303)</u> |
| | |
| <u>-</u> | <u>(372,303)</u> |
| | |
| (75,749) | (295,440) |
| | |
| 102,950 | 2,449,965 |
| <u>\$ 27,201</u> | <u>\$ 2,154,525</u> |



CITY OF WIMBERLEY
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (295,440)

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. This is the amount by which depreciation exceeded capital outlay. (391,716)

Governmental funds report required contributions to employee pensions and other post employment benefits as expenditures. However in the Statement of Activities the cost of these plans are recorded at the actuarially determined cost. This is the amount that actuarially determined plan cost exceeded contributions. (78,434)

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.

Change in Compensated Absences (9,268)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (774,858)

CITY OF WIMBERLEY
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2018

| | Wastewater Utility |
|---|-----------------------|
| ASSETS | |
| <i>Current Assets:</i> | |
| Cash and Cash Equivalents | \$ 125,374 |
| Receivables | 1,236 |
| <i>Total Current Assets</i> | 126,610 |
| <i>Other Assets:</i> | |
| Property and Equipment (net) | 2,770,149 |
| Restricted Cash | 3,986,050 |
| <i>Total Other Assets</i> | 6,756,199 |
| TOTAL ASSETS | 6,882,809 |
| LIABILITIES | |
| <i>Current Liabilities:</i> | |
| Accounts Payable | 443,088 |
| Accrued Interest | 23,427 |
| Unearned Revenue | 243,005 |
| Current Portion of Long-Term Debt | 279,431 |
| <i>Total Current Liabilities</i> | 988,951 |
| <i>Long-term Liabilities:</i> | |
| Long-term Debt (Net of Current Portion) | 5,195,000 |
| <i>Total Long-term Liabilities</i> | 5,195,000 |
| TOTAL LIABILITIES | 6,183,951 |
| NET POSITION | |
| Net Investment In Capital Assets | 419,363 |
| Restricted | 714,190 |
| Unrestricted (Deficit) | (434,695) |
| TOTAL NET POSITION | \$ 698,858 |

See accompanying notes to basic financial statements.

CITY OF WIMBERLEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR SEPTEMBER 30, 2018

| | Wastewater Utility |
|---|-----------------------|
| OPERATING REVENUES | |
| Charges for Utility Service | \$ 118,776 |
| TOTAL OPERATING REVENUES | 118,776 |
| OPERATING EXPENSES | |
| Utilities | 8,176 |
| Services | 307,790 |
| Depreciation | 6,096 |
| TOTAL OPERATING EXPENSES | 322,062 |
| OPERATING INCOME (LOSS) | (203,286) |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest Income | 45,915 |
| Interest Expense | (94,745) |
| Bond Issue Costs | (165,394) |
| TOTAL NONOPERATING REVENUES (EXPENSES) | (214,224) |
| INCOME (LOSS) BEFORE TRANSFERS | (417,510) |
| TRANSFERS | |
| Transfers In | 372,303 |
| CHANGE IN NET POSITION | (45,207) |
| NET POSITION AT BEGINNING OF YEAR | 744,065 |
| NET POSITION AT END OF YEAR | \$ 698,858 |

See accompanying notes to basic financial statements.

CITY OF WIMBERLEY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

| | Wastewater Utility |
|--|-----------------------|
| Cash Flows From Operating Activities: | |
| Cash Received From Customers | \$ 118,158 |
| Cash Paid to Suppliers for Goods and Services | 115,415 |
| Net Cash Provided (Used) by Operating Activities | 233,573 |
| Cash Flows From Noncapital Financing Activities: | |
| Transfers from Other Funds | 372,303 |
| Net Cash Provided (Used) by Noncapital Financing Activities | 372,303 |
| Cash Flows From Capital and Related Financing Activities: | |
| Purchase of Capital Assets | (2,021,786) |
| Capital Grants Received | 243,005 |
| Proceeds from Issuance of Bonds | 5,255,000 |
| Principal Payments on Long-Term Debt | (122,717) |
| Bond Issue Costs Paid | (165,394) |
| Interest Paid | (74,885) |
| Net Cash Provided (Used) by Capital Financing Activities | 3,113,223 |
| Cash Flows From Investing Activities: | |
| Investment Interest Received | 45,915 |
| Net Cash Provided (Used) by Investing Activities | 45,915 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 3,765,014 |
| Cash and Cash Equivalents at Beginning of Year | |
| Unrestricted | 179,881 |
| Restricted | 166,529 |
| Total Cash and Cash Equivalents at Beginning of Year | 346,410 |
| Cash and Cash Equivalents at End of Year | |
| Unrestricted | 125,374 |
| Restricted | 3,986,050 |
| Total Cash and Cash Equivalents at End of Year | \$ 4,111,424 |

See accompanying notes to basic financial statements.

CITY OF WIMBERLEY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2018

| | Wastewater Utility |
|---|-----------------------|
| Reconciliation of Operating Income to Net Cash | |
| Provided (Used) by Operating Activities: | |
| Operating Income (Loss) | \$ (203,286) |
| Adjustments to Reconcile Operating Income to Net Cash | |
| Provided (Used) by Operating Activities: | |
| Depreciation Expense | 6,096 |
| (Increase) Decrease in Operating Assets: | |
| Accounts Receivable (net) | (618) |
| Increase (Decrease) in Current Liabilities: | |
| Accounts Payable | 431,381 |
| Total Adjustments to Reconcile Operating Activities | 436,859 |
| Net Cash Provided (Used) by Operating Activities | \$ 233,573 |

See accompanying notes to basic financial statements.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Wimberley, Texas (“City”) was incorporated in 2000 as the “Village of Wimberley” under the provisions of the State of Texas. In June 2008, the name was officially changed to City of Wimberley. The City operates as a general law municipality with a Mayor/Council form of government. With few exceptions, all powers of the City are vested in the Mayor and elected five-member Council. 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.

1. REPORTING ENTITY

Component Units

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations; thus, data from these units, if any existed, would be combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. As of September 30, 2018, the City had no component units.

2. 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 segments are 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, Blue Hole Park Fund and Hotel Occupancy Fund meet the criteria as *major governmental funds*. The City’s proprietary Wastewater Utility Fund is also a major fund.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 consist of revenue from the investments, property taxes, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, investment earnings, and other miscellaneous revenues.

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 deferred revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences, pension benefits and other post-employment benefits, 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 sales tax, franchise tax and permits. Primary expenditures are for general administration, public safety, recreation, and public works.

Blue Hole Park Fund is used to account for the operations of the Blue Hole Regional Park, a 126 acre park with walking trails, picnic areas and swimming. Gate fees and facility rentals are charged to help fund the operational costs of the park.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Hotel Occupancy Tax Fund is used to account for the proceeds of an occupancy tax adopted October 2015. The occupancy tax has since been repealed, but a balance remains that is to be used to promote tourism in the City.

The City has the following nonmajor governmental funds: Municipal Court, Low Water Crossing, FM 2325 Sidewalks, and Blue Hole Development.

Proprietary fund level financial statements are used to account for activities, which are 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 a Wastewater Utility.

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.

4. 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.

Cash segregated into a separate fund is not reported as restricted cash unless it has restrictions narrower than the purpose of the fund. However, on the Statement of Net Position, all restricted cash is reported as such separately from cash and cash equivalents.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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) - (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. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair market value except for certificates of deposit which are carried at amortized cost.

The City reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool maintains a consistent net asset value per share that approximates the fair value of the underlying securities. These investments are reported at net asset value.

6. ACCOUNTS RECEIVABLE

Accounts receivable includes amounts due from grantors for approved grants for specific programs, tax collections related to the fiscal year reported 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 uncollectibles, although the allowance was zero as of September 30, 2018.

Revenues that the City has an enforceable legal claim to but are not yet available to fund current operations are reported as deferred inflows of resources.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. PREPAID ITEMS

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

8. 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.”

9. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

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. Revenue not expected to be available for the current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

10. 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 and a useful life in excess of 1 year. Infrastructure assets include City-owned streets, sewer, sidewalks, curbs and utilities. 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.

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

CITY OF WIMBERLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2018

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. CAPITAL ASSETS (Continued)

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

| Asset | Estimated Life |
|---------------------------------------|----------------|
| Buildings and Improvements | 5 to 40 years |
| Streets, Utilities and Infrastructure | 20 to 40 years |
| Furniture, Fixtures, Vehicles | 5 to 10 years |

11. COMPENSATED ABSENCES

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

12. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt (including capital leases) 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 as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the period incurred. 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.

13. PENSIONS

The net pension liability, deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. FUND BALANCES

In the fund financial statements, governmental funds report the following classifications of fund balance:

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.

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 by a resolution of City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints through the same formal action. By policy, Council has made the following commitments:

- a. Revenues in the Blue Hole Park and Blue Hole Development Funds are committed to development of Blue Hole Park.
- b. Unrestricted General Fund Balance will be committed as follows:
 - a. 40% for public works (roads, drainage and similar infrastructure)
 - b. 25% for future grant matches
 - c. 35% for wastewater improvements

Assigned - Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. Assignments may be created by the Council or City Administrator.

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 and assigned third.

It is the City's policy to maintain three months of operating expenses in unrestricted General Fund balance and nine months of operating expenses in unrestricted Blue Hole Park Fund (to include committed and assigned balances). Should fund balance fall below this threshold, Council will take appropriate budgetary action to restore compliance.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. NET POSITION

Net position represents the difference between assets and liabilities. Net position invested 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 are 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.

16. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. 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.

17. INTERFUND TRANSFERS

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

18. 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.

19. COMPARATIVE INFORMATION

Comparative information for the year ending September 30, 2017 has been reported in conformity with the presentation of the financial statements for September 30, 2018. These reclassifications for presentation purposes had no impact on ending fund balance or net position.

20. ADOPTION OF GASBY STATEMENT NO. 75

In accordance with GASB Statement No. 75, the City has recorded a prior period adjustment to recognize Other Post Employment Benefits Liability (OPEB) as described in Note I., below. The OPEB liability restated the beginning balance as noted by the prior period adjustment in the financial statements.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE B -- DEPOSITS AND INVESTMENTS

1. Deposits

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. At September 30, 2018, the carrying amount of the City's deposits were fully collateralized by a combination of federal deposit insurance (FDIC) and securities pledged by the City's depository.

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, management reports and establishment of appropriate policies, the City materially adhered to the requirements of the Act. Additionally, investment practices of the City were in material compliance with local policies.

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) banker's acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The City's investment policy further limits investments to: (1) federally insured bank deposits, (2) collateralized bank deposits, (3) U.S. Government Treasury bills and notes, including sweep accounts that invest in them, (4) U.S. Government Agencies, and (5) Public Funds Investment Pools. No other investments may be made without authorization of City Council.

The City's investments at September 30, 2018 consist of \$181,632 in TexPool, a 2a7-like public funds investment pool. TexPool operates in accordance with the provisions of the Texas Public Funds Investment Act and is rated AAAM. The investment in TexPool is included in cash and cash equivalents and is reported at net asset value which approximates fair market value.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE B -- DEPOSITS AND INVESTMENTS (Cont.)

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the specific investment risks at year end and if so, the reporting of certain related disclosures. The City has analyzed its investment risks and determined that for the year ending September 30, 2018 the City was not exposed to any significant risks.

NOTE C -- RESTRICTED CASH

As of September 30, 2018, the City reported the following restricted cash balances:

| | Amount |
|---|------------|
| <i>Governmental Activities:</i> | |
| Restricted for Tourism Development | \$ 144,230 |
| Restricted for FM 2325 Sidewalks | 5,025 |
| Restricted for Municipal Court | 4,181 |
| <i>Total Governmental Activities</i> | \$ 153,436 |
| <i>Wastewater Utility/Business-Type Activities:</i> | |
| Restricted for Loan Forgiveness | \$ 245,280 |
| Restricted for Debt Service/Bond Reserve | 737,617 |
| Restricted for Wastewater System Development | 3,003,153 |
| <i>Total Business-Type Activities</i> | 3,986,050 |

NOTE D -- OTHER RECEIVABLES

Other receivables for the City as of September 30, 2018 are as follows:

| | General Fund | Governmental Totals | Wastewater Utility |
|------------------------------|-----------------|------------------------|-----------------------|
| Sales and Mixed Beverage Tax | \$ 156,682 | \$ 156,682 | \$ - |
| Franchise Taxes | 65,905 | 65,905 | - |
| Customer Charges | 3,422 | 3,422 | 1,236 |
| Total Other Receivables | \$ 226,009 | \$ 226,009 | \$ 1,236 |

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE E -- INTERFUND TRANSFERS

Interfund transfers during the year ending September 30, 2018 were as follows:

| <u>Transfer From</u> | <u>Transfer to</u> | <u>Amount</u> | <u>Purpose</u> |
|----------------------|--------------------|-------------------|--------------------------------------|
| General | Wastewater | \$ 306,760 | <i>Support of Wastewater Project</i> |
| Blue Hole Park | Wastewater | 65,543 | <i>Support of Wastewater Project</i> |
| | | <u>\$ 372,303</u> | |

In addition, the Wastewater Utility Fund bills the Blue Hole Park Fund \$618 per month for treatment costs. These transactions are reported as a revenue and expenditure, respectively.

NOTE F -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018, was as follows:

| <u>Governmental Activities</u> | <u>Balance</u> <u>10/1/2017</u> | <u>Additions</u> | <u>Disposals/ Transfers</u> | <u>Balance</u> <u>9/30/2018</u> |
|---------------------------------|------------------------------------|---------------------|---------------------------------|------------------------------------|
| Land | \$ 3,482,732 | \$ - | \$ - | \$ 3,482,732 |
| Buildings and Improvements | 6,427,941 | - | - | 6,427,941 |
| Infrastructure | 2,910,193 | - | - | 2,910,193 |
| Vehicles and Equipment | 343,866 | 38,420 | - | 382,286 |
| Construction in Progress | 10,736 | - | - | 10,736 |
| | <u>13,175,468</u> | <u>38,420</u> | <u>-</u> | <u>13,213,888</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | (1,743,928) | (264,655) | - | (2,008,583) |
| Vehicles and Equipment | (299,069) | (19,971) | - | (319,040) |
| Infrastructure | (289,008) | (145,510) | - | (434,518) |
| | <u>(2,332,005)</u> | <u>(430,136)</u> | <u>-</u> | <u>(2,762,141)</u> |
| Capital Assets, Net | <u>\$ 10,843,463</u> | <u>\$ (391,716)</u> | <u>\$ -</u> | <u>\$ 10,451,747</u> |
| | | | | |
| <u>Business-Type Activities</u> | <u>Balance</u> <u>10/1/2017</u> | <u>Additions</u> | <u>Disposals/ Transfers</u> | <u>Balance</u> <u>9/30/2018</u> |
| Infrastructure | \$ 223,970 | \$ - | \$ - | \$ 223,970 |
| Construction in Progress | 564,016 | 2,021,785 | - | 2,585,801 |
| | <u>787,986</u> | <u>2,021,785</u> | <u>-</u> | <u>2,809,771</u> |
| Less Accumulated Depreciation | | | | |
| Infrastructure | (33,526) | (6,096) | - | (39,622) |
| | <u>(33,526)</u> | <u>(6,096)</u> | <u>-</u> | <u>(39,622)</u> |
| Capital Assets, Net | <u>\$ 754,460</u> | <u>\$ 2,015,689</u> | <u>\$ -</u> | <u>\$ 2,770,149</u> |

Land and Construction in Progress are not depreciated.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE F -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

| | | |
|---|----|--------------------------|
| Administration | \$ | 25,866 |
| Police and Court | | 4,249 |
| Highways and Streets | | 140,961 |
| Sanitation | | 7,030 |
| Culture and Recreation | | 43,907 |
| Parks | | <u>208,123</u> |
| Total Depreciation Expense - Governmental Activities | | <u><u>\$ 430,136</u></u> |

NOTE G -- LONG-TERM DEBT

Guadalupe Blanco River Authority Note Payable

In 2011, the City agreed to purchase a wastewater treatment plant from Guadalupe Blanco River Authority (GBRA) for eight annual payments of \$31,250 through January 1, 2019. The non-interest bearing note is discounted at a rate of 5%.

Combination Tax and Surplus Revenue Anticipation Notes, Series 2013

The City issued \$650,000 in notes in 2013 for wastewater system improvements. The notes mature serially through August 1, 2020 and bear interest at rates between 0.44% and 2.36%.

Texas Sewer System Revenue Bonds, Series 2017

The City issued \$5,255,000 in bonds for the construction of a comprehensive sewer system. The bonds mature serially through August 1, 2046 and bear interest at rates between 0.07% and 2.15%. The bonds also provide for a loan forgiveness payment of \$243,000 should the City meet environmental quality standards in the construction of the new Wastewater Facility. The bonds' restrictive covenants require the maintenance of a separate interest and sinking fund bank account, and this account must maintain a balance equal to the next interest and principal payment. The bonds also require the Wastewater Utility to maintain operating revenues of 1.25 times annual debt service payments. The City is in compliance with these debt covenants as of September 30, 2018.

Changes in Long-Term Liabilities

| | Balance 10/1/2017 | Additions | Reductions | Balance 9/30/2018 | Due Within One Year |
|---------------------------------------|----------------------|---------------------|---------------------|----------------------|------------------------|
| <i>Business-Type Activities</i> | | | | | |
| GBRA Note Payable | \$ 57,148 | \$ - | \$ (27,717) | \$ 29,431 | \$ 29,431 |
| Series 2013 Bonds | 285,000 | - | (95,000) | 190,000 | 95,000 |
| Series 2017 Bonds | - | 5,225,000 | - | 5,255,000 | 155,000 |
| <i>Total Business-Type Activities</i> | <u>\$ 342,148</u> | <u>\$ 5,225,000</u> | <u>\$ (122,717)</u> | <u>\$ 5,474,431</u> | <u>\$ 279,431</u> |

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE G -- LONG-TERM DEBT (Cont.)

The annual requirements to amortize all long-term debt and obligations outstanding as of September 30, 2018, including interest payments, are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|---------------------|---------------------|---------------------|
| <i>Business-Type Activities</i> | | | |
| 2019 | \$ 279,431 | \$ 91,425 | \$ 370,856 |
| 2020 | 255,000 | 87,673 | 342,673 |
| 2021 | 160,000 | 85,063 | 245,063 |
| 2022 | 160,000 | 84,471 | 244,471 |
| 2023 | 160,000 | 83,687 | 243,687 |
| 2024-2028 | 825,000 | 395,930 | 1,220,930 |
| 2029-2033 | 885,000 | 333,534 | 1,218,534 |
| 2034-2038 | 970,000 | 246,927 | 1,216,927 |
| 2039-2043 | 1,075,000 | 144,235 | 1,219,235 |
| 2044-2046 | 705,000 | 30,437 | 735,437 |
| | <u>\$ 5,474,431</u> | <u>\$ 1,583,382</u> | <u>\$ 7,057,813</u> |

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

Plan Description

The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by 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's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

CITY OF WIMBERLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2018

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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 payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

| | 2016 | 2017 |
|--|------|------|
| Inactive employees or beneficiaries currently receiving benefits | 4 | 5 |
| Inactive employees entitled to but not yet receiving benefits | 11 | 11 |
| Active employees | 7 | 7 |
| | 22 | 23 |

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 of Wimberley were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 2.81% and 9.40% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 were \$28,934, which equaled the required contributions.

Net Pension Liability

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

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

| | |
|----------------------------|----------------|
| Inflation | 2.50% per year |
| Overall Payroll Growth | 3.00% per year |
| Investment Rate of Return* | 6.75% |

*Net of plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Health Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by an additional factor of 100%. 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 Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

CITY OF WIMBERLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2018

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, 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). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|-----------------------|--------------------------|--|
| Domestic Equity | 17.50% | 4.55% |
| International Equity | 17.50% | 6.35% |
| Core Fixed Income | 10.00% | 1.00% |
| Non-Core Fixed Income | 20.00% | 3.90% |
| Real Return | 10.00% | 3.80% |
| Real Estate | 10.00% | 4.50% |
| Absolute Return | 10.00% | 3.75% |
| Private Equity | 5.00% | 7.50% |
| | <u>100.00%</u> | |

Discount Rate

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

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2017:

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|--|----------------------------|--------------------------------|--------------------------|
| Balance at December 31, 2016 | \$ 244,738 | \$ 227,060 | \$ 17,678 |
| Changes for the year: | | | |
| Service Cost | 25,805 | - | 25,805 |
| Interest | 23,305 | - | 23,305 |
| Change of Benefit Terms | 90,245 | - | 90,245 |
| Difference Between Expected and Actual Experience | (9,438) | - | (9,438) |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 9,066 | (9,066) |
| Contributions - Employee | - | 17,846 | (17,846) |
| Net Investment Income | - | 31,421 | (31,421) |
| Benefit Payments, Including Refunds of Employee Contributions | (5,246) | (5,246) | - |
| Administrative Expense | - | (163) | 163 |
| Other Changes | - | (9) | 9 |
| Net Changes | <u>124,671</u> | <u>52,915</u> | <u>71,756</u> |
| Balance at December 31, 2017 | <u>\$ 369,409</u> | <u>\$ 279,975</u> | <u>\$ 89,434</u> |

The following represents the net pension liability (asset) 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 (Asset) | \$ 139,195 | \$ 89,434 | \$ 48,287 |

Pension Plan Fiduciary Net Position

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

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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

For the year ended September 30, 2018, the City recognized pension expense of \$102,437. Also, as of September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between Expected and Actual Economic Experience | \$ - | \$ 6,999 |
| Changes in Actuarial Assumptions | 627 | - |
| Differences Between Projected and Actual Investment Earnings | - | 7,678 |
| Contributions Subsequent to the Measurement Date | 24,447 | - |
| | \$ 25,074 | \$ 14,677 |

Deferred outflows of resources in the amount of \$24,447 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 calendar year ending December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| For the Plan Year ended December 31, | |
|--------------------------------------|-----------|
| 2018 | \$ 4,809 |
| 2019 | 2,806 |
| 2020 | 3,217 |
| 2021 | 3,218 |
| | \$ 14,050 |

CITY OF WIMBERLEY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2018

NOTE I -- OTHER POSTEMPLOYMENT BENEFITS

Supplemental Death Benefits

The City also participates in the cost sharing single-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB. Membership in the plan at December 31, 2017, the valuation and measurement date, consisted of:

| | |
|--|-------------|
| | <u>2017</u> |
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 5 |
| Inactive Employees Entitled to but Not Yet Receiving Benefits | 0 |
| Active employees | 7 |
| | 12 |

The SDBF required contribution rates, based on these assumptions, are as follows:

| | Total SDBF Contribution Rate | Retiree Portion of SDBF Contribution Rate |
|--------------------------------------|------------------------------------|---|
| For the Plan Year Ended December 31, | | |
| 2017 | 0.27% | 0.02% |
| 2018 | 0.30% | 0.02% |

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method. These assumptions are summarized below:

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE I -- OTHER POSTEMPLOYMENT BENEFITS (Continued)

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------------|---|
| Inflation | 2.50% |
| Salary Increases | 3.50% to 10.50% Including Inflation |
| Discount Rate | 3.31% (Based on Fidelity's 20-Year Municipal GO AA Index) |
| Administrative Expenses | All administrative expenses are paid thru the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68. |
| Mortality Rates - Service Retirees | RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% and projected on a |
| Mortality Rates - Disabled Retirees | RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to |

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2017, the measurement and actuarial valuation date was calculated as follows:

| | Total OPEB Liability |
|---|-------------------------|
| Balance at December 31, 2016 | \$ 18,337 |
| Changes for the year: | |
| Service Cost | 1,071 |
| Interest | 712 |
| Change of Benefit Terms | - |
| Difference Between Expected and Actual Experience | - |
| Changes in Assumptions or Other Inputs | 1,848 |
| Benefit Payments | (71) |
| Net Changes | 3,560 |
| Balance at December 31, 2017 | \$ 21,897 |

There is no separate trust maintained to fund this TOL. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE I -- OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following presents the TOL of the City, calculated using the discount rate of 3.31% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.31%) and 1-percentage point higher (4.31%) than the current rate:

| | Discount Rate 2.31% | Discount Rate 3.31% | Discount Rate 4.31% |
|----------------------|------------------------|------------------------|------------------------|
| Total OPEB Liability | \$ 26,696 | \$ 21,897 | \$ 18,233 |

For the year ended September 30, 2018, the City recognized OPEB expense of \$2,111. Also as of September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Changes in Actuarial Assumptions | \$ 1,520 | \$ - |
| Contributions Subsequent to the Measurement Date | 185 | - |
| | \$ 1,705 | \$ - |

Deferred outflows of resources in the amount of \$185 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| For the Plan Year ended December 31, | |
|--------------------------------------|----------|
| 2018 | \$ 328 |
| 2019 | 328 |
| 2020 | 328 |
| 2021 | 328 |
| 2022 | 208 |
| Thereafter | - |
| | \$ 1,520 |

NOTE J -- COMMITMENTS AND CONTINGENCIES

Commitments

The City entered into two contracts for the construction of the new Wastewater facility. The first contract was for \$3,068,900. As of September 30, 2018, the City had incurred expenses of \$345,072 under this contract, leaving a commitment of \$2,723,828. However, the contract was terminated subsequent to year-end and the City paid \$200,000 to the Contractor for work completed to date and costs of cancellation. The second contract was in the amount of \$3,616,230. As of September 30, 2018, \$1,417,917 in expenses had been incurred by the City, leaving a commitment balance of \$2,198,313.

CITY OF WIMBERLEY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2018

NOTE J -- COMMITMENTS AND CONTINGENCIES (Cont.)

Litigation

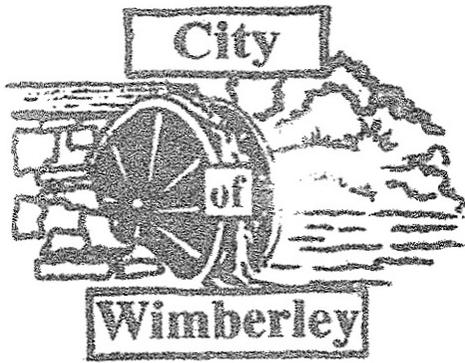
The City is the subject of various other claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City's liability in these cases, if decided adversely to the City, will not have a material effect on the City's financial position.

Hays Flood Mitigation (Elevation) Grant

On July 24, 2017 the Texas Division of Emergency Management (TDEM) awarded the City a \$2 million grant for elevation activities to mitigate damage from potential future flooding. This pass-through funding from the Federal Emergency Management Administration (FEMA) has a performance period of July 18, 2017 through July 18, 2019. As of September 30, 2018, no qualifying expenditures have been made that are eligible for reimbursement through this grant. Management intends to move forward with studies and analyses in the near future that may result in mitigation activities that will be reimbursable by the TDEM funds.

NOTE K -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts for losses up to \$1,000,000.



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
- Schedule of Pension Contributions
- Schedule of Changes of Total Other Post Employment Benefits Liability

CITY OF WIMBERLEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

| | Budget Amounts | | Actual Amounts | Variance |
|--|---------------------|---------------------|---------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| REVENUES | | | | |
| Sales Taxes | \$ 864,668 | \$ 884,500 | \$ 915,250 | \$ 30,750 |
| Franchise Taxes | 333,250 | 343,380 | 342,891 | (489) |
| Licenses and Permits | 56,000 | 55,800 | 58,363 | 2,563 |
| Charges for Services | 51,700 | 50,000 | 53,622 | 3,622 |
| Fines and Penalties | 5,000 | 600 | 596 | (4) |
| Interest Income | 1,000 | 3,200 | 3,570 | 370 |
| Miscellaneous | 3,000 | 13,900 | 14,184 | 284 |
| TOTAL REVENUES | <u>1,314,618</u> | <u>1,351,380</u> | <u>1,388,476</u> | <u>37,096</u> |
| EXPENDITURES | | | | |
| <i>Current:</i> | | | | |
| Administration | 515,150 | 676,595 | 685,357 | (8,762) |
| Police and Court | 108,710 | 117,530 | 119,611 | (2,081) |
| Inspections | 42,500 | 42,000 | 43,954 | (1,954) |
| Highways and Roads | 243,308 | 230,777 | 205,848 | 24,929 |
| Sanitation | 25,500 | 38,000 | 31,595 | 6,405 |
| Culture and Recreation | 94,690 | 105,951 | 103,780 | 2,171 |
| Parks | 2,500 | 3,600 | 7,360 | (3,760) |
| Capital Outlay | 150,500 | 114,972 | 38,420 | 76,552 |
| TOTAL EXPENDITURES | <u>1,182,858</u> | <u>1,329,425</u> | <u>1,235,925</u> | <u>93,500</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>131,760</u> | <u>21,955</u> | <u>152,551</u> | <u>130,596</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (306,760) | (306,760) | (306,760) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(306,760)</u> | <u>(306,760)</u> | <u>(306,760)</u> | <u>-</u> |
| Net Change in Fund Balance | (175,000) | (284,805) | (154,209) | 130,596 |
| Beginning Fund Balance | 1,569,685 | 1,569,685 | 1,569,685 | - |
| Ending Fund Balance | <u>\$ 1,394,685</u> | <u>\$ 1,284,880</u> | <u>\$ 1,415,476</u> | <u>\$ 130,596</u> |

CITY OF WIMBERLEY
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018

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 provision 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.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The City does not use encumbrances.

CITY OF WIMBERLEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST FOUR CALENDAR YEARS

| | Total Pension Liability | | | |
|---|-----------------------------|-------------------|-------------------|-------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Service Cost | \$ 22,714 | \$ 22,391 | \$ 21,061 | \$ 25,805 |
| Interest (on the Total Pension Liability) | 10,986 | 12,969 | 15,099 | 23,305 |
| Changes of Benefit Terms | - | - | - | 90,245 |
| Difference between Expected and Actual Experience | (1,336) | 962 | (4,066) | (9,438) |
| Change of Assumptions | - | 5,463 | - | - |
| Benefit Payments, Including Refunds of Employee Contributions | (3,352) | (4,396) | (1,015) | (5,246) |
| Net Change in Total Pension Liability | 29,012 | 37,389 | 31,079 | 124,671 |
| Total Pension Liability - Beginning | 147,258 | 176,270 | 213,659 | 244,738 |
| Total Pension Liability - Ending | <u>\$ 176,270</u> | <u>\$ 213,659</u> | <u>\$ 244,738</u> | <u>\$ 369,409</u> |
| | Plan Fiduciary Net Position | | | |
| | 2014 | 2015 | 2016 | 2017 |
| Contributions - Employer | \$ 5,003 | \$ 7,077 | \$ 6,241 | \$ 9,066 |
| Contributions - Employee | 15,539 | 16,085 | 14,790 | 17,846 |
| Net Investment Income | 8,561 | 258 | 13,085 | 31,421 |
| Benefit Payments, Including Refunds of Employee Contributions | (3,352) | (4,396) | (1,015) | (5,247) |
| Administrative Expense | (89) | (158) | (148) | (163) |
| Other | (7) | (7) | (8) | (8) |
| Net Change in Plan Fiduciary Net Position | 25,655 | 18,859 | 32,945 | 52,915 |
| Plan Fiduciary Net Position - Beginning | 149,601 | 175,256 | 194,115 | 227,060 |
| Net Pension Liability - Ending | <u>\$ 175,256</u> | <u>\$ 194,115</u> | <u>\$ 227,060</u> | <u>\$ 279,975</u> |
| Net Pension Liability (Asset) - Ending | \$ 1,014 | \$ 19,544 | \$ 17,678 | \$ 89,434 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 99.42% | 90.85% | 92.78% | 75.79% |
| Covered Payroll | \$ 310,774 | \$ 321,706 | \$ 295,799 | \$ 356,919 |
| Net Pension Liability as a Percentage of Covered Payroll | 0.33% | 6.08% | 5.98% | 25.06% |

Information is being accumulated prospectively until ten years is presented.

CITY OF WIMBERLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CITY CONTRIBUTIONS
 LAST FOUR FISCAL YEARS

| | 2015 | 2016 | 2017 | 2018 |
|---|----------------|----------------|----------------|----------------|
| Actuarially Determined Contribution | \$ 5,003 | \$ 6,608 | \$ 9,008 | \$ 25,992 |
| Contributions in Relation to the Actuarially Determined Contribution | 5,003 | 6,608 | 9,008 | 25,992 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 310,774 | \$ 309,522 | \$ 367,940 | \$ 350,458 |
| Contributions as a Percentage of Covered Payroll | 1.61% | 2.13% | 2.45% | 7.42% |

Notes to Schedule of Contributions

Changes in Benefit Terms: On January 1, 2018, the City increased City matching from 1 to 1 to 2 to 1 and updated service credits.

Valuation Date:

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 | 26 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. |

CITY OF WIMBERLEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES – TOTAL OTHER POST EMPLOYMENT BENEFIT LIABILITY
 AND RELATED RATIOS
 LAST CALENDAR YEAR

| Total OPEB Liability | 2017 |
|---|-------------------------|
| Service Cost | \$ 1,071 |
| Interest | 712 |
| Changes of Benefit Terms | - |
| Difference between Expected and Actual Experience | - |
| Changes in Assumptions or Other Inputs | 1,848 |
| Benefit Payments | <u>(71)</u> |
| Net Change in Total Pension Liability | 3,560 |
| Total OPEB Liability - Beginning | <u>18,337</u> |
| Total OPEB Liability - Ending | <u><u>\$ 21,897</u></u> |
| Covered Employee Payroll | \$ 356,919 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 5.14% |

Notes to Schedule

Changes in Benefit Terms: None

Changes in Assumptions: None

Trust:

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

Information for this schedule is being accumulated prospectively until a rolling ten year period is available.

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.

- Combining Statements – Nonmajor Governmental Funds
- Comparative Individual Fund Statements
 - General Fund
 - Wastewater Utility

CITY OF WIMBERLEY
 COMBINING BALANCE SHEETS
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018 AND 2017

| | Special Revenue | Capital Projects | | | Total Nonmajor Funds |
|--|--------------------|--------------------------|----------------------|-----------------------|----------------------------|
| | Municipal Court | Blue Hole Development | FM 2325 Sidewalks | Low Water Crossing | |
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 4,181 | \$ 18,755 | \$ 5,025 | \$ - | \$ 27,961 |
| TOTAL ASSETS | <u>\$ 4,181</u> | <u>\$ 18,755</u> | <u>\$ 5,025</u> | <u>\$ -</u> | <u>\$ 27,961</u> |
| LIABILITIES & FUND BALANCES | | | | | |
| <i>Liabilities:</i> | | | | | |
| Accounts Payable | \$ 760 | \$ - | \$ - | \$ - | \$ 760 |
| <i>Total Liabilities</i> | <u>760</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>760</u> |
| <i>Fund Balances:</i> | | | | | |
| Restricted For: | | | | | |
| Municipal Court | 3,421 | - | - | - | 3,421 |
| Capital Projects | - | - | 5,025 | - | 5,025 |
| Committed For: | | | | | |
| Capital Projects | - | 18,755 | - | - | 18,755 |
| <i>Total Fund Balances</i> | <u>3,421</u> | <u>18,755</u> | <u>5,025</u> | <u>-</u> | <u>27,201</u> |
| TOTAL LIABILITIES & FUND BALANCES | <u>\$ 4,181</u> | <u>\$ 18,755</u> | <u>\$ 5,025</u> | <u>\$ -</u> | <u>\$ 27,961</u> |

CITY OF WIMBERLEY
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

| | Special Revenue | Capital Projects | | | Total Nonmajor Funds |
|-------------------------------|------------------------|--------------------------|------------------------|-----------------------|----------------------------|
| | Municipal Court | Blue Hole Development | FM 2325 Sidewalks | Low Water Crossing | |
| REVENUES | | | | | |
| Fines and Forfeitures | \$ 253 | \$ - | \$ - | \$ - | \$ 253 |
| Interest Income | 10 | 20 | 3 | - | 33 |
| TOTAL REVENUES | <u>263</u> | <u>20</u> | <u>3</u> | <u>-</u> | <u>286</u> |
| EXPENDITURES | | | | | |
| <i>Current:</i> | | | | | |
| Police and Court | 6,900 | - | - | - | 6,900 |
| Highways and Roads | - | - | - | 69,135 | 69,135 |
| TOTAL EXPENDITURES | <u>6,900</u> | <u>-</u> | <u>-</u> | <u>69,135</u> | <u>76,035</u> |
| Net Change in Fund Balance | (6,637) | 20 | 3 | (69,135) | (75,749) |
| BEGINNING FUND BALANCE | <u>10,058</u> | <u>18,735</u> | <u>5,022</u> | <u>69,135</u> | <u>102,950</u> |
| ENDING FUND BALANCE | <u><u>\$ 3,421</u></u> | <u><u>\$ 18,755</u></u> | <u><u>\$ 5,025</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 27,201</u></u> |

CITY OF WIMBERLEY
 COMPARATIVE BALANCE SHEETS
 GENERAL FUND
 SEPTEMBER 30, 2018 AND 2017

| | 2018 | 2017 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 1,266,274 | \$ 1,461,125 |
| Receivables (net of allowances for uncollectibles): | | |
| Other Receivables | 226,009 | 236,869 |
| Prepaid Items | - | 3,876 |
| Due from Other Funds | - | 284,217 |
| TOTAL ASSETS | \$ 1,492,283 | \$ 1,986,087 |
| LIABILITIES AND FUND BALANCES | | |
| <i>Liabilities:</i> | | |
| Accounts Payable | \$ 60,497 | \$ 400,426 |
| Accrued Wages | 7,160 | 3,612 |
| Payroll Deductions and Withholdings | 4,950 | 2,764 |
| Unearned Revenue | 4,200 | 9,600 |
| <i>Total Liabilities</i> | <i>76,807</i> | <i>416,402</i> |
| <i>Fund Balances:</i> | | |
| Nonspendable: | | |
| Prepaid Items | - | 3,876 |
| Restricted For: | | |
| Federal Program | 17,844 | 17,844 |
| Committed For: | | |
| Public Works | 559,053 | 619,186 |
| Wastewater System | 504,204 | 541,787 |
| Grant Matches | 334,375 | 386,992 |
| <i>Total Fund Balance</i> | <i>1,415,476</i> | <i>1,569,685</i> |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 1,492,283 | \$ 1,986,087 |

CITY OF WIMBERLEY
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GENERAL FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

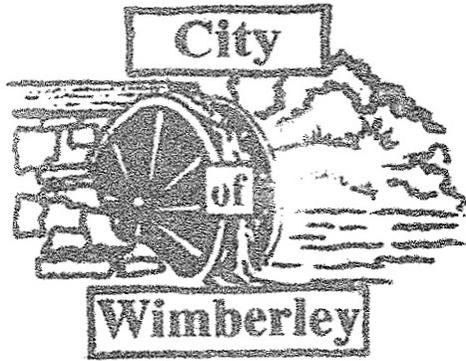
| | 2018 | 2017 |
|--|---------------------|---------------------|
| REVENUES | | |
| Sales Taxes | \$ 915,250 | \$ 929,669 |
| Franchise Fees | 342,891 | 288,987 |
| Fines and Penalties | 596 | 9,994 |
| Licenses and Permits | 58,363 | 112,494 |
| Charges for Services | 53,622 | 47,465 |
| Intergovernmental | - | 136,908 |
| Interest Income | 3,570 | 1,961 |
| Miscellaneous | 14,184 | 52,800 |
| TOTAL REVENUES | 1,388,476 | 1,580,278 |
| EXPENDITURES | | |
| <i>Current:</i> | | |
| Administration | 685,357 | 662,367 |
| Police and Court | 119,611 | 60,451 |
| Inspections | 43,954 | 46,354 |
| Highways and Roads | 205,848 | 192,555 |
| Sanitation | 31,595 | 27,973 |
| Community Center | 103,780 | 104,785 |
| Parks | 7,360 | 2,488 |
| Capital Outlay | 38,420 | 38,268 |
| TOTAL EXPENDITURES | 1,235,925 | 1,135,241 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 152,551 | 445,037 |
| OTHER FINANCING SOURCES (USES) | | |
| Transfer Out | (306,760) | (132,871) |
| TOTAL OTHER FINANCING SOURCES (USES) | (306,760) | (132,871) |
| Net Change in Fund Balance | (154,209) | 312,166 |
| Beginning Fund Balance | 1,569,685 | 1,257,519 |
| Ending Fund Balance | \$ 1,415,476 | \$ 1,569,685 |

CITY OF WIMBERLEY
 COMPARATIVE STATEMENTS OF NET POSITION
 WASTEWATER UTILITY
 SEPTEMBER 30, 2018 AND 2017

| | 2018 | 2017 |
|---|-------------------|-------------------|
| ASSETS | | |
| <i>Current Assets:</i> | | |
| Cash and Cash Equivalents | \$ 125,374 | \$ 179,881 |
| Accounts Receivable | 1,236 | 618 |
| <i>Total Current Assets</i> | 126,610 | 180,499 |
| <i>Other Assets:</i> | | |
| Property and Equipment (net) | 2,770,149 | 754,460 |
| Restricted Cash | 3,986,050 | 166,529 |
| <i>Total Other Assets</i> | 6,756,199 | 920,989 |
| TOTAL ASSETS | 6,882,809 | 1,101,488 |
| LIABILITIES | | |
| <i>Current Liabilities:</i> | | |
| Accounts Payable | 443,088 | 11,707 |
| Accrued Interest | 23,427 | 3,568 |
| Unearned Revenue | 243,005 | - |
| Current Portion of Long-term Debt | 279,431 | 122,717 |
| <i>Total Current Assets</i> | 988,951 | 137,992 |
| <i>Long-term Liabilities:</i> | | |
| Long-term Debt (Net of Current Portion) | 5,195,000 | 219,431 |
| TOTAL LIABILITIES | 6,183,951 | 357,423 |
| NET POSITION | | |
| Net Investment in Capital Assets | 419,363 | 443,655 |
| Restricted | 714,190 | - |
| Unrestricted | (434,695) | 300,410 |
| TOTAL NET POSITION | \$ 698,858 | \$ 744,065 |

CITY OF WIMBERLEY
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 WASTEWATER UTILITY
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

| | 2018 | 2017 |
|---|------------|------------|
| Operating Revenues | | |
| Charges for Utility Services | \$ 118,776 | \$ 118,776 |
| Total Operating Revenues | 118,776 | 118,776 |
| Operating Expenses Before Depreciation | | |
| Utilities | 8,176 | 8,477 |
| Services | 307,790 | 107,239 |
| Depreciation | 6,096 | 6,096 |
| Total Operating Expenses Before Depreciation | 322,062 | 121,812 |
| Operating Income (Loss) | (203,286) | (3,036) |
| Other Income (Expense): | | |
| Interest Income | 45,915 | 141 |
| Interest Expense | (94,745) | (11,626) |
| Bond Issue Costs | (165,394) | - |
| Total Other Income (Expense) | (214,224) | (11,485) |
| Income (Loss) Before Transfers | (417,510) | (14,521) |
| Transfers | | |
| Transfers In | 372,303 | 132,871 |
| Change in Net Position | (45,207) | 118,350 |
| Net Position at Beginning of Year | 744,065 | 625,715 |
| Net Position at End of Year | \$ 698,858 | \$ 744,065 |



COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Management, Mayor and Council of
City of Wimberley
P.O. Box 2027
Wimberley, TX 78676

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Wimberley as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Wimberley's basic financial statements, and have issued our report thereon dated February 5, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Wimberley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wimberley's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wimberley's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wimberley's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that have been reported to management in a separate letter dated February 5, 2019.

Purpose of this Report

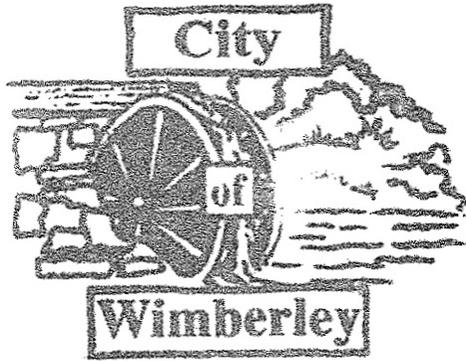
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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

Armstrong, Vaughan & Associates, P.C.

February 5, 2019





AGENDA ITEM: Resolution No. 03-2019
SUBMITTED BY: Laura Calcote, City Secretary
DATE SUBMITTED: February 28, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Attached is Resolution No. 03-2019, supporting inclusion into the Texas Countywide Polling Place Program.

Hays County passed a resolution on February 26th in support of the application for inclusion in the Program and sent a press release relating to the matter (both items attached). The County has requested the City’s support for participation in the Program.

Countywide Polling, or “Vote Centers” allow voters to cast their ballot at any polling location on Election Day. This is the same method Hays County currently uses in Early Voting.

There are currently 52 Texas counties in the Countywide Polling Place Program. Our neighbors in Comal County are currently applying, and Guadalupe County adopted the program in November 2018. Travis and Williamson are also a vote center counties. Hays County would join in this effort to bring consistency in voting.

The City Secretary has volunteered to participate in the Polling Place Study Committee, along with other election planners in Hays County.

REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

- | | | | |
|-------------------|--------------------------|---------------------------|----|
| Budgeted Item | <input type="checkbox"/> | Original Estimate/Budget: | \$ |
| Non-budgeted Item | <input type="checkbox"/> | Current Estimate: | \$ |
| Not Applicable | <input type="checkbox"/> | Amount Under/Over Budget: | \$ |

STAFF RECOMMENDATION

Passage of Resolution No. 03-2019

RESOLUTION NO. 03-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WIMBERLEY, TEXAS, SUPPORTING INCLUSION INTO THE TEXAS COUNTYWIDE POLLING PLACE PROGRAM

WHEREAS, Pursuant to Election Code §543.007 et. seq., Texas counties may submit an application to the Texas Secretary of State to participate in a program to use countywide polling places for elections as an alternative to having a polling place located in each county election precinct;

WHEREAS, the Hays County Commissioners Court and the Hays County Elections Administrator will be holding a public meeting on April 23, 2019, and two additional public meetings will be held to seek citizen comments regarding the County's participation in the program;

WHEREAS, a Polling Place Study Committee will be assembled by the Hays County Elections Administrator, consisting of stakeholders from local jurisdictions and representatives from local minority organizations and election resource organizations to identify potential polling locations to be used;

WHEREAS, Countywide Polling will offer much more flexibility to voters and could reduce the number of provisional ballots cast;

WHEREAS, the City Council of the City of Wimberley finds it to be in the best interest of the citizens of Hays County to apply for inclusion in the countywide polling place program of the Secretary of State;

NOW THEREFORE BE IT RESOLVED AND ORDERED:

THAT the Wimberley City Council supports the Application for Participation in the Secretary of State's Countywide Polling Place Program as provided in Election Code §543.007 et. seq.

PASSED AND ADOPTED this 7th day of March, 2019.

ATTEST:

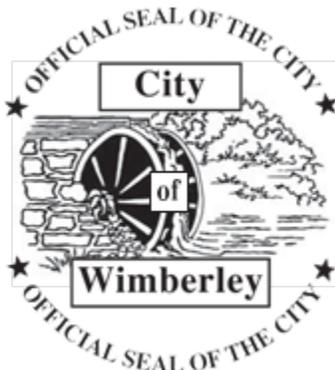
THE CITY OF WIMBERLEY

Laura J. Calcote, City Secretary

Susan Jagers, Mayor

Gary Barchfeld, Mayor Pro Tem

Mike McCullough, Council Member



Craig Fore, Council Member

Allison Davis, Council Member

Erik Wollam, Council Member



Hays County, Texas

www.co.hays.tx.us

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www.facebook.com/hayscountytexas

www.haysinformed.com for Countywide Emergency Info

Information for the News Media

March 1, 2019

Commissioners Court Approves Resolution for Countywide Polling Place Program, Elections Administrator will Seek State OK

If OK'd by State, voters could cast ballot at any polling place on Election Day

Hays County Courthouse, San Marcos, TX – The Hays County Commissioners Court Tuesday approved a resolution in support of participating in the Countywide Polling Place program, which would allow voters to cast their ballot at any polling place in the county on Election Day.

“I look forward to the improvements our county is undertaking to increase voter participation and election integrity,” County Judge Ruben Becerra said.

Early voters currently have the option to vote at any polling location. Allowing Election Day voters to do the same would avoid issues caused when voters show up at the wrong precinct.

Hays County Elections Administrator and Voter Registrar Jennifer Anderson told the Court that all the jurisdictions in Hays County were in favor of the program and would offer resolutions of their own once the Court approved the County's. For Hays County to be approved for the program, all jurisdictions that hold elections must be in favor.

Hays County Democratic Chair Donna Haschke told the Court that the proposal is “a true example of bipartisan cooperation that supports the interest of all voters and strengthens democracy by increasing citizen participation in the electoral process” and thanked the Elections Office staff and election workers for recent election successes.

Anderson explained that to be approved by the state, an application that includes a plan and methodology for implementing the program must be submitted, and she hopes to have state approval in time to pilot the program for this November's election. Her office will hold two public meetings on the proposal, expected to be set for late March, and will also form a committee made up of political party representatives and political subdivision planners to determine polling locations. Anderson also notes that while different types of elections call for different numbers of polling locations, she does not expect a major change in the number of polling locations for each of those elections.

**A RESOLUTION SUPPORTING INCLUSION INTO THE TEXAS
COUNTYWIDE POLLING PLACE PROGRAM**

WHEREAS, Pursuant to Election Code §43.007 et. seq., Texas counties may submit an application to the Texas Secretary of State to participate in a program to use countywide polling places for elections as an alternative to having a polling place located in each county election precinct;

WHEREAS, the Hays County Commissioners Court and the Hays County Elections Administrator will be holding a public meeting on April 23, 2019, and two additional public meetings will be held to seek citizen comments regarding the County's participation in the program;

WHEREAS, a Polling Place Study Committee will be assembled by the Hays County Elections Administrator, consisting of stakeholders from local jurisdictions and representatives from local minority organizations and election resource organizations to identify potential polling locations to be used;

WHEREAS, the Hays County Commissioners Court finds it to be in the best interest of the citizens of Hays County to apply for inclusion in the countywide polling place program of the Secretary of State;

NOW THEREFORE BE IT RESOLVED AND ORDERED:

THAT the Hays County Commissioners Court supports the Application for Participation in the Secretary of State's Countywide Polling Place Program as provided in Election Code §43.007 et. seq.

PASSED AND APPROVED THIS _____ DAY OF _____ 2019

**Ruben Becerra
County Judge**

**Debbie Ingalsbe
Commissioner, Precinct 1**

**Mark Jones
Commissioner, Precinct 2**

**Lon Shell
Commissioner, Precinct 3**

**Walt Smith
Commissioner, Precinct 4**

ATTEST: _____
**Elaine H. Cárdenas, MBA, PhD
Hays County Clerk**



AGENDA ITEM: Resolution No. 04-2019 – Permian Highway Pipeline
SUBMITTED BY: Craig Fore Place 2 and Gary Barchfeld Place 4
DATE SUBMITTED: February 28, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Morgan Permian Highway Pipeline through Hays County.

REQUESTED ACTION

Motion
Discussion
Ordinance
Resolution
Other

FINANCIAL

Budgeted Item Original Estimate/Budget: \$
Non-budgeted Item Current Estimate: \$
Not Applicable Amount Under/Over Budget: \$

STAFF RECOMMENDATION

RESOLUTION NO. 04-2019

A RESOLUTION IN OPPOSITION TO THE ROUTING OF THE PROPOSED PERMIAN HIGHWAY PIPELINE THROUGH HAYS COUNTY AND REQUEST FOR LEGISLATIVE/ADMINISTRATIVE CHANGES

WHEREAS, Kinder Morgan and Exxon Mobil in partnership with EagleClaw Midstream Ventures (“Private Partnership”) have begun the process of routing a 42-inch buried natural gas pipeline, known as the Permian Highway Pipeline (“PHP”) from Coynosa, Texas to Sheridan, Texas through the Texas Hill Country and Hays County; and

WHEREAS, the State of Texas, by way of the Railroad Commission, has delegated to the Private Partnership the authority to choose the route of the PHP and to take the private land traversed by the PHP using the governmental power of eminent domain; and

WHEREAS, the citizens of the Wimberley Valley and Hays County have expressed strong concerns and opposition to the proposed route of the PHP due to its potential negative impacts to the environment, soil, water system, and land values; and

WHEREAS, The City of Wimberley, by and through the above named members of the governing body, has an interest in the protection of its natural resources and an interest in how the PHP may affect its citizens;

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

- 1) The City of Wimberley opposes the routing of PHP on behalf of the interests of the citizens of the Wimberley Valley and in recognition of the potential harm the PHP poses to its natural and economic resources.
- 2) The City of Wimberley requests that legislative and/or administrative changes be made that:
 - A) Create better regulatory processes for oil and gas pipeline routing that enable impacted landowners and local governmental entities to have a voice in the approval process.
 - B) Require Environmental and Economic Impact Studies for all oil and gas pipelines, whether they are intrastate or interstate.
 - C) Enhance checks and balances against the broad delegation of eminent domain authority to private companies.

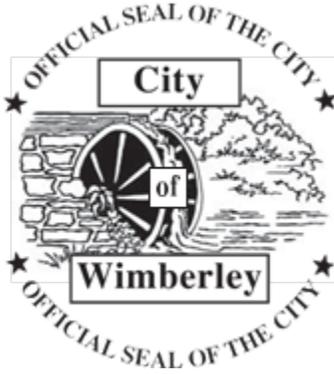
RESOLVED AND ADOPTED this 7th day of March, 2019.

ATTEST:

THE CITY OF WIMBERLEY

Laura J. Calcote, City Secretary

Susan Jagers, Mayor



Mike McCullough, City Council Place 1

Craig Fore, City Council Place 2

Allison Davis, City Council Place 3

Gary Barchfeld, City Council Place 4

Erik Wollam, City Council Place 5



AGENDA ITEM: Governance Policy and Rules of Procedure
SUBMITTED BY: Gary Barchfeld
DATE SUBMITTED: February 28, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Discuss and consider setting the length of the Presentations to Wimberley City Council to 10 minutes per presentation. The presentations should be done as an Executive Summary and all presentation material should be submitted 72 hours prior to the scheduled presentation.

5.11 has been added to the Governance Policy and Rules of Procedure regarding presentations at Council meetings.

Discuss and consider protocol for thanking outgoing citizen volunteers. Section IX (9) has been added to the Governance Policy and Rules of Procedure.

The Policy is redlined and attached.

REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

- | | | | |
|-------------------|-------------------------------------|---------------------------|----|
| Budgeted Item | <input type="checkbox"/> | Original Estimate/Budget: | \$ |
| Non-budgeted Item | <input type="checkbox"/> | Current Estimate: | \$ |
| Not Applicable | <input checked="" type="checkbox"/> | Amount Under/Over Budget: | \$ |

STAFF RECOMMENDATION

City of Wimberley

City Council Governance Policy and Rules of Procedure



Amended March 7, 2019

Page 1 of 16

COUNCIL GOVERNANCE POLICY AND RULES OF PROCEDURE

SECTION I INTRODUCTION

The City of Wimberley City Council is the governing body for the City of Wimberley, Texas. Therefore, it must bear the initial responsibility for the integrity of governance.

The Council shall determine its own rules and order of business. The Council is responsible for its own discipline and its own performance. The development of this policy is designed to ensure effective and efficient governance.

This policy addresses Mayor and Council relations, Council and City staff relations, Council and media relations, roles and meetings. By adopting these guidelines, we, as members of the City Council acknowledge our responsibility to each other to our professional staff and to the public.

This policy will be reviewed and adopted on an annual basis.

COUNCIL GOVERNANCE POLICY AND RULES OF PROCEDURE

SECTION II MISSION

In order to ensure proper discharge of duties for the improvement of democratic local government, members of the Wimberley City Council will display behavior that demonstrates independent, impartial review of all matters addressed by them, and be duly responsible to the citizens of Wimberley and each other in their relationships.

COUNCIL GOVERNANCE POLICY AND RULES OF PROCEDURE

SECTION III INFORMATION

On major policy issues, the City Administrator shall provide briefing material to the Council in advance of Council consideration of the policy alternatives. Whenever possible, the management report shall be distributed more than a week in advance of Council policy consideration.

COUNCIL GOVERNANCE POLICY AND RULES OF PROCEDURE

SECTION IV ROLES

4.1 Texas Local Government Code, Sec. 22.042 (Powers and Duties of Mayor) *(Added 08-02-18)*

(a) The mayor is the chief executive officer of the municipality. The mayor shall at all times actively ensure that the laws and ordinances of the municipality are properly carried out. The mayor shall perform the duties and exercise the powers prescribed by the governing body of the municipality.

(b) The mayor shall inspect the conduct of each subordinate municipal officer and shall cause any negligence, carelessness, or other violation of duty to be prosecuted and punished.

(c) The mayor shall give to the governing body any information, and shall recommend to the governing body any measure, that relates to improving the finances, police, health, security, cleanliness, comfort, ornament, or good government of the municipality.

(d) The mayor may administer oaths of office.

(e) In the event of a riot or unlawful assembly or to preserve the peace and good order in the municipality, the mayor may order and enforce the closing of a theater, ballroom, or other place of recreation or entertainment, or a public room or building and may order the arrest of a person who violates a state law or a municipal ordinance in the presence of the mayor.

4.2 The Mayor shall preside at meetings of the City Council and shall be recognized as head of City government for all ceremonial purposes and by the Governor for purpose of military law but shall have no regular administrative duties. The Mayor may participate in the discussion of all matters coming before the City Council. The Council shall elect, from among the Council members, a Mayor Pro-tem who shall act as Mayor during the absence or disability of the Mayor. *(Added 01-03-19)*

4.3 As head of City government for ceremonial purposes, the Mayor may issue and present proclamations and recognitions and attend other ceremonial functions on behalf of the City of Wimberley. City Council members may initiate, through the Mayor, or by a majority vote of the Council, similar items of recognition. Major community events sponsored by the City shall be a policy decision of the Council.

- 4.4 The Mayor shall preserve order and decorum and shall require City Council members engaged in debate to limit discussion to the question under consideration.
- 4.5 The Mayor is the spokesperson on all official positions taken by the City Council. The Mayor Pro-tem or alternate City Council designee will assume that role in the Mayor's absence. *(Amended 6-4-09)*
- 4.6 The Mayor will encourage all City Council members to participate in Council discussion and give each member an opportunity to speak before any member can speak again on the same subject

COUNCIL GOVERNANCE POLICY AND RULES OF PROCEDURE

SECTION V MEETINGS

5.1 Regular Meetings

The Council shall meet regularly, on the first and third Thursdays of the month, and the regular meetings will begin at 5:30 p.m., unless postponed or canceled for valid reasons. If there is a need to change the date, time or place of a regular meeting, an attempt shall be made to contact all members of the City Council about the proposed change prior to the change being made. *(Amended 06-21-18)*

5.2 Special Meetings

Special meetings will be held on Tuesdays at 5:30 p.m. to consider items that require action prior to the next regularly scheduled meeting and may be called upon the request of the Mayor. If there is a need to change the date, time or place of a special meeting, an attempt shall be made to contact all members of the City Council about the proposed change prior to the change being made. *(Amended 06-21-18)*

5.3 Executive Sessions

The City Council may meet in executive session in compliance with the Texas Open Meetings Act. A final action, decision or vote on a matter deliberated in an executive session will be made in an open meeting for which proper notice is provided. All discussions in executive session shall remain confidential.

5.4 Public Notice

The agenda for all regular meetings, special meetings and the notice listing items to be considered shall be posted on the City's official bulletin board, in accordance with the Texas Open Meetings Act, and on the City's website.

5.5 Attendance

City Council members are expected to attend all meetings and stay in attendance during each meeting. No member shall leave a meeting without advising the presiding officer.

5.6 Conflict of Interest

A City Council member prevented from voting due to a conflict of interest shall leave the meeting during the debate, shall not vote on the matter, and shall otherwise comply with the state law and City ordinances concerning conflicts of interest. Any Council member filing a conflict of interest affidavit on an executive session item shall not confer with City staff, the City Attorney, Council members or the Mayor regarding the item.

5.7 City Council Members

- (a) During City Council meetings and work sessions, Council members shall assist in preserving order and decorum and shall, neither by conversation or otherwise delay or interrupt the proceedings nor refuse to obey the rules of the City Council.
- (b) A City Council member desiring to speak shall address the chair, and upon recognition by the presiding officer, shall confine discussion to the question under debate, avoid discussion of personalities, and in appropriate language and refrain from personal attacks and verbal abuse.
- (c) A City Council member, once recognized by the chair, shall not be interrupted while speaking except for the following reasons:
 - Called to order by the presiding officer
 - A point of order is raised by another member
 - The speaker chooses to yield to questions from another member

If a City Council member is called to order while speaking, that Council member shall cease speaking immediately until the question of order is determined. If ruled to be in order, the member shall be permitted to proceed. If ruled to be not in order, the member shall remain silent or make additional remarks to comply with the rules of the City Council

- (d) When there is more than one speaker on the same subject, City Council members shall delay their comments until after all speakers on the subject have been heard.
- (e) The chair shall state all questions submitted for a vote and announce the result. If the vote is not unanimous, the chair shall announce the names of members voting in favor and in opposition to the motion.

5.7 Administrative Staff

- (a) Members of the administrative staff and employees of the City shall observe the same rules and decorum applicable to members of the City Council.
- (b) Although the presiding officer has the authority to preserve decorum in meetings, the City Administrator is responsible for the orderly conduct and decorum of all City employees under the City Administrator's direction and control.
- (c) The City Administrator shall take such disciplinary action as may be necessary to ensure that decorum is preserved at all times by City employees in meetings.
- (d) All persons addressing the City Council, including the City Administrator, shall be recognized by the presiding officer and shall limit remarks to the matter under discussion.
- (e) All remarks and questions addressed to the City Council shall be addressed to the City Council as a whole and not to any individual member.

5.8 Citizens and Visitors

- (a) Citizens and visitors are welcome to attend all public meetings of the City Council and will be admitted to the Chamber or meeting room up to the fire safety capacity of the room.
- (b) Everyone attending the meeting will refrain from private conversations while the City Council is in session.
- (c) Citizens and visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane, or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the meeting shall be removed from the room if so directed by the presiding officer. The person shall be barred from further audience before the City Council during that session. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act.
- (d) Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations shall not be permitted by the presiding officer who may direct the removal of offenders from the room. In case the

presiding officer shall fail to act, any member of the Council may move to require enforcement of the rules, and the affirmative vote of the majority of the Council shall require the presiding officer to act.

- (e) No placards, banners or signs will be permitted in the City Council Chamber or in any other room in which the City Council is meeting. Exhibits, displays and visual aids used in connection with presentations, however, are permitted.
- (f) The City Administrator or his designee shall act as sergeant at arms for the City Council and shall furnish whatever assistance is needed to enforce the rules of the City Council.

5.9 Agenda

Any City Council member may request an item be placed on a future agenda during the item on the agenda for that purpose. The City Administrator must place an item on the agenda if the item is requested by the Mayor or a member of the City Council. *The deadline to submit an item for the agenda is seven days prior to the requested Council Meeting date. (Amended 07-10-18)*

5.10 Speakers

- (a) A person wishing to address the City Council must first sign the Speaker Registration Form. The following information must be provided on the form:
 - Name
 - Residence Address
 - The subject matter to be addressed
- (b) Speakers must address their comments to the presiding officer rather than to individual City Council members or staff.
- (c) Speakers must keep their remarks specific to the item being considered by the City Council. If the speaker is addressing the City Council under Citizens Communications, the speaker may address any item not slated for discussion on the agenda. Comments from speakers and/or members of City Council should not be directed towards another person, including a member of City Council or City staff in a manner that is derogatory or threatening in nature. These guidelines for speaker decorum shall be posted on each City Council agenda and on Speaker sign-in sheets for all City Council meetings.
- (d) A person who registers to speak on an item listed on the agenda will be called on after the chair gains agreement to do so by the City Council. A

person who registers to speak under Citizens Communications will be called on at that time. The chair may determine the order in which speakers are called.

- (e) All speakers will have a maximum of three (3) minutes to address the Council. A majority vote of the Council will be required to extend the time limit. The chair may impose more restrictive time limits if a large number of persons register to speak. Guidelines relating to time allotment for speakers shall be posted on each City Council agenda and on Speaker sign-in sheets for all City Council meetings.
- (f) For called public hearings, the applicant will be allowed a maximum of ten (10) minutes to make a presentation.
- (g) In accordance with the Texas Open Meetings Act, the City Council will not discuss or consider any item addressed during Citizens Communications. City Council members will not interact with the public during the time allotted to speakers unless a non-debatable motion approved by the City Council allots a specific amount of time.
- (h) Whenever it is necessary for a speaker to use an interpreter to translate comments to the City Council, the time required for the translation will not be counted against the designated time allotted for the speaker to address the City Council.

5.11 Presentations

Presentations to the City Council will be limited to ten (10) minutes and should be given as an Executive Summary. All presentation material must be submitted to the City 72 hours prior to the scheduled meeting. (Added 03-07-19)

5.12 Motions

- (a) No motion may be moved or suggested until all City Council member discussion is complete and the Mayor calls for the motion. A motion made and seconded will be considered the main motion. Any City Council member may move to amend a motion. The amendment must receive a second before it may be discussed and must be voted on prior to voting on the main motion.
- (b) A motion may be withdrawn or modified by its mover without asking permission until the motion is voted upon. If the mover modifies the motion, the City Council member who seconded the motion may withdraw the second.
- (c) At any time after a motion has been made and seconded, a City Council member may call the question which will have the affect of stopping the

debate and requiring the City Council to immediately proceed to vote on the motion to call the question.

- (d) A motion to reconsider any action of the City Council must be made no later than prior to the conclusion of the next regularly scheduled meeting of the City Council. Such a motion may only be made by a City Council member who voted with the prevailing side. The motion to reconsider may be seconded by any member. No question shall be twice reconsidered except by unanimous vote of the City Council, except that action relating to any contract may be reconsidered at any time before the final execution thereof.
 - (i) If a motion to reconsider is made at the same meeting at which the matter was acted upon, the motion may be heard and voted upon and the original action on the matter is set aside. Deliberation may then resume on the matter at that same meeting.
 - (ii) If a motion to reconsider is made at the next meeting after the matter was acted upon, the motion to reconsider may be heard and voted upon and the original action on the matter is not set aside. Deliberation may not resume on the matter, but it shall be placed on the next available agenda for deliberation.

5.13 Suspension of Rules

Any provision of these rules not governed by City ordinance, State or Federal law may be temporarily suspended by a majority vote of the members of the City Council present. The vote on any such suspension shall be taken by yeas and nays and entered upon the record.

5.14 Amendment of Rules

These rules may be amended, or new rules adopted by a majority vote of the members of the City Council

5.15 Failure to Comply

A failure to comply with these rules does not invalidate any otherwise lawful act of the City Council.

5.16 Security

Constable support will be requested at all Council meetings at the discretion of the Mayor.

COUNCIL GOVERNANCE POLICY AND RULES OF PROCEDURE

SECTION VI PUBLIC CONTACT MEDIA RELATIONS

Representative government is only successful when the citizens are kept informed and educated about the issues facing their municipality. Consequently, it is imperative that the media play an important role in the Council-Administrator-Media relations. It is through an informed public that progress is ensured, and good government remains sensitive to its constituents.

These guidelines are designed to help ensure positive relationships with print, radio and television reporters. The Mayor, City Council and the City Administrator recognize that the news media provide an important link between the City Council and the public. It is the City Council's desire to establish a professional working relationship to help maintain a well informed and educated citizenry.

- 6.1 During the conduct of official business, the City shall designate adequate space for the news media.
- 6.2 All reporters will receive an agenda in advance and will be furnished support material needed for clarification, if requested.

COUNCIL GOVERNANCE POLICY AND RULES OF PROCEDURE

SECTION VII PLANNING

The Mayor and Council are responsible for establishing a vision for the City of Wimberley and planning for its future.

- 7.1 On an annual basis, the Mayor and City Council shall hold a minimum of one (1) strategic planning session wherein they set priorities goals and objectives. The goals and objectives shall address short term and long term needs of the City.
- 7.2 Policy direction shall be consistent with the strategic goals and objectives. Sufficient time and consideration should be given to policy alternatives to ensure that decisions are made consistent with the long-term vision.

COUNCIL GOVERNANCE POLICY AND RULES OF PROCEDURE

SECTION VIII COUNCIL STAFF RELATIONS

- 8.1 The role of the City Administrator and the relationship of staff with City Council is addressed in City ordinance.
- 8.2 The City Council shall direct comments, correspondence and concerns about City services to the City Administrator. Citizens concerns, comments and correspondence regarding City services received by City Council members shall be forwarded to the City Administrator for appropriate staff action and a timely response.
- 8.3 Documents provided to one (1) City Council member shall also be distributed to all other members of the elected body. The City Administrator shall prepare and submit to the Council, as of the end of the fiscal year, a complete report on the finances and administrative activities of the City for the preceding year. The City Administrator shall keep the City Council advised of the financial condition and future needs of the City and make such recommendations that may seem desirable.
- 8.4 In order to ensure proper presentation of agenda items by City staff, questions arising from City Council members, after receiving their information packet, should be, whenever possible, presented to the City Administrator or the Administrator's designated assistant for City staff consideration prior to the City Council meeting. This allows time for City staff to address the City Council member's concerns and provide all Council members with the additional information.

COUNCIL GOVERNANCE POLICY AND RULES OF PROCEDURE

SECTION IX THANKING CITIZEN VOLUNTEERS

Citizen volunteers for boards, commissions or committees should be sent a letter at the end of their term thanking them for their service and tenure on behalf of the City of Wimberley. (Added 03-07-19)



AGENDA ITEM: Citizen’s Comments Consistence
SUBMITTED BY: Gary Barchfeld
DATE SUBMITTED: February 28, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Discuss and Consider consistent Governance Policy regarding Citizen Comments. All City Council Meetings have the following sentences in the Citizen Comments section: “Comments from speakers should not be directed towards any specific member of City Council or City staff. Comments should not be accusatory, derogatory or threatening in nature.”

I would like these sentences to be on all Board and Committee Agendas.

REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

- | | | | |
|-------------------|-------------------------------------|---------------------------|----|
| Budgeted Item | <input type="checkbox"/> | Original Estimate/Budget: | \$ |
| Non-budgeted Item | <input type="checkbox"/> | Current Estimate: | \$ |
| Not Applicable | <input checked="" type="checkbox"/> | Amount Under/Over Budget: | \$ |

STAFF RECOMMENDATION



AGENDA ITEM: Joint Workshop
SUBMITTED BY: Gary Barchfeld
DATE SUBMITTED: February 28, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Discuss and consider setting a joint Workshop with the Short Term Rental (STR) Committee to discuss all aspect of the Committees work. It is suggested the Workshop take place prior to March 18.

REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

| | | | |
|-------------------|-------------------------------------|---------------------------|----|
| Budgeted Item | <input type="checkbox"/> | Original Estimate/Budget: | \$ |
| Non-budgeted Item | <input type="checkbox"/> | Current Estimate: | \$ |
| Not Applicable | <input checked="" type="checkbox"/> | Amount Under/Over Budget: | \$ |

STAFF RECOMMENDATION



AGENDA ITEM: Bond Counsel
SUBMITTED BY: Gary Barchfeld
DATE SUBMITTED: February 28, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Consideration [and approval] of the engagement of Norton Rose Fulbright US LLP as Bond Counsel for the City of Wimberley. Bond Counsel will work to represent the City of Wimberley in regards to public finance matters.

REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

- Budgeted Item Original Estimate/Budget: \$
- Non-budgeted Item Current Estimate: \$
- Not Applicable Amount Under/Over Budget: \$

STAFF RECOMMENDATION

March 7, 2019

Honorable Susan Jagers
Mayor of Wimberley
City of Wimberley, Texas
221 Stillwater
Wimberley, Texas 78676

Norton Rose Fulbright US LLP
98 San Jacinto Boulevard, Suite 1100
Austin, Texas 78701-4255
United States

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nortonrosefulbright.com

Re: City of Wimberley, Texas Exchange Refunding Bonds, Series 2019 (TWDB Project No. 73653)

Dear Mayor Jagers:

This letter confirms that Norton Rose Fulbright US LLP will represent the City of Wimberley, Texas (the "City") in connection with the issuance of the City of Wimberley, Texas Exchange Refunding Bonds, Series 2019 (the "Bonds") related to Texas Water Development Board (the "TWDB") Project No. 73653 (collectively, the "Matter"). The scope of our representation will cover the Matter and associated services necessary or incidental thereto (including the issuance of any opinions of counsel requested by the TWDB). Our acceptance of that representation (the "Representation") becomes effective upon the execution and return of the enclosed copy of this letter.

Terms of Engagement

This letter sets out the terms of our engagement in the Representation. Certain of those terms are included in the body of this letter, and additional terms are contained in the attached document, entitled *Additional Terms of Engagement*. That document is expressly incorporated into this letter, and it should be read carefully. The execution and return of the enclosed copy of this letter constitutes an unqualified agreement to all the terms set forth in this letter and in the attached *Additional Terms of Engagement*.

It is understood and agreed that our engagement is limited to the Representation. We are not being retained as general counsel, and our acceptance of this engagement does not imply any undertaking to provide legal services other than those set forth in this letter.

Our Personnel Who Will Be Working on the Matter

Stephanie Leibe and Matt Lee will be working on the Matter, and the City staff and personnel may call, write, or e-mail Stephanie Leibe or Matt Lee whenever any such party has any questions about the Representation. Other firm personnel, including firm lawyers and paralegals, will participate in the Representation if, in our judgment, their participation is necessary or appropriate.

Our Legal Fees and Other Charges

As an accommodation to the City, we have agreed to \$20,000 as our Firm's fees related to the Matter, plus expenses of \$1,500 and Texas Attorney General review fees (approximately \$5,255).

In addition to our fees for rendering professional services, our statement will include other charges for expenses and services incurred incident to the performance of our legal services, such as photocopying, delivery charges, travel expenses, overtime for secretaries and other nonlegal staff, Texas Attorney General filing fee (if applicable) that we will pay on behalf of the City, specialized computer applications such as computerized legal research and filing fees. A copy of our current recharge schedule, which is subject to change from time to time, is attached hereto as Exhibit A.

Conflicts of Interest

Before accepting the Representation, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our firm from representing the City in the Matter. Based on the information available to us, we are not aware of any potential disqualification. We reviewed that issue in accordance with the rules of professional responsibility adopted in Texas. We believe that those rules, rather than the rules of any other jurisdiction, are applicable to the Representation; and the execution and return of the enclosed copy of this letter by the City represents an express agreement to the applicability of those rules.

Conclusion

This letter and the attached *Additional Terms of Engagement* constitute the entire terms of the engagement of Norton Rose Fulbright US LLP in the Representation. These written terms of engagement are not subject to any oral agreements or understandings, and they can be modified only by further written agreement signed both by the City and Norton Rose Fulbright US LLP. Unless expressly stated in these terms of engagement, no obligation or undertaking shall be implied on the part of either the City or Norton Rose Fulbright US LLP.

Please carefully review this letter and the attached *Additional Terms of Engagement*. If there are any questions about these terms of engagement, or if these terms are inaccurate in any way, please let me know immediately. If both documents are acceptable, please sign and return the enclosed copy of this letter so that we may commence the Representation.

Honorable Susan Jagers
March 7, 2019
Page 3

We are pleased to have the opportunity to be of service to the City with respect to this Matter. If you need any further information from us concerning this Matter, please do not hesitate to contact me.

Very truly yours,

Stephanie Leibe

SVL/vkq
Enclosures

cc: Mr. W. Jeffrey Kuhn (Firm)
Mr. Clay Binford (Firm)
Mr. Matt Lee (Firm)

The City of Wimberley, Texas Agrees to and Accepts this letter and the Attached Terms of Engagement:

City of Wimberley, Texas

By: _____
Susan Jagers, Mayor

Date: _____

NORTON ROSE FULBRIGHT US LLP

Additional Terms of Engagement

This is a supplement to our engagement letter, dated March 7, 2019. The purpose of this document is to set out additional terms of our agreement to provide the representation described in our engagement letter (the "Representation") concerning bond counsel services (the "Matter"). Because these additional terms of engagement are a part of our agreement to provide legal services, the staff of the City of Wimberley, Texas (the "City") should review them carefully and should promptly communicate to us any questions concerning this document. We suggest that the City retain this statement of additional terms along with our engagement letter and any related documents.

The Scope of the Representation

As lawyers, we undertake to provide representation and advice on the legal matters for which we are engaged. It is important for our clients to have a clear understanding of the legal services that we have agreed to provide. Thus, if there are any questions about the scope of the Representation that we are to provide in the Matter, please raise those questions promptly, so that we may resolve them at the outset of the Representation.

Any expressions on our part concerning the outcome of the Representation, or any other legal matters, are based on our professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by our knowledge of the facts and are based on our views of the state of the law at the time they are expressed.

Upon accepting this engagement on the City's behalf, Norton Rose Fulbright US LLP agrees to do the following: (1) provide legal counsel in accordance with these terms of engagement and the related engagement letter, and in reliance upon information and guidance provided by the City; and (2) keep the City reasonably informed about the status and progress of the Representation.

To enable us to provide effective representation, the City agrees to do the following: (1) disclose to us, fully and accurately and on a timely basis, all facts and documents that are or might be material or that we may request, (2) keep us apprised on a timely basis of all developments relating to the Representation that are or might be material, (3) attend meetings, conferences, and other proceedings when it is reasonable to do so, and (4) otherwise cooperate fully with us.

Our firm has been engaged to provide legal services in connection with the Representation in the Matter, as specifically defined in our engagement letter. After completion of the Representation, changes may occur in the applicable laws or regulations that could affect the City's future rights and liabilities in regard to the Matter. Unless we are actually engaged after the completion of the Representation to provide additional advice on such issues, the firm has no continuing obligation to give advice with respect to any future legal developments that may pertain to the Matter.

It is our policy and the City's agreement that the person or entity that we represent is the one identified in our engagement letter, and that our attorney-client relationship does not include any related persons or entities. For example, if a corporation, partnership, or other organization is identified as our client in our engagement letter referenced above, we do not represent any related parent companies, subsidiaries, affiliates, employees, officers, directors, shareholders, partners, members, commonly owned corporations or partnerships, or other such persons, entities, or affiliates, whether becoming such by virtue of merger, dissolution, acquisition, or any other means.

Accordingly, it is understood that we may represent another client with interests adverse to any such affiliated or related person or entity without first obtaining consent from the City.

It is agreed that the attorney-client relationship terminates upon our completion of the services for which we have been retained in the Representation.

Who Will Provide the Legal Services

As our engagement letter confirms, Norton Rose Fulbright US LLP will represent the City in the Matter. Norton Rose Fulbright US LLP is a registered limited liability partnership under Chapter 152 of the Texas Business Organizations Code.

Although our firm will be providing legal services, each client of the firm customarily has a relationship principally with one attorney, or perhaps a few attorneys. At the same time, however, the work required in the Representation, or parts of it, may be performed by other firm personnel, including lawyers and paralegals. Such delegation may be for the purpose of involving other firm personnel with experience in a given area or for the purpose of providing services on an efficient and timely basis.

Our Relationships With Others

Our law firm represents many companies and individuals. In some instances, the applicable rules of professional conduct may limit our ability to represent clients with conflicting or potentially conflicting interests. Those rules of conduct often allow us to exercise our independent judgment in determining whether our relationship with one client prevents us from representing another. In other situations, we may be permitted to represent a client only if the other clients consent to that representation.

Rules concerning conflicts of interest vary with the jurisdiction. In order to avoid any uncertainty, it is our policy that the governing rules will be those applicable to the particular office of our firm that prepares the engagement letter for a particular matter. The acceptance by the City of our engagement letter constitutes an express agreement with that policy, unless the engagement letter specifically states that some other rules of professional responsibility will govern our attorney-client relationship.

You agree that we may represent current or future clients (including any parties adverse to you in this matter) in any matters that are not substantially related to this matter, even if the interests of such clients in the other matters are directly adverse to you. We agree however that your consent does not permit us to represent another client in a matter if we have obtained non-public proprietary or other confidential information from you that could be used by the other client to your material disadvantage in that matter.

From time to time, our firm may concurrently represent one client in a particular case or matter and, at the same time, our firm may be asked to represent an adversary of that same client in an unrelated case or matter. We would consider doing so only if it is our professional judgment that the firm could undertake the concurrent representation impartially and without any adverse effect on the responsibilities that the firm has to either client.

With respect to any such issues that may relate to the Representation, we agree to exercise our professional judgment in accordance with the governing rules pertaining to conflicts of interest. At the same time, it is agreed that the City will consent to our representation of other clients in such circumstances if the request for consent is reasonable.

In addition to our representation of other companies and individuals, we also regularly represent lawyers and law firms. As a result, opposing counsel in the Matter may be a lawyer or law firm that we may represent now or in the future. Likewise, opposing counsel in the Matter may represent our firm now or in the future. Further, we have professional and personal relationships with many other attorneys, often because of our participation in bar associations and other professional organizations. It is our professional judgment that such relationships with other attorneys do not adversely affect our ability to represent any client. The acceptance of these terms of engagement represents an unqualified consent to any such relationships between our firm and other lawyers or law firms, even counsel who is representing a party that is adverse to the City in the Matter that is the subject of this engagement or in some other matter.

Communications and Confidentiality

We have available Internet communication procedures that allow our attorneys to use e-mail for client communications in many instances. Accordingly, unless the City specifically directs us otherwise, we may use unencrypted e-mail sent on the Internet to communicate with the City and personnel and to send documents we have prepared or reviewed.

We recognize our obligation to preserve the confidentiality of attorney-client communications as well as client confidences, as required by the governing rules of professional responsibility. If the Matter involves transactions, litigation or administrative proceedings or like proceedings in which we appear as counsel of record for the City in publicly available records, we reserve the right to inform others of the fact of our representation of the City in the Matter and (if likewise reflected of record in publicly available records) the results obtained, unless the City specifically directs otherwise.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc, each of which is a separate legal entity, are members in Norton Rose Fulbright Verein, a Swiss verein that does not itself provide legal services. Although the members in Norton Rose Fulbright remain separate legal entities, we operate as a single legal practice. We share with other members non-privileged information about our practice and clients for research, practice management, training, administrative and other business purposes. Confidentiality agreements are in place among all members. If you have any concerns about this sharing of non-privileged information that relates to you, please promptly notify us so that we can address your concerns.

Disclaimer

Norton Rose Fulbright US LLP has made no promises or guarantees to the City about the outcome of the Representation or the Matter, and nothing in these terms of engagement shall be construed as such a promise or guarantee.

Termination

At any time, the City may, with or without cause, terminate the Representation by notifying us of the City's intention to do so.

We are subject to the codes or rules of professional responsibility for the jurisdictions in which we practice. There are several types of conduct or circumstances that could result in our withdrawing from representing a client, including, for example, the following: non-payment of fees or charges; misrepresentation or failure to disclose material facts; fraudulent or criminal conduct; action contrary to our advice; and conflict of interest with another client. The right of Norton Rose Fulbright US LLP to withdraw in such circumstances is in addition to any rights created by statute

or recognized by the governing rules of professional conduct. Further, a failure by the City to meet any obligations under these terms of engagement shall entitle us to terminate the Representation. We try to identify in advance and discuss with our clients any situation that may lead to our withdrawal.

Termination of the Representation will not affect the City's obligation to pay for legal services rendered and expenses and charges incurred before termination, as well as additional services and charges incurred in connection with an orderly transition of the Matter. Further, in the event of termination of the Representation, the City will take all steps necessary to release Norton Rose Fulbright US LLP of any further obligations in the Representation or the Matter, including without limitation the execution of any documents necessary to effectuate our withdrawal from the Representation or the Matter.

Billing Arrangements and Terms of Payment

Our engagement letter specifically explains our fees for services in the Matter. We will bill on a regular basis, normally each month, for fees and expenses and charges. It is agreed that the City will make full payment within 30 days of receiving our statement. We will give notice if an account becomes delinquent, and it is further agreed that any delinquent account must be paid upon the giving of such notice. If the delinquency continues and the City does not arrange satisfactory payment terms, we may withdraw from the Representation and pursue collection of our account.

Notwithstanding the foregoing, billing for the expenses covered by Exhibit A of this letter will be billed at the conclusion of the transaction (as evidenced by delivery of the Debt) and, unless agreed to otherwise between us and the City, will be paid at closing from the proceeds of such Debt.

Document Retention

At the close of any matter, we send our files in that matter to a storage facility for storage at our expense. The attorney closing the file determines how long we will maintain the files in storage. After that time, we will destroy the documents in the stored files.

At the conclusion of the Representation, we return to the client any documents that are specifically requested to be returned. As to any documents so returned, we may elect to keep a copy of the documents in our stored files.

Charges for Other Expenses and Services

Typically, our invoices will include amounts, not only for legal services rendered, but also for other expenses and services. Examples include charges for photocopying, travel and conference expenses, messenger deliveries, Texas Attorney General filing fee, UCC filing, TEFRA notices, telephone conferences, and computerized research. In addition, we reserve the right to send to the City for direct payment any invoices delivered to us by others, including experts and any vendors.

In situations where we can readily determine the exact amount of expenses for products and services provided by third parties to be charged to the City's account, our invoices will reflect the cost to us of the products and services. In many situations, however, the precise total cost of providing a product or service is difficult to establish, in which case we will use our professional judgment on the charges to be made for such product or service, which charges may vary from or exceed our direct cost of such product or service. In some situations, we can arrange for ancillary services to be provided by third parties with direct billing to the client. Attached is a copy

of our current recharge schedule for expenses and services, which is subject to change from time to time.

Standards of Professionalism and Attorney Complaint Information

Pursuant to rules promulgated by the Texas Supreme Court and the State Bar of Texas, we are to advise our clients of the contents of the Texas Lawyer's Creed, a copy of which is attached. In addition, we are to advise clients that the State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled *Attorney Complaint Information* is available at all of our Texas offices and is likewise available upon request. A client that has any questions about State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 toll free.

THE TEXAS LAWYER'S CREED — A MANDATE FOR PROFESSIONALISM

The Texas Supreme Court and the Texas Court of Criminal Appeals adopted this Creed, with the requirement that lawyers advise their clients of its contents when undertaking representation.

I am a lawyer; I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason than it is right.

I. OUR LEGAL SYSTEM. A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism. I am passionately proud of my profession. Therefore, "My word is my bond." I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life. I commit myself to an adequate and effective pro bono program. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed. I will always be conscious of my duty to the judicial system.

II. LAWYER TO CLIENT. A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest. I will advise my client of the contents of this Creed when undertaking representation. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice. I will advise my client that civility and courtesy are expected and are not a sign of weakness. I will advise my client of proper and expected behavior. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party. I will advise my client that we will not pursue tactics which are intended primarily for delay. I will advise my client that we will not pursue any course of action which is without merit. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

III. LAWYER TO LAWYER. A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct, attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct. I will be courteous, civil, and prompt in oral and written communications. I will not quarrel over matters of form or style, but I will concentrate on matters of substance. I will identify for other counsel or parties all changes I have made in documents submitted for review. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable.

when hearings, depositions, meetings, conferences or closings are canceled. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me. I will not, without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel, parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement. I will readily stipulate to undisputed facts in order to avoid needless costs or inconvenience for any party. I will refrain from excessive and abusive discovery. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

IV. LAWYER AND JUDGE. Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol. I will conduct myself in court in a professional manner and demonstrate my respect for the Court and the law. I will treat counsel, opposing parties, the Court, and members of the Court staff with courtesy and civility. I will be punctual. I will not engage in any conduct which offends the dignity and decorum of proceedings. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage. I will respect the rulings of the Court. I will give the issues in controversy deliberate, impartial and studied analysis and consideration. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.

EXHIBIT A

**NORTON ROSE FULBRIGHT US LLP
(San Antonio)**

Expenses and Services Summary

| EXPENSE/SERVICE | CHARGE |
|--|--|
| Binding | N/A (Pricing varies in other office locations) |
| Deliveries | |
| Overnight/Express | Direct Cost |
| Outside Courier | Direct Cost |
| In-House | N/A |
| Courthouse Messengers | (Pricing varies in other office locations) \$40.00/Hour plus Transportation (Pricing varies in other office locations) |
| Document Scanning | \$.12 per page – Direct Cost |
| Duplicating | |
| Photocopy | \$0.15 per page |
| Color photocopy | \$0.85 per page |
| Microfilm/Microfiche | \$0.50 per page |
| Videography (duplication) | \$5.00/tape plus \$20.00/duplication |
| Electronic Mail (via Internet) | No Charge |
| Weekend & Late Evening Air Conditioning | N/A (Pricing varies in other office locations) |
| Postage | Direct Cost on any item or group of items which cost \$1.00 or more |
| Facsimile (Outgoing) | No Charge |
| Telephone | |
| Long Distance (Domestic) | No Charge |
| Long Distance (International) | No Charge |
| File Storage Retrieval | N/A (Pricing varies in other office locations) |
| Firm hosting of on-site document review performed by outside contract attorneys | \$10.00 per hour |



AGENDA ITEM: Wimberley Wastewater System & TWDB
SUBMITTED BY: Gary Barchfeld
DATE SUBMITTED: February 28, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Discuss and Consider aspects of the Wimberley Wastewater System and Texas Water Development Board.

REQUESTED ACTION

Motion
Discussion
Ordinance
Resolution
Other

FINANCIAL

Budgeted Item Original Estimate/Budget: \$
Non-budgeted Item Current Estimate: \$
Not Applicable Amount Under/Over Budget: \$

STAFF RECOMMENDATION

Laura Calcote

From: Place3
Sent: Monday, March 4, 2019 10:32 AM
To: Shawn Cox
Cc: Laura Calcote
Subject: Fwd: Request for Public Hearing Documents and Environmental Information for City of Wimberley, Change of Scope, TWDB No. 73653

Can we place this under 8J of this week's agenda packet I'd appreciate it.

Sent from my iPhone

Begin forwarded message:

Good afternoon,

Below is an outline of the missing or incomplete items related to the public hearing and environmental review that must still be submitted.

Please note that a favorable environmental finding is required PRIOR to the approval of the City of Wimberley's (City) proposed change order and release of funds for design and construction related to those project elements. Any related construction conducted PRIOR to the environmental finding or approval of the change order could result in those project elements or the entire change order being deemed ineligible. Also, please keep in mind, these are separate processes from any action taken by the Board of the TWDB.

All responses must be provided to the TWDB by the City of Wimberley, or its consultants. Please provide a complete response, including any information the City may want to provide from other sources. For example, notes that indicate that TWDB should seek input from Aqua Texas are considered non-responsive. The City must provide its own responses on its behalf and may provide any supporting documentation, such as correspondence with Aqua Texas, regarding these items.

Public Hearing Documents

- 1) Based on a review of the January 8, 2019, public hearing transcript, written comments, and the City's public hearing responsiveness summaries, dated February 19, 2019 and February 22, 2019, please provide responses to or expand upon the following public comments:
 - a. Address concerns, as stated in the transcript and written comments, that modifications were made to the public review package during the 30-day review period and that documents were omitted from the review package or not made available prior to the meeting. One example is comments made regarding the cost comparisons of the alternatives and the evaluation of financial impact included in the Power Point presentation shown during the hearing. In addressing this, please provide a copy of all documents that the City placed on display for public review prior to the hearing. Identify dates when documents were made available, identify whether any supplemental documents were added to this package, and provide the dates added (if any).
 - b. Address public concerns, as stated in the transcript and written testimony, regarding: 1) adequate time not being provided for public comment at the hearing,

- 2) justification for the order in which speakers were called, and 3) public requests for a second hearing.
- c. Address public concern regarding the loss of the Economic Development Administration Grant, the Way Family Foundation grant, and the TWDB green principal forgiveness under the Aqua Texas plan. This should include a discussion of project costs and sufficiency of funds.
- d. Expand on the potential environmental impacts related to the proposed horizontal directional drilling versus also including a secondary containment alternative (sleeve) as it relates to the quality of associated groundwater, nearby faulting, and surface water.
- e. Address public concerns regarding the potential for a stranded project due to the City cancelling the WWTP contract prior to a TWDB board action regarding the proposed change of scope.
- 2) Provide copies of the letters sent by the City to the regulatory agencies prior to the January 8, 2019, public hearing.
- 3) Provide a statement, signed by the City of Wimberley, that the public hearing was held in conformance with the Public Hearing Notice.

Environmental Information Needed

- 4) Please provide a KMZ file showing the proposed alignments and creek crossing.
- 5) Please submit the requests for coordination letters that were sent by the City to the Texas Parks and Wildlife Department and Texas Historical Commission.
- 6) Provide the coordination response to the City from the Texas Historical Commission.
- 7) Provide an alternatives analysis and discussion of the proposed Aqua Texas plan and other alternatives considered, including the No-Action Alternative. This should also include a discussion of how the alternatives relate to potential direct, secondary, and cumulative impacts on the existing environment. This is needed to satisfy a portion of the environmental review and address public comments and should clearly demonstrate why the City has selected to move forward with a previously rejected alternative.

This alternatives analysis should also include a cost comparison and comparison of estimated wastewater rates, including stating what assumptions were used for this comparison (e.g. annual operating costs of the wastewater treatment, total project costs, etc.) Please include any other relevant financial information used to compare the total cost of the alternatives. In addition, to address public comments, identify where and when this information was available for public review prior to the public hearing.

- 8) Provide a mitigation plan for the City's wastewater treatment plant (WWTP) construction site. This plan should identify the source of funds and provide a schedule. Clearly state how the City is handling the site in the meantime, particularly as it relates to erosion and sedimentation controls at the WWTP construction site. The plan should also address the City's 2014 response to TPWD's comments in which the City stated it would utilize a native grass and wildflower seed mixture adapted to the Texas Hill Country for surface restoration of areas impacted by construction (including the WWTP construction site).
- 9) Coordinate with the Texas Commission on Environmental Quality Regional Office (512-339-2929) regarding temporary erosion and sedimentation control requirements for exempted activities (sanitary sewer lines) and mitigation at the City WWTP construction site. See 30 TAC 213.24 (11) (c). Provide copies of that coordination to the TWDB.
- 10) TWDB will coordinate with EPA's Sole Source Aquifer Program for the proposed project.

Regards,

Kristin M. Miller, P.G.
Environmental Reviewer
Regional Water Project Development
Water Supply & Infrastructure
1700 N. Congress Avenue
Austin, Texas 78701
512.475.1701
kristin.miller@twdb.texas.gov





AGENDA ITEM: Board of Adjustment Expired Term
SUBMITTED BY: Gary Barchfeld
DATE SUBMITTED: February 28, 2019
MEETING DATE: March 7, 2019

AGENDA FORM

ITEM DESCRIPTION/SUMMARY

Discuss and Consider Board of Adjustment Expired Term of Consensus Member to the Board as per notification by staff member Sandra Floyd.

REQUESTED ACTION

- Motion
- Discussion
- Ordinance
- Resolution
- Other

FINANCIAL

- Budgeted Item Original Estimate/Budget: \$
- Non-budgeted Item Current Estimate: \$
- Not Applicable Amount Under/Over Budget: \$

STAFF RECOMMENDATION