Town of Westlake

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

Town Council/Board of Trustees

Agenda - Final

Tuesday, July 15, 2025 **3:30 PM** **Council Chamber**

The Town Council of the Town of Westlake serves as the governing board for Westlake Academy. This agenda may contain both municipal and Westlake Academy items, which will be clearly identified. In an effort of transparency, this meeting will be viewable to the public via Live Stream and also available for viewing after the meeting. In an effort of meeting efficiency, any residents wishing to speak on action items must submit a speaker request form to the Town Secretary prior to the start of the meeting.

Pursuant to Texas Government Code Section 551.127, one or more members of the Town Council may participate in this meeting by videoconference call. A quorum of the Town Council and the presiding officer will be present at the physical location of the meeting.

NOTE: As authorized by Section 551.071 of the Texas Government Code, Town Council may enter into closed Executive Session for the purpose of seeking confidential legal advice from the Town/School Attorney on any agenda item listed herein.

A. CALL REGULAR MEETING TO ORDER AND ANNOUNCE A QUORUM PRESENT

B. INVOCATION AND PLEDGES OF ALLEGIANCE

C. CITIZEN/PARENT COMMENTS

This is an opportunity for citizens to address the Town Council/Board of Trustees on any matter, whether or not it is posted on the agenda. Any residents wishing to speak on action items must submit a speaker request form to the Town Secretary prior to the start of the meeting. Individual citizen comments are normally limited to three (3) minutes The presiding officer may ask the citizen to hold their comment on an agenda item if the item is posted as a Public Hearing. The Town Council/Board of Trustees cannot by law take action nor have any discussion or deliberations on any presentation made at this time concerning an item not listed on the agenda. The Town Council/Board of Trustees will receive the information, ask staff to review the matter, or an item may be noticed on a future agenda for deliberation or action.

D. ITEMS OF COMMUNITY INTEREST

D.1. 25-192 Items of Community Interest (Communications Director Jon Sasser)

E. PRESENTATION

E.1. 25-171 Receive Metroport Chamber of Commerce Annual Update Presentation (Sally A. Aldridge, IOM, President & CEO)

F. WORK SESSION

F.1. 25-195 Town of Westlake FY 25-26 Budget Work Session (Cayce Lay Lamas, Finance Director)

G. CONSENT AGENDA

All items listed below are considered routine by the Town Council and/or Board of Trustees and will be enacted with one motion. There will be no separate discussion of items unless a Council/Board Member or citizen so requests, in which event the item will be removed from the general order of business and considered in its normal sequence.

G.1. 25-170 Approve the June 17, 2025 Town Council/Board of Trustees Regular Meeting Minutes (Town Secretary Dianna Buchanan)

G.2. RES 25-24 Discuss, consider and act to approve Resolution 25-24 authorizing the expenditure of funds for a three-year agreement with Esri Small Municipal and County Government Enterprise for the total amount of $61,800.00 and declaring an effective date

G.3. WA Res 25-19 Consider and act to approve WA Resolution 25-19 authorizing the Head of School to enter into a contract with the Education Service Center (ESC) Region 11 for various business and student support services for the operation of Westlake Academy.

G.4. ORD-1023 Discuss, consider and act regarding Ordinance 1023 amending Chapter 94 titled “Utilities”, to establish Article VI. entitled “Industrial Wastewater” adopting and establishing uniform requirements for users of the Publicly Owned Treatment Works for the Town of Westlake and enabling the Town of Westlake to comply with all applicable State and Federal laws, including the Clean Water Act (33 United States Code § 1251 et seq.) and the General Pretreatment Regulations (40 Code of Federal Regulations Part 403). (Cheryl Taylor, P.E., Director of Public Works).

G.5. RES 25-22 Discuss, Consider and Act regarding Resolution 25-22 Endorsing the Implementation of a Continuing Pretreatment Program as Required by 40 CFR 403 for the Denton Creek Regional Wastewater System (Cheryl Taylor, P.E., Director of Public Works)

G.6. RES 25-23 Discuss, consider and act regarding Resolution 25-23 to adopt an Enforcement Response Plan (ERP) as part of the Town of Westlake Approved Pretreatment Program for the publicly owned treatment works to comply with and as required by the United States Environmental Protection Agency in Title 40 of the Code of Federal

Regulations (CFR) §403.8(f)(5) (Cheryl Taylor, P.E., Director of Public Works)

H. PUBLIC HEARING AND ASSOCIATED ACTION ITEM

H.1. ORD-1026 Hold a Public Hearing and Discuss, Consider and Act Regarding Ordinance 1026 to Adopt Land Use Assumptions and Capital Improvement Plans for the Potential Implementation of Impact Fees for Water, Wastewater, and Roadway Impact Fee Program (Cheryl Taylor, P.E., Director of Public Works)

I. REGULAR AGENDA ITEMS

I.1. ORD-1027 Discuss and take action to adopt Ordinance 1027 Authorizing the Issuance of up to $9,540,000 Town of Westlake, Combination Tax and Revenue Certificates of Obligation, Series 2025, to fund water projects, including pump stations and a water tower, and the Sam & Margaret Lee Arts & Science Center; Levying an Annual Ad Valorem Tax and Providing for the Security for and Payment of said Certificates of Obligation; Approving an Official Statement; and Enacting other Provisions relating to the Subject (Cayce Lay Lamas, Finance Director)

I.2. WA RES 25-16 Consider and act to approve WA Resolution 25-16 approving the Westlake Academy Amended Operating Budget for Fiscal Year Ending June 30, 2025 (Cayce Lay Lamas, Finance Director)

I.3. RES 25-25 Discuss, consider and act to approve Resolution 25-25 calling for and setting a public hearing to discuss and receive public testimony on the adoption of an ordinance imposing roadway, water and wastewater impact fees in the Town of Westlake, Texas; and providing an effective date (Cheryl Taylor, P.E., Director of Public Works).

I.4. RES 25-26 Discuss, consider and act regarding Resolution 25-26 to approve an economic incentive agreement with Pluralsight as recommended by the Westlake Development Corporation, Inc (EDC 4B).

I.5. RES 25-27 Discuss, consider and act regarding Resolution 25-27 to award the bid for audit services and authorize the Director of Finance to execute the engagement letters under the terms (Cayce Lay Lamas, Director of Finance)

I.6. 25-199 Discuss and act to schedule any special meeting(s) as needed.

J. EXECUTIVE SESSION

The Town Council/Board of Trustees will conduct a closed session pursuant to Section 551.071 (2) of the Texas Government Code, for the purpose of seeking confidential legal advice from the Town Attorney/Westlake Academy Attorney for the following:

J.1. 25-191 Section 551.087: Deliberation Regarding Economic Development Negotiations - to deliberate the offer of a financial or other incentive to business prospects:
a. Project 2025-06

J.2. 25-200 Section 551.072: Deliberation regarding the Purchase, Exchange, Lease or Value of Real Property:
a) 48 and 52 Girona and 34 Cortez, Westlake Entrada

K. TAKE ANY ACTION, IF NEEDED, FROM EXECUTIVE SESSION ITEMS

L. FUTURE AGENDA ITEMS

M. STAFF RECAP OF COUNCIL DIRECTION

N. ADJOURNMENT

I certify that the above notice was posted on the bulletin board at Town of Westlake, Town Hall, located at 1500 Solana Blvd., Building 7, Suite 7100, Westlake, TX 76262, in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

Dianna Buchanan

_____
Town Secretary

Disabilities Notice: If you plan to attend the meeting and have a disability that requires special needs, please contact the Town Secretary's Office 48 hours in advance at Ph. 817-490-5711 and reasonable accommodations will be made to assist you.

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: 25-192 **Agenda Date:** 7/15/2025 **Agenda #:** D.1.

TOWN STAFF REPORT RECOMMENDATIONS

Items of Community Interest (Communications Director Jon Sasser)

STAFF: Communications Director Jon Sasser

BACKGROUND:
Pursuant to Texas Government Code Section 551.0415 the Town Council (and or designee) may report on the following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming Town Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

NOTABLE ITEMS AND UPCOMING EVENTS:

No Planning & Zoning Meeting in August, next meeting is September 2nd

Westlake Academy 1st Day of School
Thursday. August 14, 2025

Town Council Meeting
Tuesday, August 19, 2025; 4 pm
1500 Solana Blvd, Westlake

Town Hall/Municipal Court Closed
In Observance of Labor Day
Monday. September 1, 2025

Additional Notes:

- **4th of July flags:** More than 40 volunteers, 2400 flags
- **Flooding:** Ways to help the flood victims of Central Texas

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: 25-171 **Agenda Date:** 7/15/2025 **Agenda #:** E.1.

TOWN STAFF REPORT RECOMMENDATIONS

Receive Metroport Chamber of Commerce Annual Update Presentation (Sally A. Aldridge, IOM, President & CEO)

STAFF: Sally A. Aldridge, IOM, President & CEO, Metroport Chamber of Commerce

State of the Chamber

July 8, 2025

THE TOWN OF WESTLAKE

METROPORT CHAMBER

Connecting the Alliance Region Since 1988

METROPORT CHAMBER

We are YOUR Business Community!

Connecting the Alliance Region Since 1988

Non-profit Organization

We are a 501(c)6 non-profit organization.

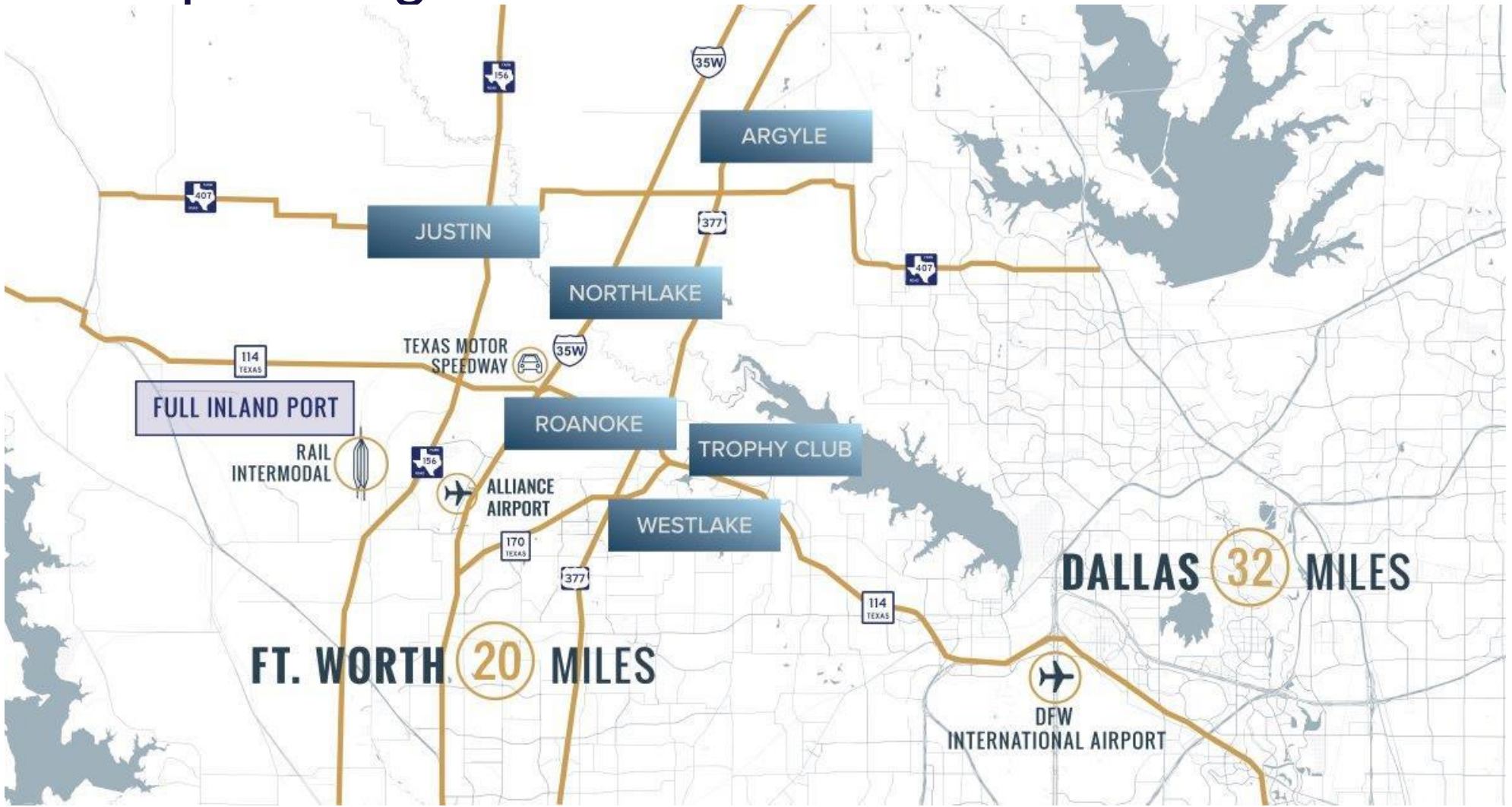
MISSION – Create, promote and enhance opportunity and growth for the business community

VISION – To positively impact leadership, stewardship and business relationships through collaboration of all communities in our Metroport region

VALUE – Through leadership and integrity we promote unity and excellence

Chamber Facts

The Metroport Region



METROPORT CHAMBER

Chamber Facts

- Fortune 500 / Global 500
- Mid-sized companies
- Small businesses, start-ups, entrepreneurs
- Non-profit

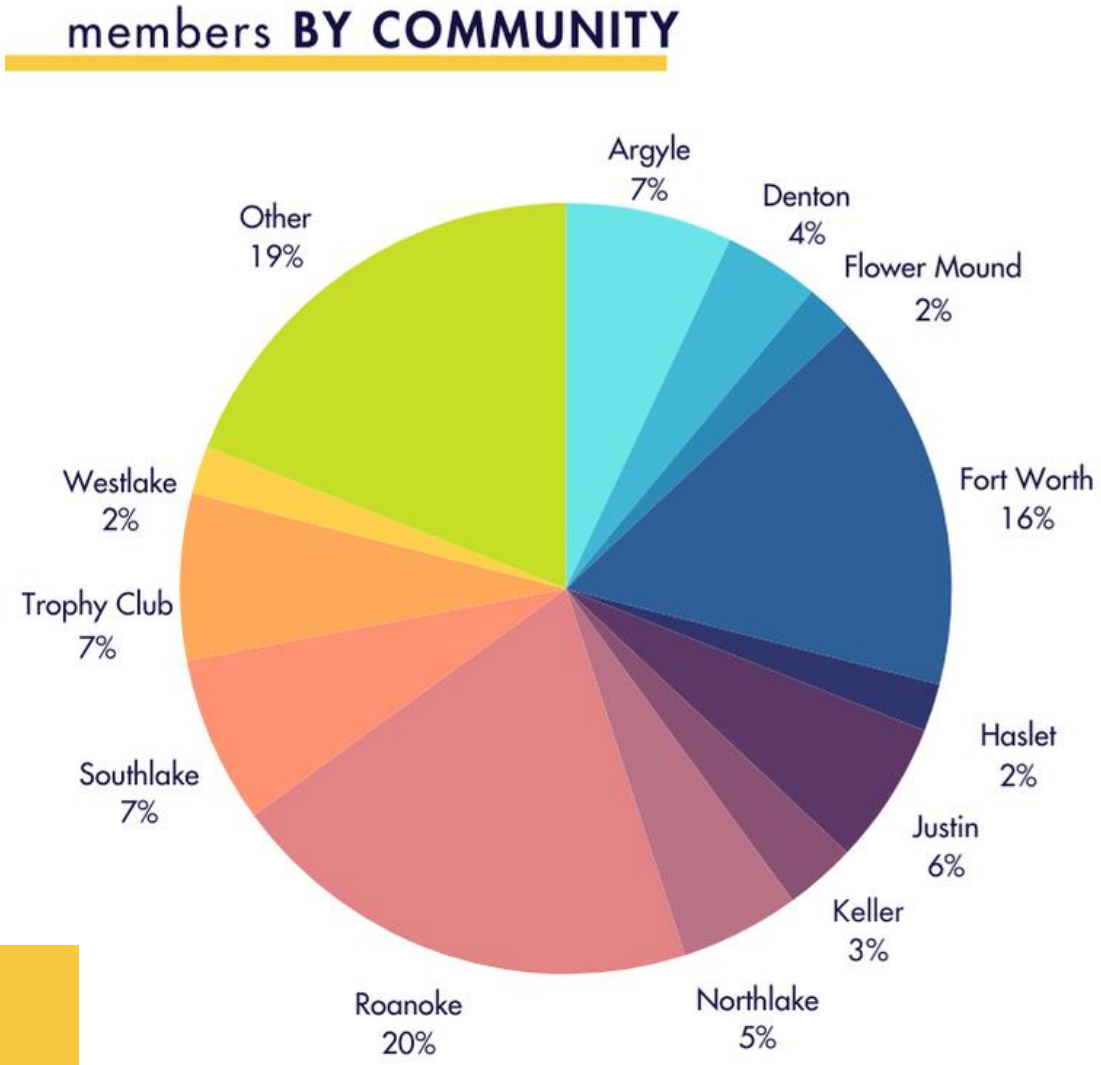


Chamber Facts

Members by Community

Regional Chamber:

Made up of local businesses **in our communities** & those **wanting to do business** in our communities



The chamber is comprised of members from 49 different communities.

METROPORT CHAMBER

We Connect YOU to the Region!

METROPORT CHAMBER

NETWORKING

PROMOTION

EDUCATION

ADVOCACY

Programs | Networking

- Ambassadors – Currently 52 Ambassadors
- **MORNING:** Business Builder Networking Coffees (FREE Admission)
- **NOON:** Networking@Noon (FREE Admission)
- **AFTER HOURS:** Metroport Mixers (FREE Admission)
- Membership Luncheons
- Ribbon Cuttings
- Annual International Group Trip
- Signature Events:
  - Alliance Development Forum / Golf Classic
  - Lone Star Legislative Report / The Taste

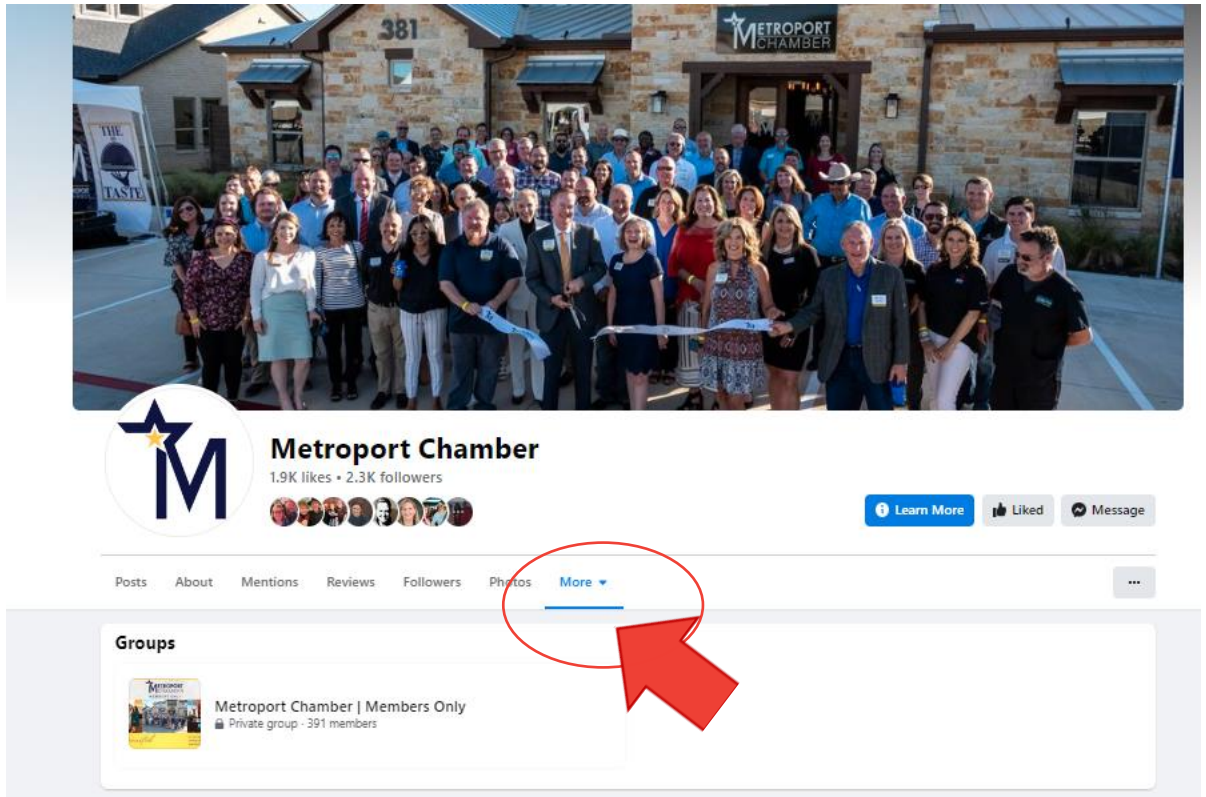




METROPORT CHAMBER

Programs | Digital Networking

- Chamber Facebook Group: 583 Members
- Metroport Chamber Facebook Followers: 3,145
- Digital connections lead to in-person conversations



Join Here

Programs | Education

- **Advanced Leadership**: Regional Advantage Leadership Program
- **Personal & Professional Development:** Women In Business
- **Small Biz Training:** B.E.T. on Your Future! Business | Education | Training







Programs | Promotion

- Ribbon Cuttings
- Online Directory
- Market Tables Member Luncheons
- Marketplace Ads
- Facebook Group Posts
- Exhibit Tables at Signature Events
- Hot Deals | Member to Member Deals
- Sponsorships
- Publications





METROPORT CHAMBER

Programs | Advocacy

- State of the Communities Address
- Lone Star Legislative Report
- Regional Advantage Leadership Class
- Denton & Tarrant County Days









ED Initiatives

- Strategic Plan
- ED meetings with communities
- Business & Residential Relocation Guide
- Website – *MetroportChamber.org*
- Regional Video
- Regional Comprehensive Plan



METROPORT CHAMBER

Chamber Office Building



Use of Building Member-Only Benefit

Our Location!
381 W. Byron Nelson Blvd., Roanoke
Co-Working and Lease Offices Available

Member-only Metroport Commons

Monday – Thursday | 9 AM – 5 PM





METROPORT CHAMBER

Member Meeting Space Rental

A/V equipment included

Small: $25 / hour or $100 / full day

Medium: $50 / hour or $200 / full day

Boardroom: $250 / half day or $500 / full day







12 Lease Offices





- Approx. 170-sf office suites
- 1- or 2-person capacity, fully furnished
- 24-hour key card access; lockable secure offices
- In-office thermostat control
- 1 U.S. mailbox per suite on request
- Professional address
- Utilities & janitorial service included
- Use of small & medium meeting rooms included by reservation
- Membership included for tenants
- Access to all building amenities
- Contact Chamber office for lease pricing

METROPORT CHAMBER

Member Partners

COMMUNITY PARTNERS

Argyle Texas
Justin 1887
Northlake Texas
Roanoke
Trophy Club
The Town of Westlake

CHAIRMAN'S CIRCLE

All American Lawn Sprinklers Inc.
charles SCHWAB
Fort Worth-TX Dollar General Regional Hq
Fidelity Investments
JDM Janitorial
Murphy
North Central Texas College
Selph Marketing
Texas Health Harris Methodist Hospital Alliance
Texas Motor Speedway
Wabtec Corporation

PRESIDENT'S CIRCLE

FireTron Integrated Technology
Hillwood A Perot Company
iOffice Your Office...Delivered!
JA Design Solutions
Jefferson Northlake
Kelly Hart Attorneys at Law
Live Young Wellness Spa Argyle
McAdams
Medical City Alliance
Meta
Northwest Independent School District
NTX Print Solutions
Oncor
On-Site PC Services
Precision
Pro-Tow Wrecker Service
RA Architects
TexOp Construction, LP
Tri-County Electric Co-Op Inc.
Valley Hope Addiction Treatment and Recovery
Wade Trim

2024 Event Partners

PLATINUM

charles SCHWAB

FASTSIGNS Make Your Statement ALLIANCE

Fidelity INVESTMENTS

HILLWOOD A PEROT COMPANY

Ladera LADERA LIVING 55+ COMMUNITIES

TexOp CONSTRUCTION, LP

SILVER

- American National Bank & Trust
- First State Bank
- Legend Bank
- Medical City Alliance
- Precision Productions
- Texas Health Southlake

GOLD

BKV

CoServ

TRI-COUNTY ELECTRIC

BRONZE

- Baylor Scott & White Grapevine
- City of Justin
- City of Roanoke
- Comfort Suites Roanoke
- Diamond Financial, LLC
- Dollar General
- Frost Bank
- McAdams Co.
- RGA Architects, Inc.
- Smalley Consulting
- Texas Health Alliance
- Texas Regional Bank
- Town of Argyle
- Town of Northlake
- Town of Trophy Club
- Town of Westlake

Special Thanks:
Mike Lewis Photography – and – North Texas Print Solutions

METROPORT CHAMBER

What's Happening

LOOK FOR US HERE:

- Weekly Member Newsletter | Event E-blasts
  - MetroportInfo@MetroportChamber.org
  - MetroportEvents@MetroportChamber.org



- Facebook.com/MetroportChamber
- Facebook Group
- Linkedin.com/company/metroport-chamber
- MemberPlus App
- MetroportChamber.org

Chamber Connect

MetroportChamber.org

Stay Connected!

Members Only FB Group

Calendar

Directory

Join

Chamber Connect

Stay Connected!

Contact Us

MetroportChamber.org

817.837.1000

MetroportInfo@MetroportChamber.org

The Chamber & Westlake

MEMBERSHIP LUNCHEON









Regional ADVANTAGE
The Leadership Program of the Metroport Chamber







ADF ALLIANCE DEVELOPMENT FORUM

BUSINESS BUILDER

METROPORT CHAMBER

The Chamber & Westlake
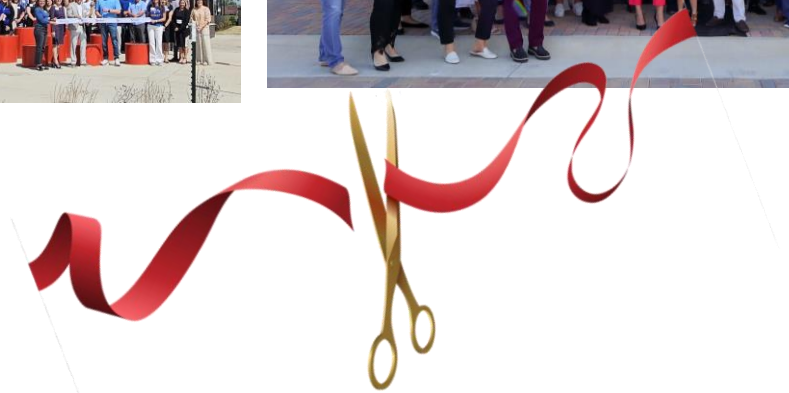












Sally Aldridge
President/CEO
817-837-1000 ext 106
Sally@MetroportChamber.org

METROPORT CHAMBER
Connecting the Alliance Region Since 1988

Thank You!

File #: 25-195 **Agenda Date:** 7/15/2025 **Agenda #:** F.1.

TOWN STAFF REPORT RECOMMENDATIONS

Town of Westlake FY 25-26 Budget Work Session (Cayce Lay Lamas, Finance Director)

STAFF: Cayce Lay Lamas, Finance Director

BACKGROUND:

The Town of Westlake is required to adopt a budget annually before its fiscal year end on September 30. Additionally, the Town of Westlake levies an ad valorem tax on all real property to provide funds for the adopted budget; the tax rate must also be adopted prior to September 30.

The purpose of the work session is for staff to provide Council a preliminary picture of the Town's FY2026 budget and discuss potential impacts or changes relating to fund balance policy, capital improvements, service level adjustments, personnel costs, and the property tax rate.

DISCUSSION:

The draft budget for FY2026 anticipates total revenues of $33.9 million, which is an increase of 2% over the FY2025 adopted revenues. Draft expenditures total $28.5 million, which is a decrease of 4% from the FY2025 adopted expenditures. The draft budget reflects a potential total contribution to fund balance/retained earnings of $5.4 million and is exclusive of the capital improvement plan projects or service level adjustments which total $365,500 and $1,270,000 respectively. Totals reflect activity across all funds, broken down as follows:

FUND	REVENUES	EXPENDITURES	CONTRIBUTION (USE) OF FUND BALANCE
ALL FUNDS	**$33,953,768**	**$28,534,480**	**$5,419,288**
General Fund	16,484,175	13,307,075	3,117,100
4B Sales Tax/EDC	3,775,000	2,626,128	1,158,872
HOT/Visitors Assoc.	631,000	547,500	83,500
Public Imp. Dist.	0	5,000	(5,000)
Cemetery	57,800	40,100	17,700
Sales Tax Debt	1,943,728	1,943,728	0
Property Tax Debt	1,475,631	1,475,631	0
Town Capital	75,000	0	75,000
Academy Capital	75,000	0	75,000

Arts & Sciences*	50,000	0	0
Utility Fund*	8,066,500	7,279,384	787,116
Utility Debt	1,319,934	1,319,934	0

*The Arts & Sciences and Utility funds exclude expenditures reflecting the full amount of the 2025 certificates of obligation projects ($4 million and $5.5 million, respectively). The proceeds will be recorded as an offsetting revenue during FY2025 and those funds will effectively draw down fund balance/retained earnings while those projects are completed. They are listed on the Capital Improvement Plan (CIP).

Council will also discuss the potential capital improvement projects and service level adjustments for FY2026. Approval of these items would add $1,635,500 to the operating budget. The CIP, as presented, itemizes projects over the next five fiscal years and plans for a variety of funding sources. It is expected that the outer year costs are estimates for both the timing and cost of the projects. Approval of the CIP does not commit funds for future years; approval of an updated plan will occur annually. As part of the budget adoption, Council will only appropriate those projects with identified and available funding for FY2026.

Initial personnel costs included in the draft budget assume a 3.5% salary adjustment, 12% increase to insurance costs, 5.5% increase for pension costs, and changes to benefit pay, including longevity, step up, and certification pay, to ensure the Town's compensation package is in line with surrounding cities. These increases are partially offset by the reduction of one (1) FTE (paramedic), resulting in a 5% total increase to personnel costs.

FISCAL IMPACT:

The current draft budget totals $28.2 million in expenditures and a combined contribution to fund balance/retained earnings of $5.8 million.

ATTACHMENT(S):

FY2026 Draft Budget Summary

FY2026-2030 CIP Schedule

FY2026 Service Level Adjustments

Town of Westlake
Draft FY2026 Budget
as of 7/15/2025

	FY2026	FY2027	FY2028	FY2029	FY2030
General Fund					
Revenues	$16,484,175	$16,649,017	$16,815,507	$16,983,662	$17,153,499
Expenditures	$13,307,075	$13,573,217	$13,844,681	$14,121,575	$14,404,007
Contribution (Use)	$3,177,100	$3,075,800	$2,970,826	$2,862,087	$2,749,492
4B/Economic Dev. Corp.					
Revenues	$3,775,000	$3,812,750	$3,850,878	$3,889,387	$3,928,281
Expenditures	$2,616,128	$2,668,451	$2,721,820	$2,776,256	$2,831,781
Contribution (Use)	$1,158,872	$1,144,299	$1,129,058	$1,113,131	$1,096,500
HOT/Visitors Association					
Revenues	$631,000	$637,310	$643,683	$650,120	$656,621
Expenditures	$547,500	$558,450	$569,619	$581,011	$592,631
Contribution (Use)	$83,500	$78,860	$74,064	$69,109	$63,990
Public Improvement District					
Revenues	$0	$0	$0	$0	$0
Expenditures	$5,000	$5,000	$5,000	$5,000	$5,000
Contribution (Use)	-$5,000	-$5,000	-$5,000	-$5,000	-$5,000
Cemetery Fund					
Revenues	$57,800	$57,800	$57,800	$57,800	$57,800
Expenditures	$40,100	$40,100	$40,100	$40,100	$40,100
Contribution (Use)	$17,700	$17,700	$17,700	$17,700	$17,700
Sales Tax Debt					
Revenues	$1,943,728	$1,947,028	$1,932,201	$1,930,161	$1,879,081
Expenditures	$1,943,728	$1,947,028	$1,932,201	$1,930,161	$1,879,081
Contribution (Use)	$0	$0	$0	$0	$0
Property Tax Debt					
Revenues	$1,475,631	$1,477,977	$1,481,566	$1,560,262	$1,559,874
Expenditures	$1,475,631	$1,477,977	$1,481,566	$1,560,262	$1,559,874
Contribution (Use)	$0	$0	$0	$0	$0
Municipal Capital Improvements					
Revenues	$75,000	$75,000	$75,000	$75,000	$75,000
Expenditures	$0	$0	$0	$0	$0
Contribution (Use)	$75,000	$75,000	$75,000	$75,000	$75,000

Town of Westlake
Draft FY2026 Budget
as of 7/15/2025

	FY2026	FY2027	FY2028	FY2029	FY2030
Academy Capital Improvements					
Revenues	$75,000	$75,000	$75,000	$75,000	$75,000
Expenditures	$0	$0	$0	$0	$0
Contribution (Use)	$75,000	$75,000	$75,000	$75,000	$75,000
Arts & Sciences Capital Improvements					
Revenues	$50,000	$50,000	$50,000	$50,000	$50,000
Expenditures	$0	$0	$0	$0	$0
Contribution (Use)	$50,000	$50,000	$50,000	$50,000	$50,000
Utility Fund					
Revenues	$8,066,500	$8,147,165	$8,228,637	$8,310,923	$8,394,032
Expenditures	$7,279,384	$7,424,972	$7,573,471	$7,724,940	$7,879,439
Contribution (Use)	$787,116	$722,193	$655,166	$585,983	$514,593
Utility Debt					
Revenues	$1,319,934	$1,330,550	$1,325,189	$1,340,797	$1,338,637
Expenditures	$1,319,934	$1,330,550	$1,325,189	$1,340,797	$1,338,637
Contribution (Use)	$0	$0	$0	$0	$0
ALL FUNDS					
Revenues	$33,953,768	$34,259,597	$34,535,461	$34,923,112	$35,167,825
Expenditures	$28,534,480	$29,025,745	$29,493,647	$30,080,102	$30,530,550
Contribution (Use)	$5,419,288	$5,233,852	$5,041,814	$4,843,010	$4,637,275

Capital Improvement Program
FY2026

Project Type	2026 Budget	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031+	Total
Streets	$0	$400,000	$150,000	$800,000	$800,000	$2,680,000	**$4,830,000**
Facilities	$8,027,850	$59,850	$49,850	$124,850	$791,350	$5,049,850	**$14,103,600**
Parks/Trails	$0	$50,000	$75,000	$75,000	$50,000	$0	**$250,000**
Drainage	$0	$0	$300,000	$0	$0	$1,000,000	**$1,300,000**
Water	$5,595,800	$13,000,000	$15,150,000	$0	$300,000	$300,000	**$34,345,800**
Sewer	$0	$0	$0	$0	$90,000	$0	**$90,000**
Vehicles/Equipment	$5,500	$2,459,500	$76,500	$267,500	$8,000	$2,007,908	**$4,824,908**
Information Technology	$0	$0	$0	$0	$0	$0	**$0**
	$13,629,150	**$15,969,350**	**$15,801,350**	**$1,267,350**	**$2,039,350**	**$11,037,758**	**$59,744,308**

Expenditure Type	2026 Budget	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031+	Total
Capital	$13,295,800	$15,822,000	$15,625,000	$980,000	$1,881,500	$10,975,908	**$58,580,208**
O&M	$333,350	$147,350	$176,350	$287,350	$157,850	$61,850	**$1,164,100**
	$13,629,150	**$15,969,350**	**$15,801,350**	**$1,267,350**	**$2,039,350**	**$11,037,758**	**$59,744,308**

Funding Source	2026 Budget	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031+	Total
General Fund	$212,500	$109,500	$151,500	$342,500	$799,500	$7,487,000	**$9,102,500**
Academy Budget	$280,850	$59,850	$49,850	$124,850	$49,850	$49,850	**$615,100**
Utility Revenues	$360,000	$0	$150,000	$0	$390,000	$450,000	**$1,350,000**
General/Utilities	$0	$0	$0	$0	$0	$370,908	**$370,908**
Capital Funds/Donations	$540,000	$0	$0	$0	$0	$0	**$540,000**
COs/Donations	$7,000,000	$0	$0	$0	$0	$0	**$7,000,000**
Certificates of Obligation	$5,235,800	$15,800,000	$15,450,000	$800,000	$800,000	$2,680,000	**$40,765,800**
	$13,629,150	**$15,969,350**	**$15,801,350**	**$1,267,350**	**$2,039,350**	**$11,037,758**	**$59,744,308**

Expenditure Type	2026 Budget	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031+	Total
Academy	$8,027,850	$59,850	$49,850	$124,850	$791,350	$49,850	**$9,103,600**
Town	$5,601,300	$15,909,500	$15,751,500	$1,142,500	$1,248,000	$10,987,908	**$50,640,708**
	$13,629,150	**$15,969,350**	**$15,801,350**	**$1,267,350**	**$2,039,350**	**$11,037,758**	**$59,744,308**

Capital Improvement Program
FY2026
as of 7/15/2025

Classification	Project Type	Westlake	Description	2026 Budget	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031+	Total	Funding Source
Capital	Water	Town	Water Tower Engineering	750,000						750,000	Certificates of Obligation
Capital	Water	Town	Land Acquisition Water Tower	750,000						750,000	Certificates of Obligation
Capital	Water	Town	EST No. 2		10,000,000					10,000,000	Certificates of Obligation
Capital	Water	Town	Pump Station 2 Engineering		1,000,000					1,000,000	Certificates of Obligation
Capital	Water	Town	Land Acquisition Pump Station 2		2,000,000					2,000,000	Certificates of Obligation
Capital	Water	Town	Pump Station No.2			15,000,000				15,000,000	Certificates of Obligation
Capital	Water	Town	Pump Station Recommendations F&N	3,735,800						3,735,800	Certificates of Obligation
Capital	Water	Town	Pump Station Generator Install Package	300,000						300,000	Utility Revenues
Capital	Water	Town	PS - Refurbish pumps #2 and #3	60,000						60,000	Utility Revenues
Capital	Water	Town	Add PRVs to SCADA System - control remotely			150,000				150,000	Utility Revenues
Capital	Water	Town	Tank Painting					300,000	300,000	600,000	Utility Revenues
Capital	Sewer	Town	N-1 Rehab					80,000		80,000	Utility Revenues
Capital	Sewer	Town	N-1 ROW/Easement Acquisition					10,000		10,000	Utility Revenues
Capital	Streets	Town	Carlyle Court - panel replacement		350,000					350,000	Certificates of Obligation
O&M	Streets	Town	FM1938 Street Enhancement Replacement (Cross-walks)		50,000	50,000	50,000	50,000		200,000	Certificates of Obligation
Capital	Streets	Town	Dove Road Culvert/Street Improvement			100,000	750,000	750,000	1,500,000	3,100,000	Certificates of Obligation
Capital	Streets	Town	Sam School Road Widening at Southlake City Limit (Concrete/HMAC, curb and gutter)						180,000	180,000	Certificates of Obligation
Capital	Streets	Town	Roanoke Road Widenening at Roanoke City Limit						1,000,000	1,000,000	Certificates of Obligation
Capital	Drainage	Town	Solana Storm Drain Granada Connection (excludes inlets			300,000				300,000	Certificates of Obligation
Capital	Drainage	Town	Dove Road Culvert/Street Improvement						1,000,000	1,000,000	General Fund
Capital	Facilities	Town	PW Land Purchase for new facility						1,000,000	1,000,000	General Fund
Capital	Facilities	Town	PW Maintenance Building						4,000,000	4,000,000	General Fund
Capital	Parks/Trails	Town	South Davis Medians		50,000					50,000	General Fund
O&M	Parks/Trails	Town	Vaquero Greenspace Improvements (TOW taking over Davis Blvd. parkway maintenance)			50,000				50,000	General Fund
O&M	Parks/Trails	Town	Quail Hollow ROW Improvements			25,000	25,000			50,000	General Fund
O&M	Parks/Trails	Town	Quail Hollow Greenspace Improvements (TOW taking over Davis Blvd. parkway maintenance)				50,000			50,000	General Fund
O&M	Parks/Trails	Town	Granada Greenspace Improvements (TOW taking over Davis Blvd. parkway maintenance)					50,000		50,000	General Fund
Capital	Vehicles/Equipment	Town	Godwin dry pump for emergency lift station failures			75,000				75,000	General Fund
Capital	Vehicles/Equipment	Town	F-550 4x4 crew cab utility truck with crane, generator, air compressor				230,000			230,000	General Fund
Capital	Vehicles/Equipment	Town	Emergency Mobile Generator for Lift Stations						150,000	150,000	Utility Revenues
Capital	Vehicles/Equipment	Town	2020 Ford F-350 4X4, 100k+ miles						120,000	120,000	General/Utilities
Capital	Vehicles/Equipment	Town	2022 Ford F-350 4X4, 100k+ miles						123,600	123,600	General/Utilities
Capital	Vehicles/Equipment	Town	2022 Ford F-150 4X4, 100k+ miles						127,308	127,308	General/Utilities
Capital	Vehicles/Equipment	Town	Fire Attack (Brush Truck)						350,000	350,000	General Fund
Capital	Vehicles/Equipment	Town	Fire Engine						15,000	15,000	General Fund
Capital	Vehicles/Equipment	Town	Ambulance						600,000	600,000	General Fund
Capital	Vehicles/Equipment	Town	Deputy Chief F150						85,000	85,000	General Fund
Capital	Vehicles/Equipment	Town	Ladder Truck		2,400,000					2,400,000	Certificates of Obligation
Capital	Vehicles/Equipment	Town	Portable Radios/Mobile Radios						200,000	200,000	General Fund
Capital	Vehicles/Equipment	Town	Heart Monitor - 2022						95,000	95,000	General Fund
Capital	Vehicles/Equipment	Town	Stryker Cot - 2012		22,000					22,000	General Fund
Capital	Vehicles/Equipment	Town	Stryker Cot - 2019						25,000	25,000	General Fund
Capital	Vehicles/Equipment	Town	Lucas Device						30,000	30,000	General Fund
Capital	Vehicles/Equipment	Town	Extrication Tools - 2022						75,000	75,000	General Fund

Capital Improvement Program
FY2026
as of 7/15/2025

Classification	Project Type	Westlake	Description	2026 Budget	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031+	Total	Funding Source
O&M	Vehicles/Equipment	Town	Gear Extractors						12,000	12,000	General Fund
O&M	Vehicles/Equipment	Town	Washer and Dryer Machines x2				6,000			6,000	General Fund
O&M	Vehicles/Equipment	Town	Washer and Dryer Machines x1				3,000			3,000	General Fund
O&M	Vehicles/Equipment	Town	Air Compressor							0	General Fund
O&M	Vehicles/Equipment	Town	SCBA Fill Station and Compressor							0	General Fund
O&M	Vehicles/Equipment	Town	Thermal Imager (OIC)	5,500						5,500	General Fund
O&M	Vehicles/Equipment	Town	Mattresses x7				10,000			10,000	General Fund
O&M	Vehicles/Equipment	Town	Recliners x8				10,000			10,000	General Fund
O&M	Vehicles/Equipment	Town	Tread Mills x2				6,000			6,000	General Fund
O&M	Vehicles/Equipment	Town	Row Machines x2				2,500			2,500	General Fund
O&M	Vehicles/Equipment	Town	Computer Replacement Schedule - Toughbooks		27,500					27,500	General Fund
O&M	Vehicles/Equipment	Town	Mutli-gas monitor		10,000					10,000	General Fund
O&M	Vehicles/Equipment	Town	Sensit Monitor			1,500				1,500	General Fund
O&M	Vehicles/Equipment	Town	Ballistic Vest/Equipment (Ambulance and Admin)					8,000		8,000	General Fund
O&M	Vehicles/Equipment	Town	Self-Contained Breathing Apparatus (16)							0	General Fund
Capital	Facilities	Academy	Gym HVAC	160,000						160,000	General Fund
Capital	Facilities	Academy	MPH, Secondary, & FH HVACs					500,000		500,000	General Fund
Capital	Facilities	Academy	Arts & Sciences HVAC					241,500		241,500	General Fund
O&M	Facilities	Academy	Modulars Web Control (Hardware)	32,000						32,000	General Fund
O&M	Facilities	Academy	Update to Controllers (PYP 1 & 2, Gym)	19,000						19,000	Academy budget
O&M	Facilities	Academy	Web Control (Software/HVAC maintenance)	9,850	9,850	9,850	9,850	9,850	9,850	59,100	Academy budget
O&M	Facilities	Academy	Landscape (Project Proposal)	50,000						50,000	Academy budget
O&M	Facilities	Academy	Replacement of broken open/door sensors	5,000						5,000	Academy budget
O&M	Facilities	Academy	Building refreshes every year (paint, small updates 1-2/year)	40,000	40,000	40,000	40,000	40,000	40,000	240,000	Academy budget
O&M	Facilities	Academy	Powerwashing and replacing wood outside	50,000			50,000			100,000	Academy budget
O&M	Facilities	Academy	Concrete lifting	15,000			15,000			30,000	Academy budget
O&M	Facilities	Academy	New furniture for modulars	10,000	10,000					20,000	Academy budget
O&M	Facilities	Academy	Floor in the fieldhouse (boys' locker room)	20,000						20,000	Academy budget
O&M	Facilities	Academy	Parking lot painting	10,000			10,000			20,000	Academy budget
O&M	Facilities	Academy	Water pressure in the modulars	15,000						15,000	General Fund
O&M	Facilities	Academy	Upgrade lights (sensor lights)							0	TBD
O&M	Facilities	Academy	Perimeter fencing							0	Academy budget
Capital	Facilities	Academy	Expansion to the Arts and Science building	7,000,000						7,000,000	COs/Donations
Capital	Facilities	Academy	Completing a turf field and installing new bleachers	540,000						540,000	Capital Funds/Donations
O&M	Facilities	Academy	Replace 8 wood support beams for roof at the gym building	23,000						23,000	Academy budget
O&M	Facilities	Academy	Roof repairs	15,000						15,000	Academy budget
O&M	Facilities	Academy	PYP 1 Commons wood floors need sanding/refinishing	14,000						14,000	Academy budget

Town of Westlake
Budget 2025-2026
Service Level Adjustment Requests
as of 7/15/2025

Priority	Type	Category	Department	Title	Amount
1	Maintain Service Level	Capital Outlay	Fire	Replace Ambulance	400,000
2	Maintain Service Level	Capital Outlay	Fire	Replace LifePak	75,000
3	Maintain Service Level	Capital Outlay	Fire	Retrofit SCBA Fill Station	29,000
4	Maintain Service Level	Capital Outlay	Public Works	Meter Replacement Program	50,000
5	Expanded Service	Personnel	Public Works	PW/Parks Technician	78,000
6	Expanded Service	Capital Outlay	Planning	Building Inspector Vehicle	70,000
7	Maintain Service Level	Capital Outlay	Fire	Replace Tahoe	85,000
8	Expanded Service	Capital Outlay	Public Works	Mini Excavator	90,000
9	Maintain Service Level	Services	Public Works	Street & Trail Assessment	25,000
10	Maintain Service Level	Maintenance	Information Technology	Replace Network/UPS at TOW Facilities	50,000
11	Maintain Service Level	Maintenance	Information Technology	Replace Access Control & Cameras at TOW Facilities	143,000
12	Maintain Service Level	Maintenance	Public Works	Maint. Bldg. Improvements	15,000
13	Expanded Service	Services	Public Works	Parks Master Plan	100,000
14	Maintain Service Level	Maintenance	Parks	Remove Chemical Tank	10,000
15	Expanded Service	Capital Outlay	General	Pool Vehicle	50,000
				Total Service Level Adjustment Requests	**1,270,000**

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: 25-170 **Agenda Date:** 7/15/2025 **Agenda #:** G.1.

TOWN STAFF REPORT RECOMMENDATION

Approve the June 17, 2025 Town Council/Board of Trustees Regular Meeting Minutes (Town Secretary Dianna Buchanan)

STAFF: Dianna Buchanan, Town Secretary

BACKGROUND:

The June 17, 2025 Town Council/Board of Trustees Regular Meeting Minutes are attached for review and consideration of approval.

Once approved, all meeting minutes will be executed and uploaded to the Town of Westlake website for transparency and Laserfiche software for state retention compliance.

RECOMMENDATION:

Staff recommends approval of the minutes.

ATTACHMENT(S):

06.17.2025 TC/BOT Regular Meeting Minutes

TOWN COUNCIL ACTION/OPTIONS:

1. Motion to approve minutes, as presented.
2. Motion to approve the minutes with the following corrections/changes (please state corrections/changes in motion)
3. Motion to table
4. Motion to deny

Town of Westlake

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

Town Council/Board of Trustees

Meeting Minutes - Draft

Tuesday, June 17, 2025 **4:00 PM** **Council Chamber**

The Town Council of the Town of Westlake serves as the governing board for Westlake Academy. This agenda may contain both municipal and Westlake Academy items, which will be clearly identified. In an effort of transparency, this meeting will be viewable to the public via Live Stream and also available for viewing after the meeting. In an effort of meeting efficiency, any residents wishing to speak on action items must submit a speaker request form to the Town Secretary prior to the start of the meeting.

Pursuant to Texas Government Code Section 551.127, one or more members of the Town Council may participate in this meeting by videoconference call. A quorum of the Town Council and the presiding officer will be present at the physical location of the meeting.

NOTE: As authorized by Section 551.071 of the Texas Government Code, Town Council may enter into closed Executive Session for the purpose of seeking confidential legal advice from the Town/School Attorney on any agenda item listed herein.

A. CALL REGULAR MEETING TO ORDER AND ANNOUNCE A QUORUM PRESENT

Mayor Greaves called the meeting to order at 4:12 p.m. All of Town Council was present with Council Member Smith being present virtually.

PRESENT:
Mayor Kim Greaves
Mayor Pro Tem Tammy Reeves
Council Member Todd Gautier
Council Member Michael Yackira
Council Member T. J. Duane
Council Member Kevin Smith (virtually present)

STAFF PRESENT:
Town Manager Wade Carroll
Deputy Town Manager Jason Alexander
Town Secretary Dianna Buchanan
Finance Director Cayce Lay Lamas
Communications Director Jon Sasser
School Attorney Janet Bubert
Academy Finance Manager Marlene Rutledge
WA Communications Manager Joe Durdin
Head of School Dr. Kelly Ritchie
WA Dir Innovation & Dev. Michelle Briggs
IT Director Jason Power
Public Works Director Cheryl Taylor
Town Attorney Matthew Boyle
Human Resources Director Sandy Garza
Deputy Fire Chief Kelly Clements
Town Planner Christopher Pham

B. INVOCATION AND PLEDGES OF ALLEGIANCE

The invocation was given by Pastor Clayton Reed, Southlake Baptist Church, Southlake, Texas. Mayor Greaves led the Pledges of Allegiance.

C. CITIZEN/PARENT COMMENTS

There was no one to speak at this time.

D. ITEMS OF COMMUNITY INTEREST

D.1. 25-168 Items of Community Interest (Communications Director Jon Sasser)

Jon Sasser, Director of Communications provided an overview of items of community interest and upcoming events.including the Town Hall July 4th holiday closure and the opportunity to volunteer to help "plant flags" for the "Flag the Town" campaign.

E. PRESENTATIONS WITH DISCUSSION

E.1. WA 25-127 Westlake Academy Branding Update, Community Partner RSW (Dr. Kelly Ritchie, Head of School)

Dr. Kelly Ritchie, Head of School, Westlake Academy Communications Manager Joe Durdin and Mr. Douris, owner of RSW Creative, provided a presentation showcasing the updated branding for Westlake Academy. Mr. Douris volunteered his time and staff for this project and said the updated branding condenses and strengthens the Westlake Academy brand.

E.2. 25-167 Presentation regarding the results and recommendations of the Town of Westlake Water Master Plan study, including population and water demand projections, hydraulic modeling analyses, and the Capital Improvement Plan (Cheryl Taylor, P.E., Director of Public Works)

Public Works Director Cheryl Taylor, P.E. introduced Andrew Franko with Freese and Nichols to provide an overview of the Water Master Plan Process which includes conducting a condition assessment of the current water system and infrastructure, determining future needs using projections for population growth and new development, and analyzing the information to provide recommendations to achieve greater system reliability, provide consistent service levels and to recommend a comprehensive prioritized water system capital improvement plan.

F. CONSENT AGENDA

F.1. 25-138 Approve the May 20, 2025 Town Council/Board of Trustees Regular Meeting Minutes (Town Secretary Dianna Buchanan)

F.2. RES 25-18 Discuss, consider and act to approve Resolution 25-18 authorizing the purchase of a John Deere 325G Compact Track Loader from RDO Equipment Company through a Sourcewell Cooperative Purchasing Agreement in the amount of $88,358.67. (Cheryl Taylor, P.E., Director of Public Works).

F.3. 25-136 Approve Agreement for Collection of Taxes with the Tarrant County Tax Assessor Collector and Tarrant County for the assessment of and collection

services for ad valorem taxes levied by the Town of Westlake for tax years 2025, 2026, and 2027 (Cayce Lay Lamas, Finance Director)

F.5. **RES 25-21** Discuss, consider and act regarding Resolution 25-21 to repeal, replace and approve the Bylaws of the Westlake Development Corporation, Inc. (EDC 4B) and to resolve related matters. (Town Manager Wade Carroll)

F.4. **RES 25-19** Consider and act to approve Resolution 25-19 to Designate an Official to Calculate the Tax Rate (Finance Director Cayce Lay Lamas)

Motion by Council Member Yackira and Motion Second by Council Member Duane to approve the Consent Agenda. Mayor Greaves called for the vote. MOTION TO APPROVE THE CONSENT AGENDA APPROVED UNANIMOUSLY.

G. PUBLIC HEARINGS AND ASSOCIATED ACTION ITEMS

G.1. **25-148** Conduct Public Hearing to receive public input regarding the Westlake Academy FY 2025-2026 School Budget (Cayce Lay Lamas, Finance Director)

Finance Director Cayce Lay Lamas provided an overview of the proposed budget and answered questions. PUBLIC HEARING HELD. Mayor Greaves opened the public hearing at 5:02 p.m. and asked if there was anyone to speak regarding the item. There was no one to speak. Mayor Greaves closed the public hearing at 5:02:30 p.m. Action will be considered later in the meeting to approve the budget (item H.1.).

G.2. **ORD-1024** Hold public hearing, discuss, consider and act to recommend to the Town Council to adopt Ordinance 1024 amending Chapter 102, entitled “Zoning”, and establishing Article IX, entitled “TC, Town Center Form-Based Development District”, providing new regulations and rules for development within the Town of Westlake, Texas; providing a penalty; providing a cumulative clause; providing a severability clause; providing a savings clause; authorizing publication; and establishing an effective date (Jason Alexander, AICP, CEcD, Deputy Town Manager).

Deputy Town Manager Jason Alexander provided an overview of the proposed ordinance to establish "TC-Town Center Form-Based Development District". The purpose of the TC, Town Center Form-Based Development District is to provide predictable building regulations and building rules that support space in the Town of Westlake that is attractive; that is walkable; and that provides an appropriate mix of residential experiences, commercial experiences, and civic experiences. PUBLIC HEARING HELD. Mayor Greaves opened the public hearing at 5:25 p.m. There was no one to speak regarding the item. Mayor Greaves closed the public hearing at 5:25:30 p.m. Motion by Council Member Yackira and Motion Second by Council Member Gautier to adopt Ordinance 1024 as presented. Mayor Greaves called for the vote. MOTION APPROVED UNANIMOUSLY.

H. REGULAR AGENDA ITEMS

H.1. **WA RES 25-15** Consider and act to approve WA Resolution 25-15 adopting the Proposed Budget for Fiscal Year Ending June 30, 2026, including Committed and

Assigned Fund Balances (Cayce Lay Lamas, Finance Director)

Finance Director Cayce Lay Lamas was available to answer any questions for the item (public hearing held as item G.1. on the agenda). Dr. Ritchie addressed the Board regarding the budget. Council Member Yackira recommended that Dr. Ritchie present the WA budget next year. Mayor Greaves agreed with that recommendation and expressed his appreciation for all staff involved in preparing the budget.
Motion by Council Member Duane and Motion Second by Council Member Yackira to approve WA Resolution 25-15 adopting the proposed Westlake Academy Budget for Fiscal Year ending June 30, 2026. Mayor Greaves called for the vote. MOTION APPROVED UNANIMOUSLY.

H.2. **WA RES 25-17** Consider approving WA Resolution 25-17 adopting the Employee Compensation Plan for the 2025-2026 Fiscal Year; and take appropriate action (Sandy Garza, Human Resources Director)

Director of Human Resources Sandy Garza provided an overview of the proposed compensation plan and advised that there would be a future amendment after TEA direction is received for implementing increases approved by the Texas Legislature for teacher salary increases.
Motion by Council Member Yackira and Motion Second by Council Member Duane to approve WA Resolution 25-17 adopting the Employee Compensation Plan for the 2025-2026 Fiscal Year as presented. Mayor Greaves called for the vote. MOTION APPROVED UNANIMOUSLY.

H.3. **ORD-1025** Discuss, consider and act to adopt Ordinance 1025 approving architectural standards for the Solana Hills Residential Development; providing a penalty; providing a cumulative clause; providing a severability clause; providing a savings clause; authorizing publication; and establishing an effective date (Jason Alexander, AICP, CEcD, Deputy Town Manager).

Presentation by Deputy Town Manager Jason Alexander of the architectural standards for the Solana Hills Residential Development. Motion by Council Member Yackira and Motion Second by Mayor Pro Tem Reeves to adopt Ordinance 1025 a presented. Mayor Greaves called for the vote. MOTION APPROVED UNANIMOUSLY.

H.4. **WA RES 25-18** Consider approving WA Resolution 25-18 for Westlake Academy Building Property Casualty Insurance Products and Services to Box Insurance Agency for the period of July 1, 2025 to June 30, 2026; and take appropriate action.

Presentation by Human Resources Director Sandy Garza to provide an overview of the item. Motion by Council Member Duane and Motion Second by Council Member Yackira to approve WA Resolution 25-18 to award the contract for Westlake Academy Building Property Casualty Insurance Products and Services to Box Insurance Agency for July 1, 2025 thru June 30, 2026 as presented. Mayor Greaves called for the vote. MOTION APPROVED UNANIMOUSLY.

H.5. **RES 25-20** Discuss, consider and act regarding Resolution 25-20 to continue and expand the Town's partnership with OneDigital for employee benefits consulting, wellness strategies, analytics support, and administrative services (Sandy Garza, Director of Human Resources).

Presentation by Human Resources Director Sandy Garza provided an item

overview. Motion by Council Member Gautier and Motion Second by Mayor Pro Tem Reeves to approve Resolution 25-20 to contract with OneDigital for the Town's employee benefits and related services. Mayor Greaves called for the vote. MOTION APPROVED UNANIMOUSLY.

I. EXECUTIVE SESSION

Mayor Greaves called Items I.1. through I.5. and recessed the Regular Meeting to Executive Session at 5:56 p.m.

I.1. 25-161 Section 551.071(2): Consultation with Attorney: To receive legal advice from bond counsel regarding contemplated issuance of municipal bonds and related legal matters.

I.2. 25-152 Section 551.071: Consultation with and legal advice from Academy Attorney regarding Westlake Academy Affiliate Groups.

I.3. 25-154 Section 551.071: Consultation with and legal advice from the Town Attorney regarding pending litigation - Vertical Bridge v. Town of Westlake.

I.4. 25-158 Section 551.072: Deliberation regarding the Purchase, Exchange, Lease or Value of Real Property:
1) 48 and 52 Girona and 34 Cortez, Westlake Entrada and
2) Town Hall Lease.

I.5. 25-166 Section 551.074(1): Deliberation regarding Personnel Matters - to deliberate the appointment, employment, evaluation, reassignment, duties, of a public officer or employee:
Board and Commission Appointments and Reappointments

Mayor Greaves reconvened the Regular Meeting from Executive Session at 7:05 p.m. Council Member Smith did not return to the meeting. Town Attorney Matthew Boyle did not return to the meeting. Attorney Alex Crowley finishing the meeting as Town Attorney.

J. TAKE ANY ACTION, IF NEEDED, FROM EXECUTIVE SESSION ITEMS

There was no action as a result of Executive Session.

K. BOARDS AND COMMISSIONS

K.1. RES 25-17 Discuss, consider and act to approve Resolution 25-17 to appoint and reappoint applicants to serve as members on the Town of Westlake Planning and Zoning Commission and the Westlake Development Corporation, Inc.

Motion by Mayor Pro Tem Reeves and Motion Second by Council Member Yackira to approve Resolution 25-17 to make reappointments to the Planning and Zoning Commission for two year terms being June 2025 thru June 2027 as follows:
Terry Wilkinson Place 2, David Ricci Place 4 and Jennifer Konz-Alt Place 6; and
to make appointments to the Westlake Development Corporation Inc. Board of Directors for two-year terms being June 2025 thru June 2027 as follows:
Kim Greaves, Tammy Reeves, Todd Gautier, Jim Lentz, John Nestor, Mike Asselta, and Matt Rose.
Mayor Greaves called for the vote. MOTION APPROVED UNANIMOUSLY.
Council Member Smith was not present.

K.2. 25-137 Appoint Planning and Zoning Commission Chair and Vice-Chair

Mayor Greaves appointed Adam Coffey as Chair and Terry Wilkinson as Vice Chair of the Planning and Zoning Commission for June 2025 thru June 2026.

K.3. 25-159 Discuss, consider and act to make appointments to the Finance Subcommittee of Town Council

Motion by Mayor Pro Tem Reeves and Motion Second by Council Member Guatier to appoint Mayor Greaves, Council Member Duane and Council Member Yackira to the Finance Subcommittee. Mayor Greaves called for the vote. MOtTION APPROVED UNANIMOUSLY. Council Member Smith was not present.

L. FUTURE AGENDA ITEMS

Mayor Greaves directed staff to move forward on the public art project so a volunteer can be appointed to assist with the Entrada fountain project.

M. STAFF RECAP OF COUNCIL DIRECTION

Town Manager Wade Carroll recapped council direction to staff as follows:
1) to have the public art project on the next agenda;
2) to provide a signup for volunteers to assist with planting flags along Solana and Davis Boulevards and to include any equipment or routing needs;
3) request to have Dr. Ritchie to present the Westlake Academy budget next year; and
4) to send out the salary comparisons from the compensation presentation to the Westlake Academy staff.

N. ADJOURNMENT

Mayor Greaves adjourned the meeting at 7:09 p.m.

Kim Greaves, Mayor

ATTEST:

/s/ Dianna Buchanan
Town Secretary Dianna Buchanan

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: RES 25-24 **Agenda Date:** 7/15/2025 **Agenda #:** G.2.

TOWN STAFF REPORT RECOMMENDATIONS

Discuss, consider and act to approve Resolution 25-24 authorizing the expenditure of funds for a three-year agreement with Esri Small Municipal and County Government Enterprise for the total amount of $61,800.00 and declaring an effective date

STAFF: Christopher Pham, Town Planner

BACKGROUND:

The proposed expenditure reflects the Town of Westlake's ongoing commitment to provide accurate and timely information by producing maps and other visual documents. The Esri Small Municipal and County Government Enterprise Agreement (SGEA) is a three-year agreement that grants the Town of Westlake access to the Esri term license software --- GIS technology --- and allows various departments to effectively map and identify public infrastructure, utilities, parcels of land, and other elements and features to ensure that the Town of Westlake develops and grows in an orderly manner. This contract will be a continuation of an existing three-year agreement, that the Town of Westlake entered into in 2022, and allow current employees to continue providing valuable information to the public.

The previous three-year agreement equaled a total amount of $28,000.00 spread over a period of three years. The price structure of the agreement entered into in 2022 Enterprise Agreement (EA) was a ramping price schedule, designed to acclimate existing users to the new pricing for licensing and online services. The price included a limited time discount, reducing the overall cost of the previous contract. The price structure was as follows: $3,500.00 (in Fisal Year 2022-2023), $5,000.00 (in Fiscal Year 2023-2024), and $15,000.00 (in Fiscal Year 2024-2025).

The existing three-year agreement will expire on July 26, 2025, and the new EA is still reflective of pricing created specifically for smaller municipal and county governments.

DISCUSSION:

The funding for the use of the GIS technology through Esri Small Municipal and County Government Enterprise equals a total amount of $61,800.00 spread over a period of three years (i.e., $20,600.00 will be paid each fiscal year during the agreement) commencing in Fiscal Year 2024-2025. The agreement grants all current departments, employees, and in-house contractors of the Town eligibility to use the Esri software and services.

Additional services and products provided in the EA include access to Esri technical support, updates to all Esri products, and access to Esri User Conferences. The Fiscal Year 2022-2025 agreement pricing was designed to ramp in price and eventually plateau at the current price of $20,600.00. It should be noted that, although there is an increase in the price structure over the next three-year period, the price is the same for each year during the term of the agreement.

FISCAL IMPACT:

The source of funding, if approved, is the General Fund, with a fiscal impact of $61,800.00 spread evenly over a three-year period.

STAFF RECOMMENDATION:

Staff recommends approval of the agreement.

TOWN COUNCIL ACTION / OPTIONS:

1) Motion to approve;
2) Motion to approve with additional conditions (please state additional conditions in motion);
3) Motion to deny; OR
4) Motion to table (must table to a specific date).

ATTACHMENT(S):

1) Exhibit “A” - Resolution 25-24
2) Exhibit “B” - Enterprise Agreement Contract

TOWN OF WESTLAKE

RESOLUTION NO. 25-24

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS, AUTHORIZING THE EXPENDITURE OF FUNDS FOR A THREE-YEAR AGREEMENT WITH ESRI SMALL MUNICIPAL AND COUNTY GOVERNMENT ENTERPRISE FOR THE TOTAL AMOUNT OF $61,800.00; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Westlake, Texas (the "Town") recognizes the significant potential of Geographic Information Systems (GIS) technology to expand technical and operational areas within the various departments of the Town, including producing maps and other visual documents that are accurate and timely to create value, capture value, and drive value for its residents and businesses; and,

WHEREAS, the Town Council of the Town recognizes that the continued use of such GIS technology is of vast importance and necessity to the Town, and will allow the various departments to more effectively and efficiently map and identify the lots lines for parcels of land, the zoning of parcels of land, the location of public and private infrastructure, including roads and utilities, and other elements and features to ensure that the Town develops and grows in an orderly manner and has good records of where infrastructure is located; and,

WHEREAS, the Town Council finds that the passage of this Resolution is in the best interest of the citizens of Westlake.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: That all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: That the Town Council for the Town does hereby approve the expenditure of funds for the use of GIS technology through ESRI Small Municipal and County Government Enterprise to produce maps and other visual aids.

SECTION 3: That funding for use of the GIS technology through ESRI Small Municipal and County Government Enterprise for a total amount of $61,800.00 spread over a period of three years (i.e., an amount of $20,600.00 will be paid each fiscal year during the agreement), and will be paid for from the General Fund beginning in Fiscal Year 2024-2025.

SECTION 4: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 5: That this Resolution shall become immediately effective from and after its date of passage.

PASSED AND APPROVED ON THIS 15TH DAY OF JULY 2025.

_____
Kim Greaves, Mayor

ATTEST:

_____
Dianna Buchanan, Town Secretary

APPROVED AS TO FORM:

_____
Matthew C. G. Boyle, Town Attorney

June 25, 2025

Kiana Pennywell
Town Of Westlake
1500 Solana Blvd
Roanoke, TX 76262-1690

Dear Kiana,

The Esri Small Municipal and County Government Enterprise Agreement (SGEA) is a three-year agreement that will grant your organization access to Esri term license software. The EA will be effective on the date executed and will require a firm, three-year commitment.

Based on Esri's work with several organizations similar to yours, we know there is significant potential to apply Geographic Information System (GIS) technology in many operational and technical areas within your organization. For this reason, we believe that your organization will greatly benefit from an Enterprise Agreement (EA).

An EA will provide your organization with numerous benefits including:

- A lower cost per unit for licensed software
- Substantially reduced administrative and procurement expenses
- Complete flexibility to deploy software products when and where needed

The following business terms and conditions will apply:

- All current departments, employees, and in-house contractors of the organization will be eligible to use the software and services included in the EA.

- If your organization wishes to acquire and/or maintain any Esri software during the term of the agreement that is not included in the EA, it may do so separately at the Esri pricing that is generally available for your organization for software and maintenance.

- The organization will establish a single point of contact for orders and deliveries and will be responsible for redistribution to eligible users.

- The organization will establish a Tier 1 support center to field calls from internal users of Esri software. The organization may designate individuals as specified in the EA who may directly contact Esri for Tier 2 technical support.

- The organization will provide an annual report of installed Esri software to Esri.

- Esri software and updates that the organization is licensed to use will be automatically available for downloading.

- The fee and benefits offered in this EA proposal are contingent upon your acceptance of Esri’s Small Municipal and County Government EA terms and conditions.

- Licenses are valid for the term of the EA.

This program offer is valid for 90 days. To complete the agreement within this time frame, please contact me within the next seven days to work through any questions or concerns you may have.

To expedite your acceptance of this EA offer:

1. Sign and return the EA contract with a Purchase Order or issue a Purchase Order that references this EA Quotation and includes the following statement on the face of the Purchase Order:

   "THIS PURCHASE ORDER IS GOVERNED BY THE TERMS AND CONDITIONS OF THE ESRI SMALL MUNICIPAL AND COUNTY GOVERNMENT EA, AND ADDITIONAL TERMS AND CONDITIONS IN THIS PURCHASE ORDER WILL NOT APPLY."

   Have it signed by an authorized representative of the organization.

2. On the first page of the EA, identify the central point of contact/agreement administrator. The agreement administrator is the party that will be the contact for management of the software, administration issues, and general operations. Information should include name, title (if applicable), address, phone number, and e-mail address.

3. In the purchase order, identify the "Ship to" and "Bill to" information for your organization.

4. Send the purchase order and agreement to the address, email or fax noted below:

   Esri
   Attn: Customer Service SG-EA
   380 New York Street
   Redlands, CA 92373-8100

   e-mail: service@esri.com
   fax documents to: 909-307-3083

I appreciate the opportunity to present you with this proposal, and I believe it will bring great benefits to your organization.

Thank you very much for your consideration.

Best Regards,

Christopher Walters

Quotation # Q-538922

Date: June 25, 2025

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: (909) 793-2853
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 578643 **Contract #**

Town Of Westlake
Planning & Development
1500 Solana Blvd
Roanoke, TX 76262-1690

ATTENTION: Kiana Pennywell
PHONE: (817) 490-5745
EMAIL: kpennywell@westlaketx.gov

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 1/8/2025 To: 7/7/2025

Material	Qty	Term	Unit Price	Total
193253	1	Year 1	$20,600.00	$20,600.00
Population of 0 to 20,000 Small Local Government Cloud-Based Enterprise Agreement Annual Subscription				
193253	1	Year 2	$20,600.00	$20,600.00
Population of 0 to 20,000 Small Local Government Cloud-Based Enterprise Agreement Annual Subscription				
193253	1	Year 3	$20,600.00	$20,600.00
Population of 0 to 20,000 Small Local Government Cloud-Based Enterprise Agreement Annual Subscription				

Subtotal:	$61,800.00
Sales Tax:	$0.00
Estimated Shipping and Handling (2 Day Delivery):	$0.00
Contract Price Adjust:	$0.00
Total:	$61,800.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact:	Email:	Phone:
Christopher Walters	cwalters@esri.com	909-369-4449 x4449

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at https://go.esri.com/MAPS apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, Esri may invoice at least 30 days in advance of each anniversary date without the issuance or a Purchase Order, and Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at https://www.esri.com/en-us/legal/terms/state-supplemental apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

WALTERSC **This offer is limited to the terms and conditions incorporated and attached herein.**

Esri Use Only:
Cust. Name _____
Cust. # _____
PO # _____
Esri Agreement # _____

SMALL ENTERPRISE AGREEMENT
LOCAL GOVERNMENT CLOUD-BASED
(E214-7)

This Agreement is by and between the organization identified in the Quotation (**"Customer"**) and **Environmental Systems Research Institute, Inc.** (**"Esri"**).

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

Table A
List of Products

Uncapped Quantities (annual subscription)

ArcGIS Online User Types ArcGIS Online Viewer User Types	

Capped Quantities (annual subscription)

ArcGIS Online User Types		**ArcGIS Online Apps and Other**	
ArcGIS Online Contributor User Type	3	ArcGIS Online Service Credits	10,000
ArcGIS Online Mobile Worker User Type	15		
ArcGIS Online Creator User Type	15	**ArcGIS Online Apps and Other**	
ArcGIS Online Professional User Type	3	ArcGIS Location Sharing for ArcGIS Online	3
ArcGIS Online Professional Plus User Type	3		

Other Benefits

Number of Esri User Conference registrations provided annually	2
Number of Tier 1 Help Desk individuals authorized to call Distributor	2
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement	

Customer may accept this Agreement by signing and returning the whole Agreement with (i) the Quotation attached, (ii) a purchase order, or (iii) another document that matches the Quotation and references this Agreement ("**Ordering Document**"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S PURCHASE ORDER OR OTHER DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of an Ordering Document, unless otherwise agreed to by the parties ("**Effective Date**").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

_____
(Customer)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

CUSTOMER CONTACT INFORMATION

Contact: _____

Address: _____

City, State, Postal Code: _____

Country: _____

Quotation Number (if applicable): _____

Telephone: _____

Fax: _____

E-mail: _____

1.0—Additional Definitions

In addition to the definitions provided in the Master Agreement, the following definitions apply to this Agreement:

"Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Customer's organization(s).

"Fee" means the fee set forth in the Quotation.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Customer during the Term of Agreement.

"Master Agreement" means the applicable master agreement for Esri Products incorporated by this reference that is (i) found at https://www.esri.com/en-us/legal/terms/full-master-agreement and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed Esri master agreement or license agreement that supersedes such electronically acknowledged master agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Customer.

"Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Customer's point of contact(s) to provide all Tier 1 Support within Customer's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

2.0—Additional Grant of License

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the Term of Agreement (i) for the applicable Fee and (ii) in accordance with the Master Agreement.

2.2 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the Products exclusively for Customer's benefit. Customer will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Customer. Access to or use of Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor servers for the benefit of Customer.

3.0—Term, Termination, and Expiration

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Customer is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Customer an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses, all Maintenance, and Esri User Conference registrations terminate upon expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-

owned entities, either party may terminate this Agreement before any subsequent year if Customer is unable to secure funding through the legislative or governing body's approval process.

3.5 Follow-on Term. If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0—Product Updates

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Customer. Customer may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Customer via written notice for incorporation into the Products schedule at no additional charge. Customer's use of new or updated Products requires Customer to adhere to applicable additional or revised terms and conditions in the Master Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at https://support.esri.com/en/other-resources/product-life-cycle. Updates for Products in the mature and retired phases may not be available. Customer may continue to use Products already Deployed, but Customer will not be able to Deploy retired Products.

5.0—Maintenance

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at https://www.esri.com/en-us/legal/terms/maintenance). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other than the defined Products will receive Maintenance. Customer may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Customer will provide Tier 1 Support through the Tier 1 Help Desk to all Customer's authorized users.

2. The Tier 1 Help Desk will be fully trained in the Products.

3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.

4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Case.

5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer’s organization.

6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.

2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.

3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to

supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.

4. Tier 2 Support will attempt to resolve the Case submitted by Tier 1 Help Desk.

5. When the Case is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—Endorsement and Publicity

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Customer's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—Administrative Requirements

7.1 **OEM Licenses.** Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Customer will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Customer will not decouple Esri products or services from the OEM partners' application or service.

7.2 **Annual Report of Deployments.** At each anniversary date and ninety (90) calendar days prior to the expiration of this Agreement, Customer will provide Esri with a written report detailing all Deployments. Upon request, Customer will provide records sufficient to verify the accuracy of the annual report.

8.0—Ordering, Administrative Procedures, Delivery, and Deployment

8.1 **Orders, Delivery, and Deployment**

a. Upon the Effective Date, Esri will invoice Customer and provide Authorization Codes to activate the nondestructive copy protection program that enables Customer to download, operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee up to thirty (30) calendar days before the annual anniversary date for each year.

b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri reserves the right to suspend Customer's access to and use of Products if Customer fails to pay any undisputed amount owed on or before its due date. Esri may charge Customer interest at a monthly rate equal to the lesser of one percent (1.0%) per month or the maximum rate permitted by applicable law on any overdue fees plus all expenses of collection for any overdue balance that remains unpaid ten (10) days after Esri has notified Customer of the past-due balance.

c. Esri's federal ID number is 95-2775-732.

d. If requested, Esri will ship backup media to the ship-to address identified on the Ordering Document, FOB Destination, with shipping charges prepaid. Customer acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Customer will pay any such sales or use tax associated with the receipt of tangible media.

8.2 **Order Requirements.** Esri does not require Customer to issue a purchase order. Customer may submit a purchase order in accordance with its own process requirements, provided that if Customer issues a purchase order, Customer will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Customer will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each year.

a. All orders pertaining to this Agreement will be processed through Customer's centralized point of contact.

b. The following information will be included in each Ordering Document:

(1) Customer name; Esri customer number, if known; and bill-to and ship-to addresses
(2) Order number
(3) Applicable annual payment due

9.0—Mergers, Acquisitions, or Divestitures

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer with or into another corporation or entity; (ii) Customer's acquisition of another entity; or (iii) a transfer or sale of all or part of Customer's organization (subsections i, ii, and iii, collectively referred to as "**Ownership Change**"). There will be no decrease in Fee as a result of any Ownership Change.

9.1 If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.

9.2 If an Ownership Change results in transfer or sale of a portion of Customer's organization, that portion of Customer's organization will transfer the Products to Customer or uninstall, remove, and destroy all copies of the Products.

9.3 This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: WA Res 25-19 **Agenda Date:** 7/15/2025 **Agenda #:** G.3.

ACADEMY STAFF REPORT RECOMMENDATION

Consider and act to approve WA Resolution 25-19 authorizing the Head of School to enter into a contract with the Education Service Center (ESC) Region 11 for various business and student support services for the operation of Westlake Academy.

STAFF: Marlene Rutledge, Academic Finance Manager

BACKGROUND:

Westlake Academy partners with the Education Service Center (ESC) Region 11 to enhance its operational and instructional capacity through a range of services, which includes:

- **Human Resources Support**: Use of ESC Region 11's applicant tracking system, which streamlines recruitment and employment applications.
- **Professional Learning & Instructional Support**: Access to training opportunities for faculty and staff focused on legislative updates, best practices in instruction, compliance requirements, and the integration of digital resources, including the Canvas Learning Management System, through the Instructional Solutions & Support contract.
- **Library Services**: Membership in the Library Technology Resources Education Consortium, providing access to shared digital and physical library materials and support.
- **PEIMS Data Assistance**: Direct support with the submission of data to the Texas Education Agency's Public Education Information Management System (PEIMS), ensuring accuracy and compliance with state reporting requirements.

DISCUSSION:

ESC Region 11 provides Westlake Academy with access to a variety of services at a significantly reduced cost, made possible by its role as a regional consortium. These services are contracted on an à la carte basis, with each service governed by its own separate agreement, all of which are attached for reference.

Approval of this resolution authorizes Westlake Academy to utilize these services for a period of twelve (12) months, beginning September 1, 2025, and ending August 31, 2026, in alignment with ESC Region 11's fiscal year.

FISCAL IMPACT:

The annual cost of the contract for FY 2025-26 is $16,634, reflecting a reduction of $3,513 from the previous fiscal year. This decrease is attributed to the discontinuation of the Technology Services Contract and the Healthy Schools Alliance Nursing Services, which are no longer required by the Academy.

Funding for these services is included in Westlake Academy's FY 2025-26 annual operating budget, as adopted by the Board of Trustees on June 17, 2025.

STAFF RECOMMENDATION:

Staff Recommends approval of the resolution authorizing the Head of School to Execute a Contract with the Education Service Center Region 11 for various Business and Student Support Services for the operation of Westlake Academy.

ATTACHMENT(S):

WA Resolution 25-19

2025-26 ESC Region 11 Contract Summary

Master Interlocal Agreement & Summary

Comprehensive Services Basic Contract & Summary

Human Resources Systems Contract & Summary

Instructional Solutions & Support Contract & Summary

TREC Library & Resource Management Contract & Summary

TSDS (PEIMS) Contract & Summary

Cost Comparison of Proposed Services

BOARD OF TRUSTEES ACTION/OPTIONS:

1) Motion to approve WA Resolution 25-19 as presented.
2) Motion to amend with the following stipulations (please state stipulations in motion)
3) Motion to table
4) Motion to deny

WESTLAKE ACADEMY

RESOLUTION NO. 25-19

A RESOLUTION OF THE WESTLAKE ACADEMY BOARD OF TRUSTEES AUTHORIZING THE HEAD OF SCHOOL TO ENTER INTO A CONTRACT WITH THE EDUCATION SERVICE CENTER (ESC) REGION 11 FOR VARIOUS BUSINESS AND STUDENT SUPPORT SERVICES FOR THE OPERATION OF WESTLAKE ACADEMY.

WHEREAS, Westlake Academy has utilized the business and student services of the ESC Region 11, which provides learning opportunities related to legislative updates, instructional practices, and compliance training for faculty and staff; supports digital library resource management; and offers access to educational software and technology support services; and

WHEREAS, the additional personnel and operating costs required to provide comparable services internally would have a greater impact on the Academy's operating budget than utilizing the contracted services offered by ESC Region 11, and the quality of these services has consistently been exceptional; and

WHEREAS, these services have supported the Academy's mission to provide a rigorous and globally minded education through efficient and effective operations aligned with state educational requirements; and

WHEREAS, continued collaboration with ESC Region 11 is essential for maintaining compliance, supporting instructional excellence, and leveraging innovative educational resources; and

WHEREAS, the Board of Trustees finds that the passage of this Resolution is in the best interest of the citizens of Westlake as well as the students, their parents, and faculty of Westlake Academy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WESTLAKE ACADEMY, TEXAS:

SECTION 1: That all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: That the Board of Trustees of Westlake Academy does hereby approve the contract with the Education Service Center Region 11 for functions and services for Westlake Academy attached hereto as **Exhibit "A**"; and further authorizes the Mayor to execute this agreement.

SECTION 3: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Board hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 4: That this resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS 15th DAY OF JULY 2025.

ATTEST:

_____ _____

Diana Buchanan, Town Secretary Kim Greaves, Mayor

APPROVED AS TO FORM:

_____

L. Stanton Lowry or Janet S. Bubert,
School Attorney

EDUCATION SERVICE CENTER REGION 11
1451 S. Cherry Lane
White Settlement, TX 76108

WESTLAKE ACADEMY CHARTER SCHOOL Contract Summary Report

Last Year Enrollment: 877

Contract	Lock Date	Enroll Start	Enroll End	Total
Comprehensive Services Basic Contract	03/12/2025	09/01/2025	08/31/2026	$650.00
HR Systems	04/25/2025	09/01/2025	08/31/2026	$1,857.63
Instructional Solutions and Support	06/03/2025	09/01/2025	08/31/2026	$9,494.33
Technology Resources Education Consortium (TREC)	04/25/2025	09/01/2025	08/31/2026	$1,687.00
TSDS (PEIMS, TIMS, UID, Core Collections)	04/25/2025	09/01/2025	08/31/2026	$2,945.00
				$16,633.96

Each party paying for the performance of governmental functions or services must make those payments from current revenues available to the paying party.

_____ Signature of Board President or Designee

_____ Date Approved by Board of Trustees

_____ Signature of Superintendent or Designee

_____ Date

_____ Designated District Contact

_____ E-mail of District Contact

Please fax or e-mail to:
Education Service Center Region 11
Atten: Dr. Clyde W. Steelman, Jr.
1451 S. Cherry Lane
White Settlement, Texas 76108
Fax (817) 740-7675
clydes@esc11.net

For additional information, contact:
Dr. Clyde W. Steelman, Jr.
(817) 740-3630
clydes@esc11.net

_____ ESC Region 11 Executive Director Signature

Master Interlocal Agreement

(MIA) 2025-2026

This Master Interlocal Agreement ("Agreement") is made by and between Education Service Center Region 11 ("ESC Region 11") and WESTLAKE ACADEMY CHARTER SCHOOL ("Local Government"), (collectively referred to as the "Parties" or individually as the "Party") acting herein by and through their respectively authorized officers or employees.

PREMISES

WHEREAS, Chapter 791 of the Texas Government Code authorizes local governments to contract with each other to provide governmental functions and services; and

WHEREAS, The Parties wish to enter into this Agreement to provide local governments with greater efficiency and economy in purchasing products and services; and

WHEREAS, the governing bodies of the Parties, individually and together, do hereby adopt and find the foregoing promises as findings of said governing bodies; and

NOW THEREFORE, premises considered, and in consideration of and conditioned upon the mutual covenants and agreements, herein, the Parties hereto mutually agree as follows:

AGREEMENT

1. **Term:** This Agreement is effective from the date of the last signature and shall automatically renew annually unless either party gives sixty (60) days prior written notice of non-renewal.
2. **Purpose**: This Agreement shall: (1) Allow the Local Government to purchase products or services by purchase order, contract, agreement, or other appropriate legal method from ESC Region 11; and (2) Allow the Local Government to join ESC Region 11-sponsored purchasing cooperatives in order to purchase products or services from vendors which have been properly awarded contracts through statutorily authorized methods.
3. **Relationship**: The relationship between the Parties is that of Independent Contractor. Neither Party has the authority to bind the other in any manner. The Local Government may be required to enter into subsequent contractual arrangements with ESC Region 11 for specific products or services.
4. **Agreement and Interpretation**: The Parties covenant and agree that any litigation relating to this agreement, the terms, and conditions of the agreement will be interpreted according to the laws of the State of Texas and venue shall be exclusively in Tarrant County, Texas.
5. Each party paying for the performance of governmental functions or services must make those payments from current revenues available to the paying party.

Local Government

Westlake Academy Charter School 220-810

Name of Local Government

2600 JT Ottinger Rd Westlake TX 76262
Billing: 1500 Solana Blvd, Bldg 7, Ste 7200, Westlake TX 76262

Address of Local Government

Marlene Rutledge, Academic Finance Mgr (817) 490-5737

Contact Name and Telephone Number

Board President or Authorized Rep Signature /Date

Board Approval Date (if applicable)

ESC Region 11
1451 S. Cherry Lane
White Settlement, Texas 76108
Attn: Purchasing

Authorized ESC Representative Signature Date

Authorized ESC Representative Title

Note: Due to various factors, including the volume of participation from districts, contract negotiations for products and services being purchased and delivered within this contract, possible funding changes for districts or ESC Region 11, and other factors, this contract is offered in good faith but does not become binding until September 1, 2025, on either the district or ESC Region 11. If this contract pricing is based on enrollment, the previous year's PEIMS enrollment snapshot submission number from October will be used to determine pricing. This contract is contingent upon the continued availability of appropriations and is subject to cancellation by either party upon thirty (30) days written notice to the other party. Payment for valid fees or charges rendered by the ESC Region 11 prior to written notice of termination shall be due to ESC Region 11. Early acceptance of this contract is necessary so that ESC Region 11 can plan and prepare to deliver these services. An alternative contract may be offered if this contract cannot be delivered as stated.

Comprehensive Basic

School districts and charter schools that purchase the Comprehensive Services Basic Contract will receive services in the following areas:

Services Included

Technical Assistance

- Communication and dialogue with school district personnel on pertinent state and federal legislation
- Information dissemination of rules, regulations, standards, and other legislative and agency mandates
- Technical assistance regarding performance-based monitoring and accountability activities
- Telephone technical assistance
- Annual report of ESC Region 11 workshops attended by district staff

Meetings

- TASA Study Group meetings7
    - 7+ face-to-face meetings
    - TASA Midwinter Breakfast meeting
- Superintendents' Fall Conference
- Superintendent cluster meetings (quarterly)
- Technology Directors meetings
    - 4 face-to-face meetings
- Instructional Leaders meetings
    - 4 face-to-face meetings

Prerequisites

- This contract is a prerequisite for other ESC Region 11 contracts.

ESC Region 11 Contact

Executive Director

(817) -740-3630

Price List

School Type	Annual Cost
Public Districts	$650
Non-Public Schools	$800

EDUCATION SERVICE CENTER REGION 11
1451 S. Cherry Lane
White Settlement, TX 76108

WESTLAKE ACADEMY CHARTER SCHOOL Contract Summary for

Comprehensive Services Basic Contract v7

Enrollment Period: 09/01/2025 - 08/31/2026

Do you wish to sign up for the Comprehensive Services Basic Contract? If yes, please select your LEA's classification from the box on the right.

Answer	Price
Public (Independent) Public (Charter)	$650.00
	$650.00

Total:

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HR Systems

The Human Resources Department offers the following services and discounts to LEAs that sign the HR Systems Contract:

Application Systems through PowerSchool

- Specifically designed for K-12 schools
- Streamlines and simplifies the entire recruitment and Onboarding process
- Consortium Job Board with increased visibility for your job postings via SchoolSpring which automatically pushes job postings to other job search platforms, such as Indeed
- Includes an interactive map with your postings available nationwide
- Application tracking
- One application for all jobs
- Electronic Reference Surveys
- Ability to auto-schedule interviews
- Consortium applicant view and filtering capabilities to search within the application system for potential candidates

Employee Records Management through PowerSchool

- Accelerate Onboarding
- Maintain accurate employee records in a centralized system

SmartFind Express (Absence and Substitute Management) through PowerSchool

- Simplify requesting and scheduling substitutes
- Manage substitutes and see real-time staffing data

Management of Services

An LEA may select one or multiple services offered in this contract. All systems integrate with each other which provides an efficient and effective way to manage your HR processes. ESC Region 11 will provide user meetings (topics may include best practices, learning new features, training, etc.) and is a liaison between PowerSchool and LEAs.

ESC Region 11 Contact

Human Resources Department
(817) 740-3651

Price List

Application System

There is an annual subscription fee based on student enrollment. In addition, there is a one-time implementation fee for this module.

APPLICATION SYSTEM			
STUDENT COUNT		SUBSCRIPTION	TRAINING/IMPLEMENTATION FEE
LOW	HIGH		
1	500	$1,350.00	$1,200.00
501	1000	$1,688.75	$1,200.00
1001	2000	$2,251.25	$1,200.00
2001	2500	$2,645.00	$1,200.00
2501	3000	$3,207.50	$1,200.00
3001	5000	$3,657.50	$1,200.00
5001	7000	$4,446.25	$1,200.00
7001	10000	$5,132.50	$1,200.00
10001	15000	$5,672.50	$1,200.00
15001	20000	$6,381.25	$1,200.00
20001	25000	$7,091.25	$1,200.00
25001	30000	$10,636.25	$1,200.00
30001	35000	$13,295.00	$1,200.00
35001	40000	$14,772.50	$1,200.00
40001	45000	$17,726.25	$1,200.00
45001	50000	$20,681.25	$1,200.00
50001	55000	$23,812.50	$1,200.00
55001	60000	$25,348.75	$1,200.00

Administration Fee: In addition to the fees for services offered by PowerSchool, each district will pay an administrative fee of 10% of their total package price.

EDUCATION SERVICE CENTER REGION 11
1451 S. Cherry Lane
White Settlement, TX 76108

WESTLAKE ACADEMY CHARTER SCHOOL Contract Summary for

HR Systems v21

Enrollment Period: 09/01/2025 - 08/31/2026

	Answer	Price
The HR Services Contract offers three modules to support HR functions. Please select the options you desire from the choices below;		
Will this be your district's first year purchasing HR Services (PowerSchool) via ESC Region 11?	No	
Recruiting/Employment Application Applicant Tracking Enterprise		
Subscription: Do you wish to use the Applicant Tracking Enterprise for the Recruiting/Employment Application component of PowerSchool? If yes, please check the box to the right.	☑	$1,688.75
There is a one-time implementation fee for this module.		
Employee Records Management		
Subscription: Do you wish to use the Electronic Records Management component of PowerSchool? If so, please check the box to the right.		
There is a one-time implementation fee for this module. The basic implementation fee is basic training and Implementation of Employee Records. The integrated implementation fee is for those who want Employee Records integrated into the internal payroll/Human Resource information system.		
Absence/Substitute Management SmartFind Express		
Please complete the following section if you wish to implement the Absence/Substitute Management module.		
How many of your Full time Employees (FTE) are substitute eligible?		
How many of your Full time Employees (FTE) are NOT substitute eligible but will be using the Absence Management module?		

Subscription: The annual subscription fee is based on the number of substitute-eligible FTEs and non-substitute-eligible FTEs.

There is a one-time basic implementation fee for this module. The basic implementation fee covers basic training and implementation of employee records. The integrated implementation fee is for those who want Smart Find Express integrated into their internal payroll/human resource information system.

By clicking and signing, Customer agrees that it has reviewed and agrees to abide by all of the Customer obligations contained in the Licensed Product and Services Agreement located at https://www.powerschool.com/customer-contract-terms-and-conditions-us-6-2-17/, except that payment will be made to Region 11 and not to PowerSchool.	☑	
Administration Fee (10% of total):		$168.88
Adjustment		
Total:		**$1,857.63**

Contract Contact: Sandy Garza, HR Director (817) 490-5734), sgarza@westlaketx.gov
Marlene Rutledge, Academic Finance Mgr (817) 490-5737 mrutledge@westlaketx.gov

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Instructional Solutions and Support

The Instructional Solutions and Support Contract was designed to aid LEAs in budgeting and enrolling personnel for professional development opportunities at ESC Region 11. This comprehensive package encompasses all the outstanding Administrative Services, Instructional Services, and Digital Learning benefits while providing cost-saving advantages and value.

Services Included

- District staff can explore various training modes, including virtual, hybrid, and face-to-face learning opportunities.
- Districts streamline processes and save time and money by eliminating the need to handle multiple purchase orders for staff attending training events throughout the year; upfront event registrations are now possible.
- The district Business Office can plan and budget for professional development (PD) and digital resources for the entire year, reducing or eliminating significant cost fluctuations based on staff participation in professional learning sessions.
- District staff benefit from unlimited technical support across all instructional areas.
- Districts enjoy waived registration fees for most sessions.
- Products and services are available at special low bulk pricing, irrespective of district or charter size and based on current enrollment.
- Campus administrators gain easy access to professional development opportunities and can deploy them among teachers, leaders, and other staff.
- Annual Compliance Courses (and online training modules) are provided as part of the contract for additional significant cost savings.
- Additional products are accessible at no extra cost.

The Instructional Solutions and Support Contract presents a range of learning conferences and individual training sessions at the ESC Region 11 facility, along with virtual opportunities, technical support, and products. Additionally, ESC Region 11 teams offer technical assistance for inquiries related to legislative, instructional, or other educational matters. With just one fee for this contract, your entire staff can enjoy the following benefits:

Professional Development Offerings

- Multiple Instructional Conferences
- Multiple Teacher Workshop Sessions
    - Virtual, hybrid, and face-to-face learning opportunities to fit your schedule and needs.
    - Basic materials provided.
    - Sessions that are materials intensive may require an additional fee for materials.
    - Some sessions include extensive follow-up opportunities (both virtually and face-to-face).
- 17 Online Compliance Courses
    - ADA Compliance for Online Content
    - Anaphylaxis and Epinephrine Use*
    - Bloodborne Pathogens
    - Bullying Prevention
    - Child Abuse, Trafficking, and Maltreatment
    - Copyright
    - Diabetes Overview*
    - FERPA (Family Educational Rights & Privacy Act)
    - Internet Safety Mental Health Overview*
    - Section 504 Introduction Seizures*
    - Sexual Harassment
    - Suicide Prevention
    - Teen Dating Violence & Healthy Relationships*
    - Texas Educators' Code of Ethics
    - Title IX Overview

**These courses are not legally required.*

Professional Development Content

- Administrative and Support Staff
- Behavior and Classroom Management

- Bilingual/ESL/Dual Language Supports
- Campus Administer Cluster Support Sessions
- Career and Technical Education
- Charter School Support Sessions
- Core Content (Math, English/Language Arts, Science, Social Studies, Reading)
- Counselor and New Counselor Sessions
- Digital Tools/Instructional Technology
- District and Campus Professional Development
- Early Childhood, Elementary, and Secondary Literacy
- Gifted & Talented (G/T) 30-Hour Initial Certification Training
- Gifted & Talented (G/T) 6-Hour Annual Update Training
- Gifted & Talented (G/T) and Advanced Academics Advisory Meetings
- Instructional Leaders' Quarterly Meetings
- Librarian/Media Specialist Support
- Mental Health/Student Wellness
- Multi-Tiered System of Support (MTSS)
- Special Programs

Digital Resources

- Canvas Learning Management System
- TexQuest
- Discovery Education
- VoiceThread
- Videoconferencing/Distance Learning
    - Allocated Pro Zoom licenses based on student enrollment
    - Discounts on Zoom products (licenses, webinars, large capacity meetings
    - Connect2Texas Virtual Content Enrichment Programs/Virtual Field Trips

Technical Assistance

- Unlimited Technical Assistance in All Instructional Areas
- Compliance Support and Technical Assistance for all State and/or Federal Programs
- Counselor Services/Crisis Team Support
- Lesson Planning/Professional Learning Communities
- Field Service Agent Support
- Special Education/Special Programs Support
- Library Support

Additional Discounts

- Discounted rates on training/coaching provided for districts/charters tailored to unique needs
- Discounted rates on third-party products and other promotional speakers/events
- Discounted rates on New Principal Academy and New Assistant Principal Academy
- Discounted rates on state appraisal training such as T-TESS, T-PESS, and AEL

NOTE: Services Provided through IDEA-B Funding

Services provided through the Special Populations Department at ESC Region 11 are primarily funded through IDEA-B grants that serve all LEAs in the region. Based on this funding, there will be little to no fees for services provided through this department for technical support, professional learning sessions (conducted at ESC Region 11 or in an LEA), and coaching services for LEA staff. Program Reviews, conferences, in-depth coaching, training that leads to certifications, and occasional fees for materials will incur various charges based upon needs.

ESC Region 11 Contact

Instructional Services
(817) 740-3671

Price List

Pricing for Instructional Solutions and Support is based on student enrollment numbers. If needed, please request a quote for a total cost breakdown of services.

EDUCATION SERVICE CENTER REGION 11
1451 S. Cherry Lane
White Settlement, TX 76108

WESTLAKE ACADEMY CHARTER SCHOOL Contract Summary for

Instructional Solutions and Support v60

Enrollment Period: 09/01/2025 - 08/31/2026

The Instructional Solutions and Support Contract was designed to aid LEAs in budgeting and enrolling personnel for professional development opportunities at ESC Region 11. This comprehensive package encompasses all the outstanding benefits related to Administrative Services, Instructional Services, Digital Learning, and RETN while providing cost-saving advantages and value.

If you would like your LEA to use the Instructional Services and Support Services, please check the box on the right

Answer	Price
☑	$9,494.33

Total: **$9,494.33**

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TREC Library and Resource Management Services

The Technology Department offers the following services to school districts/charter schools that sign the TREC Library and Resource Management Services Contract:

Services included at No Additional Charge

- Library Automation Software and/or Resource Management Software (includes Web-based library/resource catalog, circulation, reporting, inventory, and management functions), dependent on contracted services selected
- All centralized equipment costs, including servers, equipment replacement, management, and licensing
- Centralized support personnel time and effort for equipment setup, installation, upgrades, support, troubleshooting, and management of the library and/or resource management servers
- Centralized technical support for the library and/or resource management systems
- Data management for the system as needed
- Support for cataloging new items as needed
- Assistance with uploading and updating records in the system
- All updates, enhancements, and new versions
- All initial training, scheduled new user training, selected professional development opportunities, and listserv membership
- Nightly secure backup of all data and transactions, both on-site and off-site, and a continuity plan
- Automated patron assistance
- Reduced costs for Follett add-on products and services
- Access to all additional resources provided by TREC, such as an e-book library collection

ESC Region 11 Contact

Director of MIS
(817) 740-7704

First-Year Price List

TREC Library Management Services

- TREC Membership and New Library Manager License $2,925 per site

Optional Library Management Products (Annual Cost)

- WebPath Express $350 per site
- Standards $350 per site
- Reading Program Service Lexile $300 per site
- Reading Program Service Fountas & Pinnell $300 per site
- Reading Program Service AR/RC $275 per site
- Destiny District Classroom Library Manager $700 per site
- Destiny AI (Districts with 1-25 Library Manager Sites) $218.00 per site
- Destiny AI (Districts with 26 or more Library Manager Sites) $164.00 per site

TREC Resource Management Services

- Resource Manager $2,925 per site

Optional Resource Management Products (Annual Cost)

- Resource Manager Help Desk (Districts with 1-50 Resource Manager sites) $932.00 per site
- Resource Manager Help Desk (Districts with 51 or more Resource Manager sites) $881.00 per site

TREC Data and Implementation Services

- Sites with non-Follett systems
  - Library Services One-Time Data Conversion from non-Follett system $975 per district
  - Resource Services One-Time Data Conversion from non-Follett system $1,075 per site
- Sites with Follett Self-hosted or Follett Hosted
  - Library Services One-Time Data Migration $975 per district
- Resource Manager Help Desk One-Time Implementation Services (Districts with 1-10 Sites) $900.00 per district
- Resource Manager Help Desk One-Time Implementation Services (Districts with 11 or more sites) $1500.00 per district

- Resource Manager upgraded from Textbook Manager $1500 per district

Renewal Price List

TREC Library Management Services

- TREC Membership and License Renewal $1,687 per site
  Note: License includes TitlePeek

Optional Library Management Products (Annual Cost)

- WebPath Express $350 per site
- Standards $350 per site
- Reading Program Service Lexile $300 per site
- Reading Program Service Fountas & Pinnell $300 per site
- Reading Program Service AR/RC $275 per site
- Destiny District Classroom Library Manager $600 per site
- Destiny AI (Districts with 1-25 Library Manager Sites) $218.00 per site
- Destiny AI (Districts with 26 or more Library Manager Sites) $164.00 per site

TREC Resource Management Services

- Resource Manager (renewal) $1,030 per site
- Textbook Manager (renewal only) $528 per site
- Resource Manager Help Desk (Price TBD)

Optional Resource Management Products (Annual Cost)

- Resource Manager Help Desk (Districts with 1-50 Resource Manager sites) $932.00 per site
- Resource Manager Help Desk (Districts with 51 or more Resource Manager sites) $881.00 per site

EDUCATION SERVICE CENTER REGION 11
1451 S. Cherry Lane
White Settlement, TX 76108

WESTLAKE ACADEMY CHARTER SCHOOL Contract Summary for

Technology Resources Education Consortium (TREC) v50

Enrollment Period: 09/01/2025 - 08/31/2026

	Answer	Price
The following fees reflect your LEA's quoted TREC services.		
TREC Library Management Service	1,687.00	$1,687.00
TREC Resource Management Services		
TREC Data Services		
Enter ESC Region 11 quoted adjustment (if any)		
Total:		**$1,687.00**

Contract Contact: Katie Estrada, Secondary Librarian (817) 490-4420, kestrada@westlakeacademy.org
Marlene Rutledge, Academic Finance Mgr (817) 490-5737, mrutledge@westlaketx.gov

Contact Beth Muirheid at bmuirheid@esc11.net with questions.

2025-2026 TREC SERVICES QUOTE

Contact Information

District/School **Westlake Academy**
District Contact Name
Phone
Email

Date Created **March 17, 2025**
Service Period **09/01/2025 - 08/31/2026**

Contact Information

Company Address ESC Region 11
1451 S. Cherry Lane
White Settlement, TX 76108

Prepared By Beth Muirheid
Phone 817.740.3674
Email bmuirheid@esc11.net

Product	Quantity	Price/Unit	Sub Total	Contract Price
Library Manager **New License** with Title Peek and Service			$ -	
Library Manager Service with Title Peek	1	$ 1,687.00	$ 1,687.00	
			$ -	
RPS - AR/RC			$ -	
			$ -	
			$ -	
			$ -	
			$ -	
			$ -	
			$ -	
Total Cost TREC Library Management Services				**$ 1,687.00**
Resource Manager - **New License**			$ -	
Resource Manager - **Service**			$ -	
			$ -	
Resource Manager - **Upgrade** from **TM** (district)			$ -	
Textbook Manager (grandfathered only) - **Renewal**			$ -	
Early Activation			$ -	
Total Cost TREC Resource Management Services				**$ -**
LM Data Migration (district)			$ -	
RM Data Conversion (per campus)			$ -	
Total Cost TREC Data Migration Services				**$ -**
Grand Total			**$**	**1,687.00**

If you have any questions, please contact **Beth Muirheid** at **bmuirheid@esc11.net** or **817-740-3674**

Please return a copy of your purchase order to Kellye Irvin at kirvin@esc11.net

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TSDS Contract (PEIMS, TIMS, UID, Core Collections)

Services Provided by TEA

- Explain the overall data requirements to ESC personnel
- Provide and maintain the Texas Education Data Standards (TEDS), and the STUDENT ATTENDANCE ACCOUNTING HANDBOOK (SAAH)
- Provide the ESC and district with a standard editing and reporting system (TSDS)

Services Provided by ESC Region 11

- Send the data required (ACCEPT) by the current Texas Education Data Standards (TEDS) to TEA by the specified due dates for each submission/re-submission.
- Review the district data using edit rules and reports supplied by TEA, assuring that all fatal errors are corrected.
- Assist the district with its data submission to TEA's TSDS server.
- Notify the district when its data has been accepted by the ESC and made available for further processing by TEA.
- Facilitate the accuracy and timely delivery of data.
- Explain the overall data collection requirement for PEIMS and Enrollment Tracking (ET) to district personnel.
- Train school district personnel to adequately meet the data submission requirement, covering:
    - Overall data flow
    - Delivery schedule
    - Data element definitions
    - Data submission formats
    - Editing requirements
    - Correction cycle

  - Approval of summary report and error listing
  - Operation of the web-based TSDS system
  - Operation of the Enrollment Tracking (ET) System
  - TSDS Unique ID Corrections
- Consult with districts to assist them in preparing the data submission and to ensure data quality and compliance with schedules
- ESC TSDS staff will coordinate assistance by:
  - Answering questions about the Texas Education Data Standards (TEDS) and Student Attendance Accounting Handbook
  - Organizing the data submission schedule
  - Answering questions about the edit and summary reports
  - Organizing the error correction schedule
  - Initiating the final approval of the district's submission to TEA
  - Providing assistance for the Early Childhood Data System (ECDS) by either hourly rate or contracted amount
  - Training and assistance on TSDS Incident Management System (TIMS)
  - Providing assistance with the Unique Identification System (UID)
  - Assist with issues relating to TEA Login System (TEAL)
- Training and assistance on all Core Collections:
  - Charter School Waitlist
  - Child Find
  - Class Roster Fall and Winter
  - ECDS (Early Childhood Data System)
  - RFT (Residential Facility Tracker)
  - SELA (Special Education Language Acquisition)
  - SPPI-14 (State Performance Plan Indicator 14)

ESC Region 11 Contact

Director of MIS
(817) 740-7704

Price List

TSDS Contract (PEIMS, TIMS, UID, Core Collections)

Student Enrollment	Price
1 – 500	$1,820
501 – 1,000	$2,945
1,001 – 2,000	$4,070
2,001 – 4,000	$5,195
4,001 – 8,000	$6,320
8,001 – 16,000	$7,445
16,001 – 32,000	$8,570
32,001 – 64,000	$9,700
64,001 – 128,000	$10,820

EDUCATION SERVICE CENTER REGION 11
1451 S. Cherry Lane
White Settlement, TX 76108

WESTLAKE ACADEMY CHARTER SCHOOL Contract Summary for

TSDS (PEIMS, TIMS, UID, Core Collections) v13

Enrollment Period: 09/01/2025 - 08/31/2026

	Answer	Price
TSDS (PEIMS, TIMS, UID, Core Collections)		$2,945.00
Adjustment		
Total:		**$2,945.00**

Contract Contact: Darcy McFarlane, Dir of Accountability (817) 490-5765, dmcfarlane@westlakeacademy.org
Marlene Rutledge, Academic Finance Mgr (817) 490-5737, mrutledge@westlaketx.gov

ESC Region 11 Contracts
FY 2025-2026

	Contract Description	Status	FY 2024/25	FY 2025/26	Incr/(Decr)
1	Master Interlocal Agreement (required)	renewal	-	-	-
2	Comprehensive Services Basic Contract (required)	renewal	650.00	650.00	-
3	HR Systems (recruiting/employment application, absence/substitute management	renewal	1,857.63	1,857.63	-
4	Instructional Solutions & Support Contract	renewal	9,371.04	9,494.33	123.29
5	TREC (Library & Resource Mgmt Service)	renewal	2,573.00	1,687.00	(886.00)
6	TSDS (PEIMS)	renewal	2,945.00	2,945.00	-
	Technology Services Contract (combined from other services previously on separate contracts	non-renewal	2,000.00	-	(2,000.00)
	Health Schools Alliance Nursing Services	non-renewal	750.00	-	(750.00)
			20,146.67	16,633.96	(3,512.71)
					-11%

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: ORD-1023 **Agenda Date:** 7/15/2025 **Agenda #:** G.4.

TOWN STAFF REPORT RECOMMENDATIONS

Discuss, consider and act regarding Ordinance 1023 amending Chapter 94 titled "Utilities", to establish Article VI. entitled "Industrial Wastewater" adopting and establishing uniform requirements for users of the Publicly Owned Treatment Works for the Town of Westlake and enabling the Town of Westlake to comply with all applicable State and Federal laws, including the Clean Water Act (33 United States Code § 1251 et seq.) and the General Pretreatment Regulations (40 Code of Federal Regulations Part 403). (Cheryl Taylor, P.E., Director of Public Works).

STAFF: Cheryl Taylor, P.E., Director of Public Works

BACKGROUND:

This will only impact customers with permitted industrial users, but as a customer city of TRA, Westlake is required to participate in the pre-treatment program requiring approval of an Ordinance, an Emergency Response Plan (ERP), a Funding/Endorsement Resolution, and a signed Attorney Statement.

Trinity River Authority (TRA) owns and operates the Denton Creek Regional Wastewater System (DCRWS) Wastewater Treatment Plant (WWTP) in Roanoke and provides either all or some wastewater treatment services to 12 customer cities. As a customer of TRA, Westlake is required to participate in the pre-treatment program which will require an approved Ordinance, an Emergency Response Plan (ERP), a Funding Resolution, and a signed Attorney Statement.

DISCUSSION:

A pretreatment program is a set of regulatory requirements found in 40 CFR 403 that is intended to protect WWTP from receiving wastewater pollutants from industrial users in concentrations that the plant cannot handle. TRA does that largely through wastewater discharge permitting of industrial users that qualify according to the regulations, and through industrial inspections, sampling, and enforcement. For TRA WWTPs like DCRWS, TRA is the Control Authority responsible for maintaining compliance with the Texas Pollutant Discharge Elimination System (TPDES) Permit to discharge from TCEQ. TRA does not have any legal authority to permit or enforce on the industrial users discharging to the plant, so TRA has language in the customer Wastewater Contracts detailing the partnership between TRA and its customers, and how the customers (Westlake) would act as the Legal Authority capable for issuing permits and enforcement. Some customers chose to enlist TRA to do much of the pretreatment legwork, however they remain the party that authorizes, and issues permits and enforcement. A WWTP is required to implement a pretreatment program when its design flow is greater than 5 MGD AND either the Publicly Owned Treatment Works (POTW) experiences pass-through of a regulated pollutant or interference from an industrial discharge, OR if there are a certain number of significant industrial users (SIUs)/CIUs on the system, usually 5 or so SIUs or 1 CIU. Pretreatment program requirements can also be at the discretion of the Approval Authority, which in our case is TCEQ.

DCRWS is an 11.5 MGD plant and has several industrial users discharging to it which qualifies TRA for a program, and they recently received approval from TCEQ for official implementation.

After the program is approved, the pretreatment program will be subject to TCEQ audits every 5 years or so. There are several customers, in addition to Westlake, who do not have permitted significant industrial users (SIUs) within their jurisdiction.

This will only impact customers with permitted industrial users, but as a customer city of TRA, Westlake is required to participate in the pre-treatment program requiring approval of an Ordinance, an Emergency Response Plan (ERP), a Funding/Endorsement Resolution, and a signed Attorney Statement.

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of Ordinance 1023 amending Chapter 94 titled "Utilities", to establish Article VI. entitled "Industrial Wastewater" adopting and establishing uniform requirements for users of the Publicly Owned Treatment Works for the Town of Westlake and enabling the Town of Westlake to comply with all applicable State and Federal laws, including the Clean Water Act (33 United States Code § 1251 et seq.) and the General Pretreatment Regulations (40 Code of Federal Regulations Part 403).

ATTACHMENT(S):

1. Ordinance 1023

TOWN COUNCIL ACTION/OPTIONS:

1) Motion to approve
2) Motion to amend with the following stipulations (please state stipulations in motion)
3) Motion to table
4) Motion to deny

TOWN OF WESTLAKE

ORDINANCE NO. 1023

AN ORDINANCE OF THE TOWN OF WESTLAKE, TEXAS, AMENDING CHAPTER 94 TITLED "UTILITIES", TO ESTABLISH ARTICLE VI. ENTITLED "INDUSTRIAL WASTEWATER" ADOPTING AND ESTABLISHNG UNIFORM REQUIREMENTS FOR USERS OF THE PUBLICLY OWNED TREATMENT WORKS FOR THE TOWN OF WESTLAKE AND ENABLING THE TOWN OF WESTLAKE TO COMPLY WITH ALL APPLICABLE STATE AND FEDERAL LAWS, INCLUDING THE CLEAN WATER ACT (33 UNITED STATES CODE § 1251 ET SEQ.) AND THE GENERAL PRETREATMENT REGULATIONS (40 CODE OF FEDERAL REGULATIONS PART 403); PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; AUTHORIZING PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Town of Westlake, Texas is a Type A General Law Municipality located in Denton and Tarrant Counties, Texas; created in accordance with the provision of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the Town Council of Westlake, Texas finds that the discharge of industrial wastewater without proper regulations may affect the health, safety and general welfare of the public; and

WHEREAS, the Town Council of Westlake, Texas, deems it necessary to enact an ordinance to govern proper regulations for industrial wastewater within the corporate limits of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: That all matters stated in the preamble are found to be true and correct and are adopted and incorporated herein as if copied in their entirety.

SECTION 2: That the Town of Westlake, Texas hereby amends Chapter 94, "Utilities" to establish and adopt Article VI "Industrial Wastewater", to govern proper regulations for industrial wastewater, a copy of which is attached hereto as Exhibit "A".

SECTION 3: That this Ordinance shall be cumulative of all other Town Ordinances and all other provisions of other Ordinances adopted by the Town which are inconsistent with the terms or provisions of this Ordinance are hereby repealed.

SECTION 4: It is hereby declared to be the intention of the Town Council of the Town of Westlake, Texas, that sections, paragraphs, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared legally invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such legal invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance since the same would have been enacted by the Town Council of the Town of Westlake without the incorporation in this Ordinance of any such legally invalid or unconstitutional, phrase, sentence, paragraph or section.

SECTION 5: This ordinance shall take effect immediately from and after its passage as the law in such case provides.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE ON THIS 15TH DAY OF JULY 2025.

_____
Kim Greaves, Mayor

ATTEST:

_____
Dianna Buchanan, Town Secretary

APPROVED AS TO FORM:

_____
Matthew C.G. Boyle, Town Attorney

EXHIBIT A

TOWN OF WESTLAKE, TEXAS

ORDINANCE 1023
INDUSTRIAL WASTEWATER ORDINANCE

Ordinance 1023
Approved July 15, 2025

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INDUSTRIAL WASTEWATER ORDINANCE

ORDINANCE NO. 1023

SECTION 1 - GENERAL PROVISIONS

1.1 Purpose and Policy

This ordinance sets forth uniform requirements for users of the Publicly Owned Treatment Works for the Town of Westlake (Town) and enables the Town to comply with all applicable State and Federal laws, including the Clean Water Act (33 United States Code § 1251 *et seq*.) and the General Pretreatment Regulations (40 Code of Federal Regulations Part 403). The objectives of this ordinance are:

A. To prevent the introduction of pollutants into the Publicly Owned Treatment Works that will interfere with its operation;

B. To prevent the introduction of pollutants into the Publicly Owned Treatment Works that will pass through the Publicly Owned Treatment Works, inadequately treated, into receiving waters, or otherwise be incompatible with the Publicly Owned Treatment Works;

C. To protect both Publicly Owned Treatment Works personnel who may be affected by wastewater and sludge in the course of their employment and the general public;

D. To promote reuse and recycling of industrial wastewater and sludge from the Publicly Owned Treatment Works;

E. To provide for fees for the equitable distribution of the cost of operation, maintenance, and improvement of the Publicly Owned Treatment Works; and

F. To enable the Control Authority to comply with its National Pollutant Discharge Elimination System permit conditions, sludge use and disposal requirements, and any other Federal or State laws to which the Publicly Owned Treatment Works is subject.

This ordinance shall apply to all users of the Publicly Owned Treatment Works. The ordinance authorizes the issuance of wastewater discharge permits; provides for monitoring, compliance, and enforcement activities; establishes administrative review procedures; requires user reporting; and provides for the setting of fees for the equitable distribution of costs resulting from the program established herein.

1.2 Administration

Except as otherwise provided herein, the Designated Town Official (DTO) shall administer, implement, and enforce the provisions of this ordinance. Any powers granted to or duties imposed upon the DTO may be delegated by the DTO to other Town personnel.

1.3 Abbreviations

The following abbreviations, when used in this ordinance, shall have the designated meanings:

- BOD - Biochemical Oxygen Demand
- BMP - Best Management Practice
- BMR - Baseline Monitoring Report
- CFR - Code of Federal Regulations
- CIU - Categorical Industrial User
- COD - Chemical Oxygen Demand
- DCRWS – Trinity River Authority Denton Creek Regional Wastewater System
- EPA - U.S. Environmental Protection Agency
- gpd - gallons per day
- IU - Industrial User
- mg/l - milligrams per liter
- NAICS - North American Industrial Classification System
- NPDES -National Pollutant Discharge Elimination System
- NSCIU - Non-Significant Categorical Industrial User
- POTW - Publicly Owned Treatment Works
- RCRA - Resource Conservation and Recovery Act
- SIC - Standard Industrial Classification
- SIU - Significant Industrial User
- SNC - Significant Noncompliance
- TCEQ -Texas Commission on Environmental Quality
- TPDES - Texas Pollutant Discharge Elimination System
- TRA - Trinity River Authority
- TSS - Total Suspended Solids
- TTO - Total Toxic Organics
- U.S.C. - United States Code

1.4 Definitions

Unless a provision explicitly states otherwise, the following terms and phrases, as used in this ordinance, shall have the meanings hereinafter designated.

A. Act or "the Act." The Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 U.S.C. § 1251 et seq.

B. Approval Authority. The Executive Director of the Texas Commission on Environmental Quality (TCEQ) where the state has been delegated NPDES permit authority and has an approved pretreatment program.

C. Authorized Representative of the User.

(1) If the user is a corporation:

(a) The president, secretary, treasurer, or a vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation; or

(b) The manager of one or more manufacturing, production, or operating facilities, provided the manager is authorized to make management decisions that govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for individual wastewater discharge permit requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

(2) If the user is a partnership or sole proprietorship: a general partner or proprietor, respectively.

(3) If the user is a Federal, State, or local governmental facility: a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or their designee.

(4) The individuals described in paragraphs 1 through 3, above, may designate another authorized representative if the authorization is in writing, the authorization specifies the individual or position responsible for the overall operation of the facility from which the discharge originates or having overall responsibility for environmental matters for the company, and the written authorization is submitted to the Town.

D. Biochemical Oxygen Demand or BOD. The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures for five (5) days at 20□ centigrade, usually expressed as a concentration (e.g., mg/l).

E. Best Management Practices or BMPs. Means schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in Section 2.1 A and B [40 CFR 403.5(a)(1) and (b)]. BMPs include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

F. Categorical Pretreatment Standard or Categorical Standard. Any regulation containing pollutant discharge limits promulgated by EPA in accordance with Sections 307(b) and (c) of the Act (33 U.S.C. § 1317) which apply to a specific category of users and which appear in 40 CFR Chapter I, Subchapter N, Parts 405-471.

G. Categorical Industrial User (CIU). An Industrial User subject to a categorical Pretreatment Standard or Categorical Standard.

H. Town. The Town of Westlake or the Town Council of Westlake, Contracting Party of the Trinity River Authority's Denton Creek Regional Wastewater System.

I. Composite Sample. A sample that is collected over time, formed either by continuous sampling or by mixing discrete samples. The sample may be composited either as a time composite sample: composed of discrete sample aliquots collected at constant time intervals providing a sample irrespective of stream flow; or as a flow proportional composite sample: collected either as a constant sample volume at time intervals proportional to flow, or collected by increasing the volume of each aliquot as the flow increases while maintaining a constant time interval between the aliquots.

J. Control Authority. Trinity River Authority of Texas as holder of the TPDES permit.

K. Daily Maximum Limit. The maximum allowable discharge limit of a pollutant during a calendar day. Where Daily Maximum Limits are expressed in units of mass, the daily discharge is the total mass discharged over the course of the day. Where Daily Maximum Limits are expressed in terms of a concentration, the daily discharge is the arithmetic average measurement of the pollutant concentration derived from all measurements taken that day.

L. Designated Town Official [DTO]. The Director of Public Works of the Town of Westlake who is charged with certain duties and responsibilities by this ordinance, or a duly authorized representative.

M. Environmental Protection Agency or EPA. The U.S. Environmental Protection Agency or, where appropriate, the Regional Water Management Division Director, or other duly authorized official of said agency.

N. Existing Source. Any source of discharge, the construction or operation of which commenced prior to the publication by EPA of proposed categorical pretreatment standards, which will be applicable to such source if the standard is thereafter promulgated in accordance with Section 307 of the Act.

O. Grab Sample. A sample which is taken from a wastestream without regard to the flow in the wastestream and over a period of time not to exceed fifteen (15) minutes.

P. Indirect Discharge or Discharge. The introduction of pollutants into the POTW from any nondomestic source regulated under Section 307(b), (c), or (d) of the Act.

Q. Extrajurisdictional user. A User the Town has determined requires a permit to discharge, other than a local government, which is located outside the jurisdiction of the Town, and which discharges or plans to discharge to the POTW.

R. Instantaneous Maximum Allowable Discharge Limit. The maximum concentration of a pollutant allowed to be discharged at any time, determined from the analysis of any discrete or composited sample collected, independent of the industrial flow rate and the duration of the sampling event.

S. Interference. A discharge, which alone or in conjunction with a discharge or discharges from other sources, inhibits or disrupts the POTW, its treatment processes or operations or its sludge processes, use or disposal; and therefore, is a cause of a violation of the Control Authority's TPDES permit or of the prevention of sewage sludge use or disposal in compliance with any of the following statutory/regulatory provisions or permits issued thereunder, or any more stringent State or local regulations: Section 405 of

the Act; the Solid Waste Disposal Act, including Title II commonly referred to as the Resource Conservation and Recovery Act (RCRA); 40 CFR 503 sludge regulations; any State regulations contained in any State sludge management plan prepared pursuant to Subtitle D of the Solid Waste Disposal Act and 30 TAC 312; the Clean Air Act; the Toxic Substances Control Act; and the Marine Protection, Research, and Sanctuaries Act.

T. Medical Waste. Isolation wastes, infectious agents, human blood and blood products, pathological wastes, sharps, body parts, contaminated bedding, surgical wastes, potentially contaminated laboratory wastes, and dialysis wastes.

U. Monthly Average. The sum of all "daily discharges" measured during a calendar month divided by the number of "daily discharges" measured during that month.

V. North American Industry Classification System (NAICS). Is a system used by the Federal Government for collecting and organizing industry-related statistics. The NAICS codes are updated every five years to stay current with industry developments.

W. NPDES (National Pollutant Discharge Elimination System). National Pollutant Discharge Elimination System permit program of the Environmental Protection Agency, and/or the permit program of the state agency delegated to act on EPA's behalf with an approved pretreatment program (e.g. TPDES or Texas Pollutant Discharge Elimination System).

X. New Source.

(1) Any building, structure, facility, or installation from which there is (or may be) a discharge of pollutants, the construction of which commenced after the publication of proposed pretreatment standards under Section 307(c) of the Act which will be applicable to such source if such standards are thereafter promulgated in accordance with that section, provided that:

(a) The building, structure, facility, or installation is constructed at a site at which no other source is located; or

(b) The building, structure, facility, or installation totally replaces the process or production equipment that causes the discharge of pollutants at an existing source; or

(c) The production or wastewater generating processes of the building, structure, facility, or installation are substantially independent of an existing source at the same site. In determining whether these are substantially independent, factors such as the extent to which the new facility is integrated with the existing plant, and the extent to which the new facility is engaged in the same general type of activity as the existing source, should be considered.

(2) Construction on a site at which an existing source is located results in a modification rather than a new source if the construction does not create a new building, structure, facility, or installation meeting the criteria of Section (1)(b) or (c) above but otherwise alters, replaces, or adds to existing process or production equipment.

(3) Construction of a new source as defined under this paragraph has commenced if the owner or operator has:

(a) Begun, or caused to begin, as part of a continuous onsite construction program

(i) any placement, assembly, or installation of facilities or equipment; or

(ii) significant site preparation work including clearing, excavation, or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of new source facilities or equipment; or

(b) Entered into a binding contractual obligation for the purchase of facilities or equipment which are intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering, and design studies do not constitute a contractual obligation under this paragraph.

Y. Noncontact Cooling Water. Water used for cooling which does not come into direct contact with any raw material, intermediate product, waste product, or finished product.

Z. Normal Wastewater. Wastewater which the average concentration of suspended solids and five-day BOD does not exceed 250 mg/l each.

AA. Pass Through. A discharge which exits the POTW into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the Control Authority's TPDES permit, including an increase in the magnitude or duration of a violation.

BB. Person. Any individual, partnership, copartnership, firm, company, corporation, association, joint stock company, trust, estate, governmental entity, or any other legal entity; or their legal representatives, agents, or assigns. This definition includes all Federal, State, and local governmental entities.

CC. pH. A measure of the acidity or alkalinity of a solution, expressed in standard units.

DD. Pollutant. Dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, medical wastes, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, municipal, agricultural and industrial wastes, and certain characteristics of wastewater (e.g., pH, temperature, TSS, turbidity, color, BOD, COD, toxicity, or odor).

EE. Pretreatment. The reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater prior to, or in lieu of, introducing such pollutants into the POTW. This reduction or alteration can be obtained by physical, chemical, or biological processes; by process changes; or by other means, except by diluting the concentration of the pollutants unless allowed by an applicable pretreatment standard.

FF. Pretreatment Requirements. Any substantive or procedural requirement related to pretreatment imposed on a user, other than a pretreatment standard.

GG. Pretreatment Standards or Standards. Pretreatment standards shall mean prohibited discharge standards, categorical pretreatment standards, and local limits.

HH. Process Wastewater. Water that comes into direct contact with or results from the production or use of any raw material, intermediate product, finished product, byproduct, waste product, or wastewater, and/or as defined in a National Pretreatment Standard.

II. Prohibited Discharge Standards or Prohibited Discharges. Absolute prohibitions against the discharge of certain substances; these prohibitions appear in Section 2.1 of this ordinance.

JJ. Publicly Owned Treatment Works or POTW. A "treatment works," as defined by Section 212 of the Act (33 U.S.C. §1292) which is owned by the Town and/or the Control Authority. This definition includes any devices or systems used in the collection, storage, treatment, recycling, and reclamation of sewage or industrial wastes of a liquid nature and any conveyances which convey wastewater to a treatment plant.

KK. Septic Tank Waste. Any sewage from holding tanks such as vessels, chemical toilets, campers, trailers, and septic tanks.

LL. Sewage. Human excrement and gray water (household showers, dishwashing operations, etc.).

MM. Shall is mandatory; May is permissive.

NN. Significant Industrial User.

(1) SIUs

(a) A user subject to categorical pretreatment standards; or

(b) A user that:

(i) Discharges an average of twenty-five thousand (25,000) gpd or more of process wastewater to the POTW (excluding sanitary, noncontact cooling, and boiler blowdown wastewater);

(ii) Contributes a process wastestream which makes up five (5) percent or more of the average dry weather hydraulic or organic capacity of the POTW treatment plant; or

(iii) Is designated as such by the Town on the basis that it has a reasonable potential for adversely affecting the POTW's operation or for violating any pretreatment standard or requirement.

(c) Upon a finding that a user meeting the criteria in Subsection (2) has no reasonable potential for adversely affecting the POTW's operation or for violating any pretreatment standard or requirement, the Town may at any time, on its own initiative or in response to a petition received from a user, and in accordance with procedures in 40 CFR 403.8(f)(6), determine that such user should not be considered a significant industrial user.

(2) NSCIUs

(a) The Town may determine that an Industrial User subject to categorical Pretreatment Standards is a Non-Significant Categorical Industrial User (NSCIU) rather than a Significant Industrial User (SIU) on a finding of any of the three criteria below:

(i) The Industrial User never discharges more than 100 gallons per day (gpd) of total categorical wastewater (excluding sanitary, non-contact cooling and boiler blowdown wastewater, unless specifically included in the Pretreatment Standard);

(ii) The Industrial User is required by a categorical Pretreatment Standard to not discharge categorical wastewater unless the Town has determined there is no potential for the Industrial User to discharge the prohibited categorical wastewater;

(iii) The Industrial User is subject to numeric categorical Pretreatment Standard(s) and does not discharge categorical wastewater unless the Town has determined there is no potential for the Industrial User to discharge categorical wastewater;

(b) The following conditions must be met for an Industrial User classified as a NSCIU:

(i) The Industrial User, prior to Town's finding, has consistently complied with all applicable categorical Pretreatment Standards and Requirements;

(ii) The Industrial User annually submits the certification statement required in Section 4.6.C

[see 40 CFR 403.12(q)], together with any additional information necessary to support the certification statement; and

(iii) The Industrial User never discharges any untreated concentrated wastewater.

OO. Slug Load or Slug Discharge. Any discharge of a non-routine, episodic nature, including but not limited to accidental spill or a non-customary batch discharge. , which has a reasonable potential to cause Interference or Pass Through, or in any other way violate the POTW's regulations, Local Limits or Permit conditions.

PP. Standard Industrial Classification (SIC) Code. A classification pursuant to the Standard Industrial Classification Manual issued by the United States Office of Management and Budget.

QQ. Storm Water. Any flow occurring during or following any form of natural precipitation, and resulting from such precipitation, including snowmelt.

RR. Suspended Solids. The total suspended matter that floats on the surface of, or is suspended in, water, wastewater, or other liquid, and which is removable by laboratory filtering.

SS. Total Toxic Organics. The sum of the masses or concentration of the toxic organic compounds listed in 40 CFR 122 Appendix D, Table II, excluding pesticides, found in industrial users' discharge at a concentration greater than 0.01 mg/L. With Categorical industries, TTOs will be sampled for as stipulated in the particular category or those parameters reasonably suspected to be present, at the discretion of the DTO, where not stipulated.

TT. User or Industrial User (IU). A source of indirect discharge.

UU. Wastewater. Liquid and water-carried industrial wastes and sewage from residential dwellings, commercial buildings, industrial and manufacturing facilities, and institutions, whether treated or untreated, which are contributed to the POTW.

VV. Wastewater Treatment Plant or Treatment Plant. That portion of the POTW which is designed to provide treatment of municipal sewage and industrial waste.

SECTION 2 - GENERAL SEWER USE REQUIREMENTS

2.1 Prohibited Discharge Standards

A. General Prohibitions. No user shall introduce or cause to be introduced into the POTW any pollutant or wastewater which causes pass through or interference. These general prohibitions apply to all users of the POTW whether or not they are subject to categorical pretreatment standards or any other National, State, or local pretreatment standards or requirements.

B. Specific Prohibitions. No user shall introduce or cause to be introduced into the POTW the following pollutants, substances, or wastewater:

(1) Pollutants which create a fire or explosive hazard in the POTW, including, but not limited to, wastestreams with a closed-cup flashpoint of less than 140□F (60□C) using the test methods specified in 40 CFR 261.21;

(2) Wastewater having corrosive properties capable of causing damage or injury to structures, equipment and/or personnel of the POTW, as per the specific prohibition in the applicable local limits in Section 2.4.

(3) Solid or viscous substances in amounts which will cause obstruction of the flow in the POTW resulting in interference, blockage, or damage to the POTW.

(4) Pollutants, including oxygen-demanding pollutants (BOD, etc.), released in a discharge at a flow rate and/or pollutant concentration which, either singly or by interaction with other pollutants, will cause interference with the POTW;

(5) Wastewater having a temperature greater than 150□F (65□C), or which will inhibit biological activity in the treatment plant resulting in interference, but in no case wastewater which causes the temperature at the introduction into the treatment plant to exceed 104□F (40□C);

(6) Petroleum oil, nonbiodegradable cutting oil, or products of mineral oil origin, in amounts that will cause interference and/or pass through; and in amounts specified in section 2.4 of this Ordinance.

(7) Pollutants which result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity that may cause acute worker health and safety problems;

(8) Trucked or hauled pollutants, except at discharge points designated by the DTO and the Control Authority in accordance with Section 3.4 of this ordinance;

(9) Noxious or malodorous liquids, gases, solids, or other wastewater which, either singly or by interaction with other wastes, are sufficient to create a public nuisance or a hazard to life, or to prevent entry into the sewers for maintenance or repair;

(10) Wastewater which imparts color which cannot be removed by the treatment process, such as, but not limited to, dye wastes and vegetable tanning solutions, which consequently imparts color to the treatment plant's effluent, thereby violating the applicable TPDES permit;

(11) Wastewater containing any radioactive wastes or isotopes except in compliance with applicable State or Federal regulations;

(12) Storm water, surface water, ground water, artesian well water, roof runoff, subsurface drainage, and unpolluted wastewater, unless specifically authorized by the DTO;

(13) Sludges, screenings, or other residues from the pretreatment of industrial wastes;

(14) Medical wastes, except as specifically authorized by the DTO, that do not cause or contribute to Pass Through and/or Interference.

(15) Wastewater causing, alone or in conjunction with other sources, the treatment plant's effluent to fail a toxicity test;

(16) Detergents, surface-active agents, or other substances which may cause excessive foaming in the POTW;

(17) Fats, oils, or greases of animal or vegetable origin in concentrations greater than that specified in the applicable local limits in Section 2.4;

(18) A discharge of water, normal domestic wastewater, or industrial waste that which in quantity of flow exceeds, for a duration of longer than fifteen minutes, more than four times the average twenty four hour flow during normal operations of the industry;

(19) Insecticides and herbicides in concentrations that are not amenable to treatment;

(20) Garbage that is not properly shredded to such an extent that all particles will be carried freely under the flow conditions normally prevailing in wastewater mains, with no particle having greater than one-half (1/2") inch cross-sectional dimension;

(21) Wastewater or industrial waste generated or produced outside the Town, unless approval in writing from the DTO has been given to the person discharging the waste; or,

(22) Without the approval of the DTO, a substance or pollutant other than industrial waste, normal domestic wastewater, septic tank waste or chemical toilet waste that is of a toxic or hazardous nature, regardless of whether or not it is amenable to treatment, including but not limited to bulk or packaged chemical products.

C. Processing and Storage. Pollutants, substances, or wastewater prohibited by this section shall not be processed or stored in such a manner that they could be discharged to the POTW.

2.2 National Categorical Pretreatment Standards

The categorical pretreatment standards found at 40 CFR Chapter I, Subchapter N, Parts 405-471 are hereby incorporated.

A. Where a categorical pretreatment standard is expressed in terms of either the mass or the concentration of a pollutant in wastewater, the DTO may impose equivalent concentration or mass limits in accordance with 40 CFR 403.6(c)(1)

B. When wastewater subject to a categorical pretreatment standard is mixed with wastewater not regulated by the same standard, the DTO shall impose an alternate limit using the combined wastestream formula in 40 CFR 403.6(e).

C. A user may obtain a variance from a categorical pretreatment standard if the user can prove, pursuant to the procedural and substantive provisions in 40 CFR 403.13, that factors relating to its discharge are fundamentally different from the factors considered by EPA when developing the categorical pretreatment standard.

D. A user may obtain a net gross adjustment to a categorical standard in accordance with 40 CFR 403.15.

2.3 Reserved

2.4 Local Limits

A. The following pollutant limits are established to protect against pass through and interference and apply at the point where the wastewater is discharged to the POTW. No person shall discharge or cause or permit to be discharged, wastewater containing in excess of the following instantaneous or daily maximum allowable discharge limits into the POTW:

(1) Toxic Pollutants specified in the following table:

Toxic Pollutant	TRA DCRWS Instantaneous Maximum Allowable Discharge Limit (mg/L)
Cadmium	0.047
Chromium	10.0
Copper	3.51
Cyanide	1.0
Lead	0.22
Mercury	0.005
Nickel	2.98
Zinc	2.99
Oil and Grease	100
pH	5.5 to 11.0 Standard Units

All concentrations for metallic substances are for "total" metal unless indicated otherwise. The DTO may impose mass limitations in addition to, or in place of, the concentration-based limitations above.

2.5 Town's Right of Revision

The Town reserves the right to establish, by ordinance or in wastewater discharge permits, more stringent standards or requirements on discharges to the POTW.

2.6 Dilution

No user shall ever increase the use of process water, or in any way attempt to dilute a discharge, as a partial or complete substitute for adequate treatment to achieve compliance with a discharge limitation unless expressly authorized by an applicable pretreatment standard or requirement. The DTO may impose mass limitations on users who are using dilution to meet applicable pretreatment standards or requirements, or in other cases when the imposition of mass limitations is appropriate.

2.7 Plant Loading

No industry shall discharge wastewater containing a BOD or TSS loading that causes the Town's prorata share of the total BOD or TSS loading to the POTW System to exceed the Town's prorata share of the total flow to the POTW System. (Example: If the Town contributes 25% of the total wastewater flow to the System, the Town's cumulative BOD or TSS loading to the System, as measured at the Town's points of entry to the System, shall not exceed 25% of the total BOD or TSS loading to the System.)

Any industry with a wastewater strength that will cause the Town's cumulative wastewater loading, at the Town's points of entry, to exceed the Town's prorata share of the total wastewater loading based upon flow, shall be required to install pretreatment facilities to reduce its wastewater strength to an acceptable level.

SECTION 3 - PRETREATMENT OF WASTEWATER

3.1 Pretreatment Facilities

Users shall provide wastewater treatment as necessary to comply with this ordinance and shall achieve compliance with all categorical pretreatment standards, local limits, and the prohibitions set out in Section 2.1 of this ordinance within the time limitations specified by EPA, the State, the Control Authority, or the DTO, whichever is more stringent. Any facilities necessary for compliance shall be provided, operated, and maintained at the user's expense. Detailed plans describing such facilities and operating procedures shall be submitted to the DTO for review, and shall be acceptable to the DTO before such facilities are constructed. The review of such plans and operating procedures shall in no way relieve the user from the responsibility of modifying such facilities as necessary to produce a discharge acceptable to the Town under the provisions of this ordinance.

3.2 Additional Pretreatment Measures

A. Whenever deemed necessary, the DTO may require users to restrict their discharge during peak flow periods, designate that certain wastewater be discharged only into specific sewers, relocate and/or consolidate points of discharge, separate sewage wastestreams from industrial wastestreams, and require such other conditions as may be necessary to protect the POTW and determine the user's compliance with the requirements of this ordinance.

B. The DTO may require any person discharging into the POTW to install and maintain, on their property and at their expense, a suitable storage and flow-control facility to ensure equalization of flow. A wastewater discharge permit may be issued solely for flow equalization.

C. Grease, oil, and sand interceptors shall be provided when, in the opinion of the DTO, they are necessary for the proper handling of wastewater containing excessive amounts of grease and oil, or sand; except that such interceptors shall not be required for residential users. All interception units shall be of type and capacity approved by the DTO and shall be so located to be easily accessible for cleaning and inspection. Such interceptors shall be inspected, cleaned, and repaired regularly, as needed, by the user at their expense.

D. Users with the potential to discharge flammable substances may be required to install and maintain an approved combustible gas detection meter, or other control device as deemed necessary by the DTO.

E. The DTO may develop Best Management Practices (BMP) and require Users to implement such BMP's if necessary to protect the POTW. Such BMP's would be supplemental and not used as a replacement for compliance with Local Limits listed in Section 2.4 and Prohibited Discharge Standards in Section 2.1.

3.3 Accidental Discharge/Slug Control Plans

The DTO shall evaluate whether each permitted significant industrial user needs an accidental discharge/slug control plan or other action to control Slug Discharges no later than (1) one year of the SIU determination. The DTO may require any user to develop, submit for approval, and implement such a plan. All the activities associated with Slug Control evaluation and results are to be kept in the Industrial User file. An accidental discharge/slug control plan shall address, at a minimum, the following:

A. Description of discharge practices, including nonroutine batch discharges;

B. Description of stored chemicals;

C. Procedures for immediately notifying the DTO and Control Authority of any accidental or slug discharge, as required by Section 6.6 of this ordinance; and

D. Procedures to prevent adverse impact from any accidental or slug discharge. Such procedures include, but are not limited to, inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site runoff, worker training, building of containment structures or equipment, measures for containing toxic organic pollutants, including solvents, and/or measures and equipment for emergency response.

3.4 Hauled Wastewater

A. Septage waste may be introduced into the POTW only at locations designated by the DTO and Control Authority, and at such times as are established by the DTO and Control Authority. Such waste shall not violate Section 2 of this ordinance or any other requirements established by the Town. The DTO and/or Control Authority may require septic tank waste haulers to obtain wastewater discharge permits.

B. Septage waste haulers must provide a waste-tracking form for every load. This form shall include, at a minimum, the name and address of the waste hauler, permit number, truck identification, names and addresses of sources of waste, and volume and characteristics of waste. The form shall identify the type of generator, known or suspected waste constituents, and whether any wastes are RCRA hazardous wastes.

SECTION 4 - WASTEWATER DISCHARGE PERMIT APPLICATION

4.1 Wastewater Analysis

When requested by the DTO, a user must submit information on the nature and characteristics of its wastewater by the deadline stipulated. The DTO is authorized to prepare a form for this purpose and may periodically require users to update this information.

4.2 Wastewater Discharge Permit Requirement

A. No significant industrial user or nonsignificant categorical industrial user (NSCIU) shall discharge wastewater into the POTW without first obtaining a wastewater discharge permit from the DTO, who may disallow any or all discharges until a wastewater discharge permit is issued, except that a significant industrial user or a NSCIU that has filed a timely application pursuant to Section 4.3 of this ordinance may continue to discharge for the time period specified therein.

B. The DTO may require other users to submit a completed permit application or survey form, including monitoring data, and to obtain wastewater discharge permits as necessary to carry out the purposes of this ordinance. To determine the status of a user in relation to this ordinance, users may be required to perform sampling as specified by the DTO.

C. Any violation of the terms and conditions of a wastewater discharge permit shall be deemed a violation of this ordinance and subjects the wastewater discharge permittee to the sanctions set out in Sections 09 through 12 of this ordinance. Obtaining a wastewater discharge permit does not relieve a permittee of its obligation to comply with all Federal and State pretreatment standards or requirements with any other requirements of Federal, State, and local law.

4.3 Wastewater Discharge Permitting: Existing Connections

Any user required to obtain a wastewater discharge permit who was discharging wastewater into the POTW prior to the effective date of this ordinance and who wishes to continue such discharges in the future, shall, apply to the DTO for a wastewater discharge permit in accordance with Section 4.5 of this ordinance, and shall not cause or allow discharges to the POTW to continue after ninety (90) days of the effective date of this ordinance except in accordance with a wastewater discharge permit issued by the DTO. If, in the DTO's judgment, the passing of the Ordinance does not significantly affect the Industrial User's current permit, then the existing permit will continue through to the expiration date.

4.4 Wastewater Discharge Permitting: New Connections

Any user required to obtain a wastewater discharge permit who proposes to begin or recommence discharging into the POTW must obtain such permit prior to the beginning or recommencing of such discharge. An application for this wastewater discharge permit, in accordance with Section 4.5 of this ordinance, must be filed prior to the date upon which any discharge will begin or recommence.

4.5 Wastewater Discharge Permit Application Contents

All users required to obtain a wastewater discharge permit must submit a permit application. The DTO may require all users to submit as part of an application the following information:

A. All information required by Section 6.1(B) of this ordinance;

B. Description of activities, facilities, and plant processes on the premises, including a list of all raw materials and chemicals used or stored at the facility which are, or could accidentally or intentionally be, discharged to the POTW;

C. Number and type of employees, hours of operation, and proposed or actual hours of operation;

D. Each product produced by type, amount, process or processes, and rate of production;

E. Type and amount of raw materials processed (average and maximum per day);

F. Site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, floor drains, and appurtenances by size, location, and elevation, and all points of discharge;

G. Time and duration of discharges; and

H. Any other information as may be deemed necessary by DTO to evaluate the wastewater discharge permit application.

Incomplete or inaccurate applications will not be processed and will be returned to the user for revision.

4.6 Application Signatories and Certification

A. All wastewater discharge permit applications and user reports as identified in 40 CFR §403.12(1), must be signed by an authorized representative of the user, as defined in section 1.4(C) of the ordinance, and contain the following certification statement:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

B. If the designation of an Authorized Representative is no longer accurate because a different individual or position has responsibility for the overall operation of the facility or overall responsibility for environmental matters for the company, a new written authorization satisfying the requirements of this Section must be submitted to the DTO prior to or together with any reports to be signed by an Authorized Representative.

C. A facility determined to be a Non-Significant Categorical Industrial User (NSCIU) by the DTO pursuant to 1.4 NN (2) must annually submit the signed certification statement signed in accordance with the signatory requirements in 1.4C. This certification must accompany an alternative report required by the DTO.

Based on my inquiry of the person or persons directly responsible for managing compliance with the categorical Pretreatment Standards under 40 CFR ____, I certify that, to the best of my knowledge and belief that during the period from _____, _____ to _____, _____ [months, days, year]:

(a) The facility described as _____
[facility name] met the definition of a Non-Significant Categorical Industrial User as described in 1.4 NN (2); **[Note: See 40 CFR 403.3(v)(2)]**

(b) The facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and (c) the facility never discharged more than 100 gallons of total categorical wastewater on any given day during this reporting period.

This compliance certification is based on the following information.

_____

_____

4.7 Wastewater Discharge Permit Decisions

The DTO will evaluate the data furnished by the user and may require additional information. Within a reasonable time from receipt of a complete wastewater discharge permit application, the DTO will determine whether or not to issue a wastewater discharge permit. The DTO may deny any application for a wastewater discharge permit.

SECTION 5 - WASTEWATER DISCHARGE PERMIT ISSUANCE PROCESS

5.1 Wastewater Discharge Permit Duration

A wastewater discharge permit shall be issued for a specified time period, not to exceed five (5) years from the effective date of the permit. A wastewater discharge permit may be issued for a period less than five (5) years, at the discretion of the DTO. Each wastewater discharge permit will indicate a specific date upon which it will expire.

5.2 Wastewater Discharge Permit Contents

A wastewater discharge permit shall include such conditions as are deemed reasonably necessary by the DTO to prevent pass through or interference, protect the quality of the water body receiving the treatment plant's effluent, protect worker health and safety, facilitate sludge management and disposal, and protect against damage to the POTW.

A. Wastewater discharge permits must contain:

(1) A statement that indicates wastewater discharge permit duration, which in no event shall exceed five (5) years;

(2) A statement that the wastewater discharge permit is nontransferable without prior notification to the Town in accordance with Section 5.5 of this ordinance, and provisions for furnishing the new owner or operator with a copy of the existing wastewater discharge permit;

(3) Effluent limits including Best Management Practices based on applicable pretreatment standards;

(4) Self monitoring, sampling, reporting, notification, and record-keeping requirements including BMPs. These requirements shall include an identification of pollutants to be monitored, sampling location, sampling frequency, and sample type based on Federal, State, and local law; and

(5) A statement of applicable civil and criminal penalties for violation of pretreatment standards and requirements, and any applicable compliance schedule. Such schedule may not extend the time for compliance beyond that required by applicable Federal, State, or local law.

(6) Requirements to control Slug Discharge, if determined by the DTO to be necessary.

B. Wastewater discharge permits may contain, but need not be limited to, the following conditions:

(1) Limits on the average and/or maximum rate of discharge, time of discharge, and/or requirements for flow regulation and equalization;

(2) Requirements for the installation of pretreatment technology, pollution control, or construction of appropriate containment devices, designed to reduce, eliminate, or prevent the introduction of pollutants into the treatment works;

(3) Requirements for the development and implementation of spill control plans or other special conditions including management practices necessary to adequately prevent accidental, unanticipated, or nonroutine discharges;

(4) Development and implementation of waste minimization plans to reduce the amount of pollutants discharged to the POTW;

(5) The unit charge or schedule of user charges and fees for the management of the wastewater discharged to the POTW;

(6) Requirements for installation and maintenance of inspection and sampling facilities and equipment;

(7) A statement that compliance with the wastewater discharge permit does not relieve the permittee of responsibility for compliance with all applicable Federal and State pretreatment standards, including those which become effective during the term of the wastewater discharge permit; and

(8) Other conditions as deemed appropriate by the DTO to ensure compliance with this ordinance, and State and Federal laws, rules, and regulations.

5.3 Reserved.

5.4 Wastewater Discharge Permit Modification

The DTO may modify a wastewater discharge permit for good cause, including, but not limited to, the following reasons:

A. To incorporate any new or revised Federal, State, or local pretreatment standards or requirements;

B. To address significant alterations or additions to the user's operation, processes, or wastewater volume or character since the time of wastewater discharge permit issuance;

C. A change in the POTW that requires either a temporary or permanent reduction or elimination of the authorized discharge;

D. Information indicating that the permitted discharge poses a threat to POTW, POTW personnel, or the receiving waters;

E. Violation of any terms or conditions of the wastewater discharge permit;

F. Misrepresentations or failure to fully disclose all relevant facts in the wastewater discharge permit application or in any required reporting;

G. Revision of or a grant of variance from categorical pretreatment standards pursuant to 40 CFR 403.13;

H. To correct typographical or other errors in the wastewater discharge permit; or

I. To reflect a transfer of the facility ownership or operation to a new owner or operator.

5.5 Wastewater Discharge Permit Transfer

A. Wastewater discharge permits may be transferred to a new owner or operator only if the permittee gives a minimum of sixty (60) days advance notice to the DTO and the DTO approves the wastewater discharge permit transfer.

B. The notice to the DTO must include a written certification by the new owner or operator which:

(1) States that the new owner and/or operator has no immediate intent to change the facility's operations and processes;

(2) Identifies the specific date on which the transfer is to occur; and

(3) Acknowledges full responsibility for complying with the existing wastewater discharge permit.

Failure to provide advance notice of a transfer renders the wastewater discharge permit void as of the date of facility transfer.

5.6 Wastewater Discharge Permit Revocation

The DTO may revoke a wastewater discharge permit for good cause, including, but not limited to, the following reasons:

A. Failure to notify the DTO of significant changes to the wastewater prior to the changed discharge;

B. Failure to provide prior notification to the DTO of changed conditions pursuant to Section 6.5 of this ordinance;

C. Misrepresentation or failure to fully disclose all relevant facts in the wastewater discharge permit application;

D. Falsifying self-monitoring reports;

E. Tampering with monitoring equipment;

F. Refusing to allow the DTO timely access to the facility premises and records;

G. Failure to meet effluent limitations;

H. Failure to pay fines;

I. Failure to pay sewer charges;

J. Failure to meet compliance schedules;

K. Failure to complete a wastewater survey or the wastewater discharge permit application;

L. Failure to provide advance notice of the transfer of business ownership of a permitted facility; or

M. Violation of any pretreatment standard or requirement, or any terms of the wastewater discharge permit or this ordinance.

Wastewater discharge permits shall be voidable upon cessation of operations or transfer of business ownership. All wastewater discharge permits issued to a particular user are void upon the issuance of a new wastewater discharge permit to that user.

5.7 Wastewater Discharge Permit Reissuance

A user with an expiring wastewater discharge permit shall apply for wastewater discharge permit reissuance by submitting a complete permit application, in accordance with Section 4.5 of this ordinance, prior to the expiration of the user's existing wastewater discharge permit.

5.8 Regulation of Waste Received from Other Jurisdictions

A. A municipality which contributes wastewater to the POTW, shall enter into an interlocal agreement with the Town prior to contributing such wastewater.

B. Prior to the Town entering into an interlocal agreement as provided in subsection A, the City may request the following information from the contributing municipality:

(1) A description of the quality and volume of wastewater discharged to the POTW by the contributing municipality;

(2) An inventory of all users located within the contributing municipality that are discharging to the POTW; and

(3) Such other information as the Town may deem necessary.

5.9 Extrajurisdictional users

A. An extrajurisdictional user shall apply for a permit in accordance with this ordinance at least ninety (90) days prior to discharging to the POTW

B. This section does not apply to extrajurisdictional users in jurisdictions which have an agreement with the Town pursuant to section 5.8.

C. A wastewater discharge permit issued to an extrajurisdictional user shall be in the form of a contract, and must include, at a minimum, the components found in 40 CFR 403.8(f)(1)(iii) and shall require the approval of the Town's council. An extrajurisdictional user shall agree to all the terms of this ordinance and the terms of its wastewater discharging contract in accordance with the procedures set forth in section 5.2 of this Ordinance prior to discharging into the POTW.

SECTION 6 - REPORTING REQUIREMENTS

6.1 Baseline Monitoring Reports

A. Within either one hundred eighty (180) days after the effective date of a categorical pretreatment standard, or the final administrative decision on a category determination under 40 CFR 403.6(a)(4), whichever is later, existing categorical users currently discharging to or scheduled to discharge to the POTW shall submit to the DTO a report which contains the information listed in paragraph B, below. At least ninety (90) days prior to commencement of their discharge, new sources, and sources that will become categorical users subsequent to the promulgation of an applicable categorical standard, shall submit to [the DTO] a report which contains the information listed in paragraph B, below. A new source shall report the method of pretreatment it intends to use to meet applicable categorical standards. A new source also shall give estimates of its anticipated flow and quantity of pollutants to be discharged.

B. Users described above shall submit the information set forth below.

(1) Identifying Information. The name and address of the facility, including the name of the operator and owner.

(2) Environmental Permits. A list of any environmental control permits held by or for the facility.

(3) Description of Operations. A brief description of the nature, average rate of production, and standard industrial classifications and/or North American Industry Classifications (NAICS) of the operation(s) carried out by such user. This description should include a schematic process diagram which indicates points of discharge to the POTW from the regulated processes.

(4) Flow Measurement. Information showing the measured or estimated average daily and maximum daily flow, in gallons per day, to the POTW from regulated process streams and other streams, as necessary, to allow use of the combined wastestream formula set out in 40 CFR 403.6(e).

(5) Measurement of Pollutants.

(a) The categorical pretreatment standards applicable to each regulated process (and any new categorically regulated processes for Existing Sources.)

(b) The results of sampling and analysis identifying the nature and concentration, and/or mass, where required by the standard or by the DTO, of regulated pollutants in the discharge from each regulated process.

(c) Instantaneous, daily maximum, and long-term average concentrations, or mass, where required, shall be reported.

(d) The sample shall be representative of daily operations and shall be analyzed in accordance with procedures set out in Section 6.10 of this ordinance. Where the Standard requires compliance with a BMP or pollution prevention alternative, the User shall submit documentation as required by the DTO or the applicable Standards to determine compliance with the Standard.

(e) If discharge flow conditions are representative of daily operations, the User shall take a minimum of one representative sample to compile that data necessary to comply with the requirements of this section. The DTO may require additional representative sampling to be conducted.

(f) Representative samples should be taken immediately downstream from pretreatment facilities if such exist or immediately downstream from the regulated process if no pretreatment exists. If other wastewaters are mixed with the regulated wastewater prior to pretreatment the User should measure the flows and concentrations necessary to allow use of the combined wastestream formula in 40CFR 403.6(e) to evaluate compliance with Pretreatment Standards.

(g) The DTO may allow the submission of a baseline report which utilizes only historical data so long as the data provides information sufficient to determine the need for industrial pretreatment measures.

(h) The baseline report shall indicate the time, date and place of sampling and method of analysis, and shall certify that such sampling and analysis is representative of normal work cycle and expected pollutant discharges to the POTW.

(i) Sampling must be performed in accordance with procedures set out in Section 6.11 of this ordinance.

(6) Certification. A statement, reviewed by the user's authorized representative and certified by a qualified professional, indicating whether pretreatment standards are being met on a consistent basis, and, if not, whether additional operation and maintenance (O&M) and/or additional pretreatment is required to meet the pretreatment standards and requirements.

(7) Compliance Schedule. If additional pretreatment and/or O&M will be required to meet the pretreatment standards, the shortest schedule by which the user will provide such additional pretreatment and/or O&M. The completion date in this schedule shall not be later than the compliance date established for the applicable pretreatment standard. A compliance schedule pursuant to this section must meet the requirements set out in Section 6.2 of this ordinance.

(8) Signature and Certification. All baseline monitoring reports must be signed and certified in accordance with Section 4.6 of this ordinance.

6.2 Compliance Schedule Progress Reports

The following conditions shall apply to the compliance schedule required by Section 6.1(B)(7) of this ordinance:

A. The schedule shall contain progress increments in the form of dates for the commencement and completion of major events leading to the construction and operation of additional pretreatment required for the user to meet the applicable pretreatment standards (such events include, but are not limited to, hiring an engineer, completing preliminary and final plans, executing contracts for major components, commencing and completing construction, and beginning and conducting routine operation);

B. No increment referred to above shall exceed nine (9) months;

C. The user shall submit a progress report to the DTO no later than fourteen (14) days following each date in the schedule and the final date of compliance including, as a minimum, whether or not it complied with the increment of progress, the reason for any delay, and, if appropriate, the steps being taken by the user to return to the established schedule; and

D. In no event shall more than nine (9) months elapse between such progress reports to the DTO.

6.3 Reports on Compliance with Categorical Pretreatment Standard Deadline

Within ninety (90) days following the date for final compliance with applicable categorical pretreatment standards, or in the case of a new source following commencement of the introduction of wastewater into the POTW, any user subject to such pretreatment standards and requirements shall submit to the DTO a report containing the information described in Section 6.1(B)(4-6) of this ordinance. For users subject to equivalent mass or concentration limits established in accordance with the procedures in 40 CFR 403.6(c), this report shall contain a reasonable measure of the user's long-term production rate. In cases where the Categorical Pretreatment Standard requires compliance with a BMP or pollution prevention alternative, the User shall submit documentation as required by the applicable Categorical Pretreatment Standard necessary to determine the compliance status of the User For all other users subject to categorical pretreatment standards expressed in terms of allowable pollutant discharge per unit of production (or other measure of operation), this report shall include the user's actual production during the appropriate sampling period. All compliance reports must be signed and certified in accordance with Section 4.6 of this ordinance. All sampling will be done in conformance with Section 6.11 of the ordinance.

6.4 Periodic Compliance Reports

A. All significant industrial users shall, at a frequency determined by the DTO but in no case less than twice per year, submit a report indicating the nature and concentration of pollutants in the discharge which are limited by pretreatment standards and the measured or estimated average and maximum daily flows for the reporting period. In cases where the Categorical Pretreatment Standard or the DTO requires compliance

with a BMP or pollution prevention alternative, the User shall submit documentation as required by the DTO or the applicable Categorical Pretreatment Standard necessary to determine the compliance status of the User. All periodic compliance reports must be signed and certified in accordance with Section 4.6 of this ordinance.

B. All Non-significant Categorical Industrial Users (NSCIU) shall submit a report annually in the month specified by the DTO. The report shall be completed according to the Town's current reporting requirements, including the submittal of the applicable certification statement found in Section 4.6 of this ordinance.

C. All wastewater samples must be representative of the user's discharge. Wastewater monitoring and flow measurement facilities shall be properly operated, kept clean, and maintained in good working order at all times. The failure of a user to keep its monitoring facility in good working order shall not be grounds for the user to claim that sample results are unrepresentative of its discharge.

D. If a user subject to the reporting requirement in this section monitors any pollutant more frequently than required by the DTO, using the procedures prescribed in Section 6.10 and 6.11 of this ordinance, the results of this monitoring shall be included in the report.

6.5 Reports of Changed Conditions

Each user must notify the DTO of any planned significant changes to the user's operations or system which might alter the nature, quality, or volume of its wastewater before the change is made.

A. The DTO may require the user to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a wastewater discharge permit application under Section 4.5 of this ordinance.

B. The DTO may issue a wastewater discharge permit under Section 4.7 of this ordinance or modify an existing wastewater discharge permit under Section 5.4 of this ordinance in response to changed conditions or anticipated changed conditions.

C. For purposes of this requirement, significant changes include, but are not limited to, flow increases of twenty percent 20% or greater, and the discharge of any previously unreported pollutants that are determined to be of concern.

6.6 Reports of Potential Problems

A. In the case of any discharge, including, but not limited to, accidental discharges, discharges of a nonroutine, episodic nature, a noncustomary batch discharge, or a slug load, that may cause potential problems for the POTW, the user shall immediately telephone and notify the Town and the Control Authority of the incident. This notification shall include the location of the discharge, type of waste, concentration and volume, if known, and corrective actions taken by the user.

B. Within five (5) days following such discharge, the user shall, unless waived by the DTO, submit a detailed written report describing the cause(s) of the discharge and the measures to be taken by the user to prevent similar future occurrences. Such notification shall not relieve the user of any expense, loss, damage, or other liability which may be incurred as a result of damage to the POTW, natural resources, or any other damage to person or property; nor shall such notification relieve the user of any fines, penalties, or other liability which may be imposed pursuant to this ordinance.

C. A notice shall be permanently posted on the user's bulletin board or other prominent place advising employees whom to call in the event of a discharge described in paragraph A, above. Employers shall

ensure that all employees, who may cause such a discharge to occur, are advised of the emergency notification procedure.

D. Significant Industrial Users are required to notify the DTO immediately of any changes at its facility affecting the potential for a Slug Discharge

6.7 Reports from Unpermitted Users

All users not required to obtain a wastewater discharge permit shall provide appropriate reports to the DTO as the DTO may require.

6.8 Notice of Violation/Repeat Sampling and Reporting

If sampling performed by a user indicates a violation, the user must notify the DTO within twenty-four (24) hours of becoming aware of the violation. The user shall also repeat the sampling and analysis and submit the results of the repeat analysis to the DTO within thirty (30) days after becoming aware of the violation. The user is not required to resample if the DTO monitors at the user's facility at least once a month, or if the DTO samples between the user's initial sampling and when the user receives the results of this sampling, or if the DTO has performed the sampling and analysis in lieu of the user.

6.9 Notification of the Discharge of Hazardous Waste

A. Any user who commences the discharge of hazardous waste shall notify the POTW, the EPA Regional Waste Management Division Director, and State hazardous waste authorities, in writing, of any discharge into the POTW of a substance which, if otherwise disposed of, would be a hazardous waste under 40 CFR Part 261. Such notification must include the name of the hazardous waste as set forth in 40 CFR Part 261, the EPA hazardous waste number, and the type of discharge (continuous, batch, or other). If the user discharges more than one hundred (100) kilograms of such waste per calendar month to the POTW, the notification also shall contain the following information to the extent such information is known and readily available to the user: an identification of the hazardous constituents contained in the wastes, an estimation of the mass and concentration of such constituents in the wastestream discharged during that calendar month, and an estimation of the mass of constituents in the wastestream expected to be discharged during the following twelve (12) months. All notifications must take place no later than one hundred and eighty (180) days after the discharge commences. Any notification under this paragraph need be submitted only once for each hazardous waste discharged. However, notifications of changed conditions must be submitted under Section 6.5 of this ordinance. The notification requirement in this section does not apply to pollutants already reported by users subject to categorical pretreatment standards under the self-monitoring requirements of Sections 6.1, 6.3, and 6.4 of this ordinance.

B. Dischargers are exempt from the requirements of paragraph A, above, during a calendar month in which they discharge no more than fifteen (15) kilograms of hazardous wastes, unless the wastes are acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e). Discharge of more than fifteen (15) kilograms of nonacute hazardous wastes in a calendar month, or of any quantity of acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e), requires a one-time notification. Subsequent months during which the user discharges more than such quantities of any hazardous waste do not require additional notification.

C. In the case of any new regulations under Section 3001 of RCRA identifying additional characteristics of hazardous waste or listing any additional substance as a hazardous waste, the user must notify [the DTO], the POTW, the EPA Regional Waste Management Waste Division Director, and State hazardous waste authorities of the discharge of such substance within ninety (90) days of the effective date of such regulations.

D. In the case of any notification made under this section, the user shall certify that it has a program in place to reduce the volume and toxicity of hazardous wastes generated to the degree it has determined to be economically practical.

E. This provision does not create a right to discharge any substance not otherwise permitted to be discharged by this ordinance, a permit issued thereunder, or any applicable Federal or State law.

6.10 Analytical Requirements

All pollutant analyses, including sampling techniques, to be submitted as part of a wastewater discharge permit application or report shall be performed in accordance with the techniques prescribed in 40 CFR Part 136, and amendments thereto, unless otherwise specified in an applicable categorical pretreatment standard. If 40 CFR Part 136 does not contain sampling or analytical techniques for the pollutant in question, or where the EPA determines that the Part 136 sampling and analytical techniques are inappropriate for the pollutant in question sampling and analyses shall be performed by using validated analytical methods or any applicable sampling and analytical procedures, including procedures suggested by the DTO and/or Control Authority EPA, TCEQ, or other parties approved by EPA .

6.11 Sample Collection

A. Except as indicated in Section B and C below, the User must collect wastewater samples using 24-hour flow-proportional composite sampling techniques, unless time-proportional composite sampling or grab sampling is authorized by the DTO. Where time-proportional composite sampling or grab sampling is authorized by the Town, the samples must be representative of the discharge. Using protocols (including appropriate preservation) specified in 40 CFR Part 136 and appropriate EPA guidance, multiple grab samples collected during a 24-hour period may be composited prior to the analysis as follows: for cyanide, total phenols, and sulfides the samples may be composited in the laboratory or in the field; for volatile organics and oil and grease, the samples may be composited in the laboratory. Composite samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by the Town, as appropriate. In addition, grab samples may be required to show compliance with Instantaneous Limits.

B. Samples for oil and grease, temperature, pH, cyanide, phenols, sulfides, and volatile organic compounds must be obtained using grab collection techniques.

C. For sampling required in support of baseline monitoring and 90-day compliance reports required in Section 6.1 and 6.3 [40 CFR 403.12(b) and (d)], a minimum of four (4) grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide and volatile organic compounds for facilities for which historical sampling data do not exist; for facilities for which historical sampling data are available, the DTO may authorize a lower minimum. For the reports required by paragraphs Section 6.4 (40 CFR 403.12(e) and 403.12(h)), the Industrial User is required to collect the number of grab samples necessary to assess and assure compliance by with applicable Pretreatment Standards and Requirements.

6.12 Timing

Written reports will be deemed to have been submitted on the date postmarked. For reports which are not mailed, postage prepaid, into a mail facility serviced by the United States Postal Service, the date of receipt of the report shall govern.

6.13 Record Keeping

Users subject to the reporting requirements of this ordinance shall retain, and make available for inspection and copying, all records of information obtained pursuant to any monitoring activities required by this ordinance and any additional records of information obtained pursuant to monitoring activities undertaken by the user independent of such requirements, and documentation associated with Best Management Practices established in this ordinance.. Records shall include the date, exact place, method, and time of sampling, and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses. These records shall remain available for a period of at least three (3) years. This period shall be automatically extended for the duration of any litigation concerning the user or the Town, or where the user has been specifically notified of a longer retention period by the DTO.

SECTION 7 - COMPLIANCE MONITORING

7.1 Right of Entry: Inspection and Sampling

The DTO and/or the Control Authority, State and Federal representatives, or their designated representative shall have the right to enter the premises of any user to determine whether the user is complying with all requirements of this ordinance and any wastewater discharge permit or order issued hereunder. Users shall allow inspecting or sampling person ready access to all parts of the premises for the purposes of inspection, sampling, records examination and copying, and the performance of any additional duties.

A. Where a user has security measures in force which require proper identification and clearance before entry into its premises, the user shall make necessary arrangements with its security guards so that, upon presentation of suitable identification, the Town, Control Authority, State and Federal representatives, will be permitted to enter without delay for the purposes of performing specific responsibilities.

B. The DTO an/or Control Authority shall have the right to set up on the user's property, or require installation of, such devices as are necessary to conduct sampling and/or metering of the user's operations. **All sampling and analysis performed by the DTO and/or Control Authority to monitor compliance shall be at the expense of the industrial user.**

C. **The DTO** and/or Control Authority may require the user to install monitoring equipment as necessary. The facility's sampling and monitoring equipment shall be maintained at all times in a safe and proper operating condition by the user at its own expense. All devices used to measure wastewater flow and quality shall be calibrated, at a minimum, annually to ensure their accuracy.

D. Any temporary or permanent obstruction to safe and easy access to the facility to be inspected and/or sampled shall be promptly removed by the user at the written or verbal request of **[the DTO]** and/or Control Authority and shall not be replaced. The costs of clearing such access shall be born by the user.

E. Unreasonable delays in allowing the inspecting or sampling person access to the user's premises shall be a violation of this ordinance.

F. In accordance with 40 CFR 403, the Town shall inspect and monitor each Significant Industrial User a minimum of once per year. If the Town elects to perform compliance monitoring for the Significant Industrial User then the Town will monitor the industry a minimum of semi annually.

G. Town shall inspect each NSCIU a minimum of once per year. If the Town elects to perform compliance monitoring for the NSCIU then the Town will monitor the industry a minimum of one time each permit.

7.2 Search Warrants

If the DTO and/or Control Authority has been refused access to a building, structure, or property, or any part thereof, and is able to demonstrate probable cause to believe that there may be a violation of this ordinance, or that there is a need to inspect and/or sample as part of a routine inspection and sampling program of the Town designed to verify compliance with this ordinance or any permit or order issued hereunder, or to protect the overall public health, safety and welfare of the community, then the DTO and/or Control Authority may seek issuance of a search warrant from the an appropriate court.

SECTION 8 - CONFIDENTIAL INFORMATION

Information and data on a user obtained from reports, surveys, wastewater discharge permit applications, wastewater discharge permits, and monitoring programs, and from inspection and sampling activities, shall be available to the public without restriction, unless the user specifically requests, and is able to demonstrate to the satisfaction of the Town and/or Control Authority, that the release of such information would divulge information, processes, or methods of production entitled to protection as trade secrets under applicable State law. Any such request must be asserted at the time of submission of the information or data. When requested and demonstrated by the user furnishing a report that such information should be held confidential, the portions of a report which might disclose trade secrets or secret processes shall only be available pursuant to the requirements of the Texas Public Information Act, but shall be made available immediately upon request to governmental agencies for uses related to the TPDES program or pretreatment program, and in enforcement proceedings involving the person furnishing the report. Wastewater constituents and characteristics and other "effluent data" as defined by 40 CFR 2.302 will not be recognized as confidential information and will be available to the public without restriction.

SECTION 9 - PUBLICATION OF USERS IN SIGNIFICANT NONCOMPLIANCE

The DTO shall publish annually, on the Town's website and/or in a newspaper of general circulation that provides meaningful public notice within the jurisdictions served by the POTW, a list of the users which, at any time during the previous twelve (12) months, were in significant noncompliance with applicable pretreatment standards and requirements. Said Users shall pay the cost of publication. The term Significant Noncompliance shall be applicable to all Significant Industrials Users (or any other Industrial User that violates paragraphs (C), (D), or (H) of this Section) and shall mean:

A. Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent (66%) or more of all the measurements taken for the same pollutant parameter taken during a six- (6-) month period exceed (by any magnitude) a numeric Pretreatment Standard or Requirement, including Instantaneous Limits as defined in Section 2;

B. Technical Review Criteria (TRC) violations, defined here as those in which thirty-three percent (33%) or more of wastewater measurements taken for each pollutant parameter during a six- (6-) month period equals or exceeds the product of the numeric Pretreatment Standard or Requirement including Instantaneous Limits, as defined by Section 2 multiplied by the applicable criteria (1.4 for BOD, TSS, fats, oils and grease, and 1.2 for all other pollutants except pH);

C. Any other violation of a Pretreatment Standard or Requirement as defined by Section 2 (Daily Maximum, long-term average, Instantaneous Limit, or narrative standard) that the DTO determines has caused, alone or in combination with other discharges, Interference or Pass Through, including endangering the health of POTW personnel or the general public;

D. Any discharge of a pollutant that has caused imminent endangerment to the public or to the environment, or has resulted in the DTO's exercise of its emergency authority to halt or prevent such a discharge;

E. Failure to meet, within ninety (90) days of the scheduled date, a compliance schedule milestone contained in an individual wastewater discharge permit or enforcement order for starting construction, completing construction, or attaining final compliance;

F. Failure to provide within forty-five (45) days after the due date, any required reports, including baseline monitoring reports, reports on compliance with categorical Pretreatment Standard deadlines, periodic self-monitoring reports, and reports on compliance with compliance schedules;

G. Failure to accurately report noncompliance; or

H. Any other violation(s), which may include a violation of Best Management Practices, which the DTO determines will adversely affect the operation or implementation of the local pretreatment program.

SECTION 10 - ADMINISTRATIVE ENFORCEMENT REMEDIES

10.1 Notification of Violation

When the DTO finds that a user has violated, or continues to violate, any provision of this ordinance, a wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, the DTO may serve upon that user a written Notice of Violation. Within the time frame specified in the notice, an explanation of the violation and a plan for the satisfactory correction and prevention thereof, to include specific required actions, shall be submitted by the user to the DTO. Submission of this plan in no way relieves the user of liability for any violations occurring before or after receipt of the Notice of Violation. Nothing in this section shall limit the authority of the DTO to take any action, including emergency actions or any other enforcement action, without first issuing a Notice of Violation.

10.2 Consent Order

The DTO may enter into Consent Orders, assurance of compliance, or similar documents establishing an agreement with any User responsible for noncompliance. Such documents shall include specific action to be taken by the User to correct the noncompliance within a time period specified by the document. Such documents shall have the same force and effect as the administrative orders issued pursuant to Sections 10.4 and 10.5 of the ordinance and shall be judicially enforceable

10.3 Show Cause Hearing

The DTO may order a user which has violated, or continues to violate, any provision of this ordinance, a wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, to appear before the DTO and show cause why the proposed enforcement action should not be taken. Notice shall be served on the user specifying the time and place for the meeting, the proposed enforcement action, the reasons for such action, and a request that the user show cause why the proposed enforcement action should not be taken. The notice of the meeting shall be served personally or by registered or certified mail (return receipt requested) at least ten (10) days prior to the hearing. Such notice may be served on any authorized representative of the user. A show cause hearing shall not be a bar against, or prerequisite for, taking any other action against the user.

10.4 Compliance Orders

When the DTO finds that a user has violated, or continues to violate, any provision of this ordinance, a wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, the DTO may issue an order to the user responsible for the discharge directing that the user come into compliance within a specified time. If the user does not come into compliance within the time provided, sewer service may be discontinued unless adequate treatment facilities, devices, or other related appurtenances are installed and properly operated. Compliance orders also may contain other requirements to address the noncompliance, including additional self-monitoring and management practices designed to minimize the amount of pollutants discharged to the sewer. A compliance order may not extend the deadline for compliance established for a pretreatment standard or requirement, nor does a compliance order relieve the user of liability for any violation, including any continuing violation. Issuance of a compliance order shall not be a bar against, or a prerequisite for, taking any other action against the user.

10.5 Cease and Desist Orders

When the DTO finds that a user has violated, or continues to violate, any provision of this ordinance, a wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, or that the user's past violations are likely to recur, the DTO may issue an order to the user directing it to cease and desist all such violations and directing the user to:

A. Immediately comply with all requirements; and

B. Take such appropriate remedial or preventive action as may be needed to properly address a continuing or threatened violation, including halting operations and/or terminating the discharge.

Issuance of a cease and desist order shall not be a bar against, or a prerequisite for, taking any other action against the user.

10.6 Reserved

10.7 Emergency Suspensions

The DTO may immediately suspend a user's discharge, after informal notice to the user, whenever such suspension is necessary to stop an actual or threatened discharge which reasonably appears to present or cause an imminent or substantial endangerment to the health or welfare of persons. The DTO may also immediately suspend a user's discharge, after notice and opportunity to respond, that threatens to interfere with the operation of the POTW, or which presents, or may present, an endangerment to the environment.

A. Any user notified of a suspension of its discharge shall immediately stop or eliminate its contribution. In the event of a user's failure to immediately comply voluntarily with the suspension order, the DTO may take such steps as deemed necessary, including immediate severance of the sewer connection, to prevent or minimize damage to the POTW, its receiving stream, or endangerment to any individuals. The DTO may allow the user to recommence its discharge when the user has demonstrated to the satisfaction of the DTO

that the period of endangerment has passed, unless the termination proceedings in Section 10.8 of this ordinance are initiated against the user.

B. A user that is responsible, in whole or in part, for any discharge presenting imminent endangerment shall submit a detailed written statement, describing the causes of the harmful contribution and the measures taken to prevent any future occurrence, to the DTO prior to the date of any show cause or termination hearing under Sections 10.3 or 10.8 of this ordinance.

Nothing in this section shall be interpreted as requiring a hearing prior to any emergency suspension under this section.

10.8 Termination of Discharge

In addition to the provisions in Section 5.6 of this ordinance, any user who violates the following conditions is subject to discharge termination:

A. Violation of wastewater discharge permit conditions;

B. Failure to accurately report the wastewater constituents and characteristics of its discharge;

C. Failure to report significant changes in operations or wastewater volume, constituents, and characteristics prior to discharge;

D. Refusal of reasonable access to the user's premises for the purpose of inspection, monitoring, or sampling; or

E. Violation of the pretreatment standards in Section 2 of this ordinance.

Such user will be notified of the proposed termination of its discharge and be offered an opportunity to show cause under Section 10.3 of this ordinance why the proposed action should not be taken. Exercise of this option by the DTO shall not be a bar to, or a prerequisite for, taking any other action against the user.

SECTION 11 - JUDICIAL ENFORCEMENT REMEDIES

11.1 Injunctive Relief

When the DTO finds that a user has violated, or continues to violate, any provision of this ordinance, a wastewater discharge permit, or order issued hereunder, or any other pretreatment standard or requirement, the DTO may petition the appropriate Court through the Town's Attorney for the issuance of a temporary or permanent injunction, as appropriate, which restrains or compels the specific performance of the wastewater discharge permit, order, or other requirement imposed by this ordinance on activities of the user. The DTO may also seek such other action as is appropriate for legal and/or equitable relief, including a requirement for the user to conduct environmental remediation. A petition for injunctive relief shall not be a bar against, or a prerequisite for, taking any other action against a user.

11.2 Civil Penalties

A. A user who has violated, or continues to violate, any provision of this ordinance, a wastewater discharge permit, or order issued hereunder, or any other pretreatment standard or requirement shall be liable to the Town for a maximum civil penalty as allowed by law per violation, per day. In the case of a monthly or other long-term average discharge limit, penalties shall accrue for each day during the period of the violation.

B. The DTO may recover reasonable attorneys' fees, court costs, and other expenses associated with enforcement activities, including sampling and monitoring expenses, and the cost of any actual damages incurred by the Town.

C. In determining the amount of civil liability, the Court shall take into account all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the magnitude and duration of the violation, any economic benefit gained through the user's violation, corrective actions by the user, the compliance history of the user, and any other factor as justice requires.

D. Filing a suit for civil penalties shall not be a bar against, or a prerequisite for, taking any other action against a user.

11.3 Criminal Prosecution

A. A user who intentionally, knowingly, recklessly, or negligently violates any provision of this ordinance, a wastewater discharge permit, or order issued hereunder, or any other pretreatment standard or requirement shall, upon conviction, be guilty of a misdemeanor, punishable by a fine of not more than Two Thousand Dollars ($2,000.00) per violation, per day, or imprisonment as decided by an appropriate court, or both.

B. A user who intentionally, knowingly, recklessly, or negligently introduces any substance into the POTW which causes personal injury or property damage shall, upon conviction, be guilty of a misdemeanor and be subject to the same penalties described in 11.3.A. of this Ordinance. This penalty shall be in addition to any other cause of action for personal injury or property damage available under State law.

C. A user who makes any false statements, representations, or certifications in any application, record, report, plan, or other documentation filed, or required to be maintained, pursuant to this ordinance, wastewater discharge permit, or order issued hereunder, or who falsifies, tampers with, or renders inaccurate any monitoring device or method required under this ordinance shall, upon conviction, be subject to the same penalties described in 11.3.A. of this Ordinance.

D. CRIMINAL RESPONSIBILITY. A person is criminally responsible for a violation of this Ordinance if that person intentionally, knowingly, recklessly, or negligently::

(1) commits or assists in the commission of a violation, or causes or permits another person to commit a violation; or

(2) owns or manages the property or facilities determined to be the cause of the illegal discharge under Section 2.1, 2.2, 2.4, 3.4, or 4.2.

11.4 Remedies Nonexclusive

The remedies provided for in this ordinance are not exclusive**.** The DTO may take any, all, or any combination of these actions against a noncompliant user. Enforcement of pretreatment violations will generally be in accordance with the Town's enforcement response plan. However, the DTO may take other action against any user when the circumstances warrant. Further, the DTO is empowered to take more than one enforcement action against any noncompliant user.

11.5 Applicability of More Stringent Regulations

A. It is the intent of the Town Council that all federal and state laws be followed by all users and if national pretreatment standards, categorical or otherwise, more stringent than the discharge limits prescribed in this article are promulgated by the United States Environmental Protection Agency for certain industries, the more stringent national pretreatment standards shall be adopted by future ordinance or incorporated as if set forth full in the Ordinance, upon written notice of that promulgation to the affected industrial user. Any violation of the more stringent national pretreatment standards subsequent to that written notice to an industrial user will also be considered a violation of this Ordinance.

B. Applicability of more stringent discharge limits. An industrial user within the Town who discharges industrial waste ultimately received and treated by another governmental entity pursuant to a wholesale wastewater contract or a reciprocal agreement with the Town is subject to the following additional rules, upon written notice of more stringent discharge limits that apply to the other governmental entity, provided that written notice shall not be required if the Town adopts ordinances incorporating said additional rules or if federal or state law requires that such additional rules be followed :

(1) If the governmental entity has more stringent discharge limits than those prescribed by this Ordinance, or by a discharge permit issued hereunder, because the United States Environmental Protection Agency requires the more stringent discharge limits as part of the governmental entity's wastewater pretreatment program, the more stringent discharge limits shall prevail.

(2) The DTO is authorized to issue a discharge permit to an industrial user affected by Subsection (1), to insure notice of and compliance with the more stringent discharge limits. If the industrial user already has a discharge permit, the DTO may amend the permit to apply and enforce the more stringent discharge limits. An industrial user shall submit to the DTO an expected compliance date and an installation schedule if the more stringent discharge limits necessitate technological or mechanical adjustments to discharge facilities or plant processes.

(3) If the DTO receives notice from the governmental entity of a change to the instantaneous maximum allowable discharge limits or to other applicable requirements, the director shall notify the affected significant industrial user in writing of the change in the instantaneous maximum allowable discharge limits and the effective date of the change. The DTO shall amend the permit to include the new discharge limits. If the change results in more stringent instantaneous maximum allowable discharge limits, an industrial user shall be given a reasonable opportunity to comply with the more stringent instantaneous maximum allowable discharge limits.

(4) The more stringent discharge limits cease to apply upon termination of the Town's wholesale wastewater contract or reciprocal agreement with the governmental entity, or upon modification or elimination of the limits by the government entity or the United States Environmental Protection Agency. The DTO shall take the appropriate action to notify the affected industrial user of an occurrence under this Subsection (4).

C. Variances in compliance dates. The DTO may grant a variance in compliance dates to an industry when, in the DTO's opinion, such action is necessary to achieve pretreatment or corrective measures. In no case shall the DTO grant a variance in compliance dates to an industry affected by national categorical pretreatment standards beyond the compliance dates established by the United States Environmental Protection Agency.

D. Authority to regulate. The Town may establish regulations, not in conflict with this Ordinance other laws, to control the disposal and discharge of industrial waste into the wastewater system and to insure compliance with the Town's pretreatment enforcement program with all applicable pretreatment regulations promulgated by the United States Environmental Protection Agency. The regulations established shall, where applicable, be made part of any discharge permit issued to an industrial user by the DTO.

SECTION 12 – RESERVED

SECTION 13 - AFFIRMATIVE DEFENSES TO DISCHARGE VIOLATIONS

13.1 Act of God Provision

In an action brought in municipal or state court only:

A. An event that would otherwise be a violation that is caused solely by an act of God, war, strike, riot, or other catastrophe, as defined in Texas Water Code (TWC) § 7.251, is an affirmative defense to prosecution for a violation of this Ordinance.

B. In any enforcement proceeding, the user seeking to establish the occurrence of an act of God, war, strike, riot, or other catastrophe shall have the burden of proof.

C. In the event that a user satisfies the conditions set forth in Subsections A. and B. above, the user shall control production of all discharges to the extent necessary to maintain compliance with pretreatment standards upon reduction, loss, or failure of its treatment facility until the facility is restored or an alternative method of treatment is provided.

13.2 Bypass

A. For the purposes of this section:

(1) "Bypass" means the intentional diversion of wastestreams from any portion of a user's treatment facility.

(2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

B. A user may allow any bypass to occur which does not cause pretreatment standards or requirements to be violated, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provision of paragraphs (C) and (D) of this section.

C. Bypass notification

(1) If a user knows in advance of the need for a bypass, it shall submit prior notice to the DTO, at least ten (10) days before the date of the bypass, if possible.

(2) A user shall submit oral notice to the DTO of an unanticipated bypass that exceeds applicable pretreatment standards within twenty-four (24) hours from the time it becomes aware of the bypass. A written submission shall also be provided within five (5) days of the time the user becomes aware of the bypass. The written submission shall contain a description of the bypass and its cause; the duration of the bypass, including exact dates and times, and, if the bypass has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the bypass. The DTO may waive the written report on a case-by-case basis if the oral report has been received within twenty-four (24) hours.

D. Bypass

(1) Bypass is prohibited, and the DTO may take an enforcement action against a user for a bypass, unless

(a) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;

(b) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance; and

(c) The user submitted notices as required under paragraph (C) of this section.

(2) The DTO may approve an anticipated bypass, after considering its adverse effects, if the DTO determines that it will meet the three conditions listed in paragraph (D)(1) of this section.

SECTION 14 - WASTEWATER TREATMENT RATES

[RESERVED]

SECTION 15 - MISCELLANEOUS PROVISIONS

15.1 Pretreatment Charges and Fees

A. The Town may adopt reasonable fees for reimbursement of costs of setting up and operating the Town's Pretreatment Program which may include:

(1) Fees for wastewater discharge permit applications including the cost of processing such applications;

(2) Fees for monitoring, inspection, and surveillance procedures including the cost of collection and analyzing a user's discharge, and reviewing monitoring reports submitted by users;

(3) Fees for reviewing and responding to accidental discharge procedures and construction;

(4) Fees for filing appeals; and

(5) Recovery of administrative and legal costs associated with enforcement activity taken by the DTO to address industrial user noncompliance.

(6) Fees for treating abnormal strength wastes

(7) Fees incurred from an upset, bypass or unauthorized discharge; and

(8) Other fees as the Town may deem necessary to carry out the requirements contained herein. These fees relate solely to the matters covered by this ordinance and are separate from all other fees, fines, and penalties chargeable by the Town.

B. Surcharge

(1) Industrial users shall be charged for the treatment of abnormal strength wastes, as set out in the Town’s Schedule of Fees.

(2) Water or wastes having:

(a) A five day biochemical oxygen demand greater than two hundred fifty (250) parts per million (ppm) by weight, or

(b) Containing more than two hundred fifty (250) parts per million by weight of total suspended solids shall not be allowed to be discharged into the POTW, unless the Town Manager or appointee has reviewed the water or wastes, and determined that considering all factors, including the concentration of wastes, the type of wastes, the current limits of the POTW, and all other relevant factors, that the above water or wastes, as set out in number one and two of this subsection may be allowed.

(3) Such discharge shall be subject to a surcharge as shown on the Town's Schedule of Fees.

(4) In no case shall a discharge be accepted that will prevent the POTW from meeting its TPDES limits.

(5) The surcharge will be assessed according to the following formula each month using the most current pollutant concentration data and the current months' wastewater flow:

$$\text{Surcharge} = \frac{Q}{1{,}000{,}000} \times [a(BOD - x) + b(TSS - y)][8.34]$$

Where:

Q = flow in gallons
8.34= weight in pounds of one gallon of water
x = normal limits of BOD in domestic wastewater expressed in milligrams per liter
y = normal limits of TSS in domestic wastewater expressed in milligrams per liter
a = unit cost of treatment per pound of BOD
b = unit cost of treatment per pound of TSS
BOD = measured amount of BOD, in mg/l
TSS = measured amount of TSS, in mg/l

A surcharge is an additional charge by the POTW for the increased cost of handling discharge of unusual strength and character and shall not serve as a variance to the requirements of this ordinance. Exercise of this provision shall not be a bar to, or a prerequisite for, taking any other action against the user.

15.2 Severability

If any provision of this ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be effected and shall continue in full force and effect.

SECTION 16 - EFFECTIVE DATE

This Ordinance shall be in full force and effective from and after ten (10) days from the date of approval by the State.

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: RES 25-22 **Agenda Date:** 7/15/2025 **Agenda #:** G.5.

TOWN STAFF REPORT RECOMMENDATIONS

Discuss, Consider and Act regarding Resolution 25-22 Endorsing the Implementation of a Continuing Pretreatment Program as Required by 40 CFR 403 for the Denton Creek Regional Wastewater System (Cheryl Taylor, P.E., Director of Public Works)

STAFF: Cheryl Taylor, P.E., Director of Public Works

BACKGROUND:

Trinity River Authority (TRA) owns and operates the Denton Creek Regional Wastewater System (DCRWS) Wastewater Treatment Plant (WWTP) in Roanoke and provides either all or some wastewater treatment services to 12 customer cities. As a customer of TRA, Westlake is required to participate in the pre-treatment program which requires an approved Funding/Endorsement Resolution.

DISCUSSION:

A pretreatment program is a set of regulatory requirements found in 40 CFR 403 that is intended to protect WWTP from receiving wastewater pollutants from industrial users in concentrations that the plant cannot handle. TRA does that largely through wastewater discharge permitting of industrial users that qualify according to the regulations, and through industrial inspections, sampling, and enforcement. For TRA WWTPs like DCRWS, TRA is the Control Authority responsible for maintaining compliance with the Texas Pollutant Discharge Elimination System (TPDES) Permit to discharge from TCEQ. TRA does not have any legal authority to permit or enforce on the industrial users discharging to the plant, so TRA has language in the customer Wastewater Contracts detailing the partnership between TRA and its customers, and how the customers (Westlake) would act as the Legal Authority capable for issuing permits and enforcement. Some customers chose to enlist TRA to do much of the pretreatment legwork, however they remain the party that authorizes, and issues permits and enforcement. A WWTP is required to implement a pretreatment program when its design flow is greater than 5 MGD AND either the Publicly Owned Treatment Works (POTW) experiences pass-through of a regulated pollutant or interference from an industrial discharge, OR if there are a certain number of significant industrial users (SIUs)/CIUs on the system, usually 5 or so SIUs or 1 CIU. Pretreatment program requirements can also be at the discretion of the Approval Authority, which in our case is TCEQ.

DCRWS is an 11.5 MGD plant and has several industrial users discharging to it which qualifies TRA for a program, and they recently received approval from TCEQ for official implementation.

After the program is approved, the pretreatment program will be subject to TCEQ audits every 5 years or so.

There are several customers, in addition to Westlake, who do not have permitted significant industrial users (SIUs) within their jurisdiction.

This will only impact customers with permitted industrial users, but as a customer city of TRA, Westlake is required to participate in the pre-treatment program requires approval of an Ordinance, an Emergency Response Plan (ERP), a Funding/Endorsement Resolution, and a signed Attorney Statement.

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 25-22 Endorsing the Implementation of a Continuing Pretreatment Program as Required by 40 CFR 403 for the Denton Creek Regional Wastewater System.

ATTACHMENT(S):

1. Resolution 25-22

TOWN COUNCIL ACTION/OPTIONS:

1) Motion to approve
2) Motion to amend with the following stipulations (please state stipulations in motion)
3) Motion to table
4) Motion to deny

TOWN OF WESTLAKE

RESOLUTION 25-22

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS, ENDORSING THE IMPLEMENTATION OF A CONTINUING PRETREATMENT PROGRAM AS REQUIRED BY 40 CFR 403 FOR THE DENTON CREEK REGIONAL WASTEWATER SYSTEM.

WHEREAS, on June 26, 1978, the United States Environmental Protection Agency published a rule (Amended January 28, 1981) which established mechanisms and procedures for enforcing National Pretreatment Standards controlling the introduction of wastes from non-domestic sources into Publicly Owned Treatment Works (POTWs); and

WHEREAS, this rule, 40 CFR 403, requires that a Pretreatment Program be developed for the Regional Wastewater System; and

WHEREAS, the Trinity River Authority of Texas, as the owner and operator of a POTW, must comply with rule 40 CFR 403; and

WHEREAS, the Town of Westlake (Town), as a contracting party of the Regional Wastewater System, has entered into an Amendatory Wastewater Contract with the Trinity River Authority of Texas whereby the Town has enacted ordinances that are necessary to implement and enforce the National Pretreatment Standards; and

WHEREAS, 40 CFR 403.9 (b) requires a statement or resolution reflecting the endorsement or approval of the local boards or councils responsible for supervising and/or funding the POTW;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: THAT, all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: THAT, the Town of Westlake hereby endorses the implementation of a pretreatment program as required by 40 CFR 403 for the Regional Wastewater System with such program to continue as long as 40 CFR 403 remains in effect.

SECTION 3: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Town Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 4: That this resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS 17TH DAY OF JULY, 2025.

_____
Kim Greaves, Mayor

ATTEST:

_____
Dianna Buchanan, Town Secretary

APPROVED AS TO FORM:

_____
Matthew C. G. Boyle

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: RES 25-23 **Agenda Date:** 7/15/2025 **Agenda #:** G.6.

TOWN STAFF REPORT RECOMMENDATIONS

Discuss, consider and act regarding Resolution 25-23 to adopt an Enforcement Response Plan (ERP) as part of the Town of Westlake Approved Pretreatment Program for the publicly owned treatment works to comply with and as required by the United States Environmental Protection Agency in Title 40 of the Code of Federal Regulations (CFR) §403.8(f)(5) (Cheryl Taylor, P.E., Director of Public Works)

STAFF: Cheryl Taylor, P.E., Director of Public Works

BACKGROUND:

Trinity River Authority (TRA) owns and operates the Denton Creek Regional Wastewater System (DCRWS) Wastewater Treatment Plant (WWTP) in Roanoke and provides either all or some wastewater treatment services to 12 customer cities. As a customer of TRA, Westlake is required to participate in the pre-treatment program which requires an approved Enforcement Response Plan Resolution.

DISCUSSION:

A pretreatment program is a set of regulatory requirements found in 40 CFR 403 that is intended to protect WWTP from receiving wastewater pollutants from industrial users in concentrations that the plant cannot handle. TRA does that largely through wastewater discharge permitting of industrial users that qualify according to the regulations, and through industrial inspections, sampling, and enforcement. For TRA WWTPs like DCRWS, TRA is the Control Authority responsible for maintaining compliance with the Texas Pollutant Discharge Elimination System (TPDES) Permit to discharge from TCEQ. TRA does not have any legal authority to permit or enforce on the industrial users discharging to the plant, so TRA has language in the customer Wastewater Contracts detailing the partnership between TRA and its customers, and how the customers (Westlake) would act as the Legal Authority capable for issuing permits and enforcement. Some customers chose to enlist TRA to do much of the pretreatment legwork, however they remain the party that authorizes, and issues permits and enforcement. A WWTP is required to implement a pretreatment program when its design flow is greater than 5 MGD AND either the Publicly Owned Treatment Works (POTW) experiences pass-through of a regulated pollutant or interference from an industrial discharge, OR if there are a certain number of significant industrial users (SIUs)/CIUs on the system, usually 5 or so SIUs or 1 CIU. Pretreatment program requirements can also be at the discretion of the Approval Authority, which in our case is TCEQ.

DCRWS is an 11.5 MGD plant and has several industrial users discharging to it which qualifies TRA for a program, and they recently received approval from TCEQ for official implementation.

After the program is approved, the pretreatment program will be subject to TCEQ audits every 5 years or so. There are several customers, in addition to Westlake, who do not have permitted significant industrial users (SIUs) within their jurisdiction.

This will only impact customers with permitted industrial users, but as a customer city of TRA, Westlake is required to participate in the pre-treatment program requires approval of an Ordinance, an Emergency Response Plan (ERP), a Funding/Endorsement Resolution, and a signed Attorney Statement.

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 25-23 to adopt an Enforcement Response Plan (ERP) as part of the Town of Westlake Approved Pretreatment Program for the publicly owned treatment works to comply with and as required by the United States Environmental Protection Agency in Title 40 of the Code of Federal Regulations (CFR) §403.8(f)(5)

ATTACHMENT(S):

1. Resolution 25-23
2. Enforcement Response Plan

TOWN COUNCIL ACTION/OPTIONS:

1) Motion to approve
2) Motion to amend with the following stipulations (please state stipulations in motion)
3) Motion to table
4) Motion to deny

TOWN OF WESTLAKE

RESOLUTION NO. 25-23

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS, ADOPTING AN ENFORCEMENT REPONSE PLAN (ERP) AS PART OF THE TOWN OF WESTLAKE APPROVED PRETREATMENT PROGRAM FOR PUBLICLY OWNED TREATMENT WORKS REQUIRED BY TITLE 40 OF THE CODE OF FEDERAL REGULATIONS (CFR), UNITED STATES ENVIRONMENTAL PROTECTION AGENCY; APPROVING THE TRINITY RIVER AUTHORITY'S ENFOCEMENT RESPONSE PLAN REQUIRED BY THE TOWN OF WESTLAKE'S CONTRACT AS A CUSTOMER CITY OF THE DENTON CREEK REGIONAL WASTEWATER SYSTEM.

WHEREAS, on June 26, 1978, the United States Environmental Protection Agency published a rule (Amended January 28, 1981) which established mechanisms and procedures for enforcing National Pretreatment Standards controlling the introduction of wastes from non-domestic sources into Publicly Owned Treatment Works (POTWs); and

WHEREAS, this rule, 40 CFR 403, requires that a Pretreatment Program be developed for the Regional Wastewater System; and

WHEREAS, the Trinity River Authority of Texas, as the owner and operator of a POTW, must comply with rule 40 CFR 403; and

WHEREAS, the Town of Westlake (Town), as a contracting party and customer city of the Denton Creek Regional Wastewater System (DCRWS), has entered into an Amendatory Wastewater Contract with the Trinity River Authority of Texas whereby the Town has enacted ordinances that are necessary to implement and enforce the National Pretreatment Standards; and

WHEREAS, 40 CFR 403.9 (b) requires a statement or resolution reflecting the endorsement or approval of the Trinity River Authority's Enforcement Response Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: THAT, all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: THAT, the Town of Westlake hereby adopts the Trinity River Authority's DCRWS Enforcement Response Plan for a pretreatment program as required by 40 CFR 403 for the Regional Wastewater System with such program to continue as long as 40 CFR 403 remains in effect.

SECTION 3: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Town Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 4: That this resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS 17TH DAY OF JULY, 2025.

_____
Kim Greaves, Mayor

ATTEST:

_____
Dianna Buchanan, Town Secretary

APPROVED AS TO FORM:

_____
Matthew C. G. Boyle, Town Attorney

EXHIBIT A

EXHIBIT A

TRINITY RIVER AUTHORITY OF TEXAS
DENTON CREEK
REGIONAL WASTEWATER SYSTEM

TOWN OF WESTLAKE
ENFORCEMENT RESPONSE PLAN

TRINITY RIVER AUTHORITY OF TEXAS
DENTON CREEK REGIONAL WASTEWATER SYSTEM
TOWN OF WESTLAKE

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VIII. **ENFORCEMENT RESPONSE GUIDE** 19

LIST OF EXHIBITS

Exhibit No.	**Description**
1.	Trinity River Authority-Contracting Party NOV Request Example
2.	Contracting Party NOV Example
3.	Contracting Party Cease and Desist Order Example
4.	Contracting Party Consent Order Example
5.	Contracting Party Show Cause Order Example
6.	Contracting Party Compliance Order Example

I. OVERVIEW AND PURPOSE

A. The United States Environmental Protection Agency (EPA) promulgated regulations to require all Publicly Owned Treatment Works (POTWs) to adopt an Enforcement Response Plan (ERP) as part of their Approved Pretreatment Program. These regulations are found in Title 40 of the Code of Federal Regulations (CFR) §403.8(f)(5). The purpose of the ERP is to provide consistent enforcement responses for similar violations and circumstances. The ERP describes violations, defines a range of appropriate enforcement actions based on the nature and severity of the violation and other relevant factors, and identifies personnel responsible for finalizing enforcement responses. All users discharging non-domestic waste to the POTW are subject to the provisions of this ERP.

B. Definitions are found in the Town of Westlake (Town) Code of Ordinances, Section 1.4 or defined in the text. Titles and formats of forms and reports currently in use or in the Town's files may vary from those herein, but the functions will be consistent with the terminology and definitions in this document.

C. List of Acronyms

- AO Administrative Order
- BMP Best Management Practices
- CA Control Authority
- CFR Code of Federal Regulations
- CIU Categorical Industrial User
- DCRWS Denton Creek Regional Wastewater System
- EPA United States Environmental Protection Agency
- ERG Enforcement Response Guide
- ERP Enforcement Response Plan
- EMNR Executive Manager Northern Region
- Gpd Gallons per Day
- IU Industrial User
- IUMI Industrial User Master Inventory
- NOV Notice of Violation
- NPDES National Pollutant Discharge Elimination System
- NSCIU Non-significant Categorical Industrial Users
- POTW Publicly Owned Treatment Works
- RSA Regulatory Services Agreement
- RS&CM Regulatory Services & Compliance Manager
- TRA Trinity River Authority
- SA Staff Attorney
- SIU Significant Industrial User
- SNC Significant Noncompliance
- TAC Texas Administrative Code
- TCEQ Texas Commission on Environmental Quality
- TPDES Texas Pollutant Discharge Elimination System
- RSA Regulatory Services Agreement

II. IDENTIFICATION OF RESPONSIBLE PERSONNEL

A. CONTROL AUTHORITY

The Control Authority (CA) is the Trinity River Authority of Texas (TRA) as the operator of a multi-jurisdictional regional wastewater facility, Denton Creek Regional Wastewater System (DCRWS), which provides wastewater transportation and treatment, by contract, to individual Contracting Parties. The CA also implements an Approved Pretreatment Program as part of its existing Texas Pollutant Discharge Elimination System (TPDES) or National Pollutant Discharge Elimination System (NPDES) permit requirements. TRA's enforcement capabilities originate from the contractual obligations of the Contracting Party. The Contracting Party will initiate and pursue any enforcement actions against an Industrial User (IU).

1. Executive Manager Northern Region

   The Executive Manager Northern Region (EMNR), or designated representative, is responsible for the operation and maintenance of the receiving wastewater treatment plant. The EMNR, or designated representative is also responsible for meeting TPDES or NPDES requirements.

2. Staff Attorney

   The Staff Attorney (SA) is responsible for both the review of and commentary on any potential or ongoing judicial proceedings that the CA may become involved in pertaining to the pretreatment program. The Staff Attorney also supplies legal counsel as needed on other issues, such as the CA's legal obligations and rights.

3. Regulatory Services & Compliance Manager

   The Regulatory Services & Compliance Manager (RS&CM) is responsible for the overall staffing and funding of the CA's pretreatment program. The RS&CM is responsible for the development and implementation of the Approved Pretreatment Program and appoints designated personnel for ongoing duties and tasks.

B. CONTRACTING PARTY

A Contracting Party is a member Town that contracts with the CA for services. The Town of Westlake is a Contracting Party of the CA. All contracts include wastewater treatment. Pursuant to this wastewater contract, Contracting Parties are responsible for the overall implementation of the Approved Pretreatment Program within their jurisdiction. The Contracting Party is responsible for maintaining a Town Ordinance that grants adequate legal authority to maintain, implement, and enforce the Approved Pretreatment Program. This Ordinance must contain current local limits. The Contracting Party must provide to the CA, in a timely manner, all relevant documents pertaining to the current IU's, as well as newly identified IU's. The CA shall receive from the Contracting Party a copy of all significant industrial users' (SIUs) and non-significant categorical industrial users' (NSCIUs) permit applications and industrial wastewater permits. Further, the Contracting Party shall furnish to the CA all documents and records as necessary, when required by the CA to

demonstrate compliance by all IUs. The Contracting Party must initiate and follow through with all IU enforcement.

1. Public Works Superintendent

   The Public Works Superintendent (Superintendent), or the duly authorized representative of the Superintendent, is the designated official that is responsible for ongoing implementation and monitoring of the Approved Pretreatment Program within the Town's jurisdiction. The Superintendent, or the duly authorized representative of the Superintendent, will also serve as the contact for the CA.

2. TRA-Contracting Party Regulatory Services Agreement

   The TRA may assist the Contracting Party through a Regulatory Services Agreement (RSA) that delineates pretreatment services, and/or laboratory services provided to assist the Contracting Party with certain implementation aspects of the Approved Pretreatment Program within their jurisdiction. This includes such things as IU survey activities, reviewing IU permit applications, assistance with drafting wastewater permits, conducting IU inspections, sampling, and reviewing IU reports. TRA will provide support services for legal activities; however, the TRA will rely, through contractual obligations, upon the Contracting Parties to bring legal action and enforcement against noncompliant IUs. The RS&CM and associated TRA staff will initiate the RSA and its subsequent renewals with the Contracting Party. Both the TRA and the Contracting Party sign the RSA contract.

III. INDUSTRIAL USER INVENTORY

A. Industrial User Master Inventory

Contracting Parties shall maintain an Industrial User Master Inventory (IUMI) list that contains existing and potential IUs. The Contracting Party will conduct ongoing updates to the IUMI to allow for the identification of new IUs. The CA will periodically request a copy of the IUMI. The TRA, through the RSA, can conduct the procedures for maintaining the IUMI for the Contracting Party. IU identification procedures shall consist of a combination of the following:

1. Review of Town water use records,

2. Review of building permits issued in commercial/industrial areas,

3. Review of area phone books,

4. Review of the industrial list service for manufacturing facilities within the Contracting Party's jurisdiction,

5. On-site inspections of commercial/industrial areas to detect and define any new industries; and

6. An IU Survey, performed by the Contracting Party a minimum of once every five (5) years.

B. Coordination of IU Information

In order to form a close association with the Contracting Party and to receive the appropriate information required to maintain a current IUMI, it is necessary to designate personnel responsible for the transfer of data. A TRA representative will coordinate with the Superintendent, or the duly authorized representative of the Superintendent, to obtain information concerning new IU's.

IV. COMPLIANCE MONITORING PROCEDURES

It is the intent and purpose of the DCRWS's Approved Pretreatment Program that compliance monitoring activities be established to identify noncompliance with pretreatment standards. Compliance monitoring and its results must be done appropriately as to ensure it can be used as admissible evidence in any judicial proceedings that may result due to noncompliance. Sample monitoring and inspections assist in determining the compliance status of an IU.

A. Sample Monitoring

Sampling requirements, analytical methods, time schedules for submission of data to the Contracting Party, certification statement requirements, and other reporting requirements are established and set forth in the issued permits of IUs. Regardless of the permitted IU self-monitoring, the Contracting Party has legal authority to conduct sampling events to evaluate and verify compliance. Sample collection and analysis shall be in accordance with the Town's Code of Ordinances, Chapter 18, Article IV, Sections 18-179 and 18-180 and 40CFR §136 unless otherwise specified in an applicable Categorical Pretreatment Standard. All analytical results submitted to demonstrate compliance shall meet the requirements of Title 30 of the Texas Administrative Code Chapter 25, Environmental Testing Laboratory Accreditation and Certification.

1. Submitting Monitoring Data

The Superintendent, or the duly authorized representative of the Superintendent, and the CA, receives monitoring data in the following ways:

a. The permitted IU collects self-monitoring data and forwards the data to the Contracting Party. The Contracting Party, if required, will forward the self-monitoring data to the CA as required. Additionally, with the RSA, the TRA can receive self-monitoring data directly from the permitted IU; and/or

b. The Superintendent, or the duly authorized representative of the Superintendent, samples the permitted IU. The Contracting Party, if required, will forward the monitoring data to the CA as required. Additionally, with the RSA, the TRA can sample the permitted IU to assist the Contracting Party.

2. Sample Frequency Requirements

The Superintendent, or the duly authorized representative of the Superintendent, identifies in the permit self-monitoring requirements for the IU. In some instances, the permit directs the IU to sample parameters at different frequencies with additional independent verification sampling by the Contracting Party. Optionally, an IU's permit can indicate the Contracting Party will conduct the sampling. This allows the Contracting Party to fulfil sample requirements for the IU as well as independent verification sample requirements for the Contracting Party. The following details the minimum requirements for SIUs and NSCIUs.

a. SIU Requirements

i. Permit Requires the SIU to Conduct Self-Monitoring

1) SIU Monitoring Requirements

The SIU will self-monitor for the parameters at the frequency identified in their permit if the permit requires the SIU to conduct its own self-monitoring. At a minimum, the permit will direct an SIU to conduct self-monitoring semiannually for some or all parameters. Semiannual monitoring means sample collection occurs once in the first six months of the Pretreatment Year and once in the second six months of the Pretreatment Year. ~~Some SIUs may have been approved through the permit to have a reduction in sampling frequency for certain parameters to once per permit cycle. In this instance, the SIU samples once per permit cycle for those identified parameters.~~

2) Contracting Party Monitoring Requirements

The Superintendent, or the duly authorized representative of the Superintendent, will sample the SIU's effluent, at minimum, annually for parameters in the permit with a frequency designation of semiannual or greater. Annual monitoring means sample collection will occur once in the Pretreatment Year. ~~The Superintendent, or the duly authorized representative of the Superintendent, will sample the SIU's effluent once per permit cycle for parameters identified in the permit with this frequency designation.~~ The TRA, through the RSA, can conduct the sample monitoring for the Contracting Party.

ii. Permit Identifies that the Contracting Party Conducts Self-Monitoring in lieu of the SIU ("Sampling in lieu of")

1) SIU Monitoring Requirements

The SIU does not sample. The permit identifies the Contracting Party with all monitoring responsibilities.

2) Contracting Party Monitoring Requirements

The Superintendent, or the duly authorized representative of the Superintendent, will sample for the parameters at the frequency

identified in the SIU's permit. At a minimum, the permit will identify semiannual sampling for some or all parameters. As stated above, semiannual monitoring means sample collection occurs once in the first six months of the Pretreatment Year and once in the second six months of the Pretreatment Year. ~~Some SIUs may have been approved through the permit to have a reduction in sampling frequency for certain parameters to once per permit cycle. In this instance, the Superintendent, or the duly authorized representative of the Superintendent, samples once per permit cycle for those identified parameters.~~ The TRA, through the RSA, can conduct the sample monitoring for the Contracting Party.

b. NSCIU Requirements

i. Permit Identifies only Self-Monitoring for Contracting Party

1) NSCIU Monitoring Requirements

The NSCIU does not sample. The permit will identify the Contracting Party has sample monitoring responsibilities. The NSCIU will have to meet a flow restriction of <100 gallons per day (gpd) of categorical wastewater.

2) Contracting Party Monitoring Requirements

The Superintendent, or the duly authorized representative of the Superintendent, will sample the NSCIU's effluent once per permit cycle. This monitoring allows the Contracting Party to verify the NSCIU is not discharging untreated concentrated wastewater. Untreated concentrated wastewater means wastewater discharges over the categorical limit. If representative sampling is unachievable at the permitted outfall(s) due to no flow or insufficient flow, sampling personnel documents such conditions on the chain of custody. In this instance, the NSCIU is compliant with its effluent limitations. The TRA, through the RSA, can conduct the sample monitoring for the Contracting Party.

3. Sample Data Review

The Superintendent, or the duly authorized representative of the Superintendent, is responsible for reviewing all sampling data to determine its validity and the IU's compliance status. Also, the TRA, though the RSA, can review all sampling data for the Contracting Party. In this instance, TRA will inform the Superintendent, or the duly authorized representative of the Superintendent, of the compliance status of the IU based on the data.

4. Resample Requirements for Violations

Violations may result in increased sampling frequency. Within thirty (30) calendar days of becoming aware of a discharge limit violation, the SIU or NSCIU will be resampled for the parameter in question. Resampling will not be required

if sampling is already being performed at a frequency of at least once per month or additional sampling has already been conducted between the time when the initial sampling was conducted and the time when the sampling results were received.

B. Inspections

The CA's Approved Pretreatment Program provides procedures for conducting inspections at permitted IUs.

1. Contracting Party Inspection Frequency for SIU and NSCIU

The Superintendent, or the duly authorized representative of the Superintendent, shall conduct inspections at each of the permitted IUs at a minimum frequency of one inspection event per year. In addition, the TRA through the RSA, can conduct the inspection at permitted IUs for the Contracting Party.

Additionally, the Superintendent, the duly authorized representative of the Superintendent, or the TRA, if contracted to conduct pretreatment services, will conduct inspections more often if deemed necessary. Other reasons to conduct an inspection can be for purposes of reviewing IU construction activities, and/or to investigate noncompliance issues.

2. Documentation of an Inspection

For each inspection, the Contracting Party will complete the inspection form approved under the CA's Approved Pretreatment Program. During inspections, the Contracting Party will commonly review the following:

a. Manufacturing processes and waste treatment units;

b. Chemical storage areas and amounts of chemicals kept on site;

c. Comparison of water usage with semi-annual reports, permit applications, and/or water use records;

d. Need for development or update of a slug control plan;

e. Need for the development of a Toxic Organic Management Plan or assessment of how well the current plan is implemented; and

f. Need for or adherence to best management practices (BMPs) required by the Superintendent, or the duly authorized representative of the Superintendent, or Categorical Pretreatment Standard.

3. Addressing Deficiencies

The Superintendent, or the duly authorized representative of the Superintendent, will inform the IU of any deficiencies identified in the inspection process and will follow proper enforcement action identified in the Enforcement Response Guide (ERG).

4. Access Denied

The Superintendent, the duly authorized representative of the Superintendent, CA, State and/or Federal agent will obtain a warrant if the IU does not allow entry/access or denies copies of records after displaying the proper credentials.

V. PROCEDURES TO SCREEN AND TRACK COMPLIANCE DATA

A. Contracting Party and Control Authority Responsibilities for Screening Data

The methods and designated personnel responsible for tracking the compliance status of IUs are defined in this ERP. The Contracting Party and/or CA will have responsibilities associated with screening all notices, reports, and data from the IUs. The Contracting Party will address identified violations with appropriate responses as required by this ERP and ERG.

1. Contracting Party Responsibilities

The Contracting Party is responsible for complying with the CA's Approved Pretreatment Program requirements including, issuing permits, conducting inspections, sample monitoring, receiving required reports, and the evaluation of incidents of noncompliance. The role of the Superintendent, or the authorized representative of the Superintendent, will vary based on whether the Contracting Party has entered a RSA with the TRA to assist with implementation of the CA's Approved Pretreatment Program.

a. Contracting Party Without a RSA

The Superintendent, or the duly authorized representative of the Superintendent, will screen
data and reports for violations as soon as possible after receipt of the data and/or report, in order to initiate any necessary enforcement action in the timeframe identified in the ERG. As part of this evaluation process, the Superintendent, or the duly authorized representative of the Superintendent, will track non-discharge violations, such as reporting deficiencies or falsification. In addition, the Superintendent, or the duly authorized representative of the Superintendent, will address incomplete or inaccurate reports with an appropriate response and follow-up enforcement actions if necessary. All enforcement actions undertaken by the Contracting Party will follow the guidelines of this ERP and the ERG. The Contracting Party will submit, as required, reports to the CA in a timely manner.

i. SNC Tracking and Public Notice Responsibilities

The Contracting Party shall publish IUs in the month specified in the CA's TPDES or NPDES permit using the criteria for determining Significant Noncompliance (SNC) found in the Contracting Party's Ordinance or at 40 CFR §403.8(f)(2)(viii)(A)-(H), whichever is more stringent.

1) Determining SNC

SNC status of permitted IUs for criteria at 40 CFR §403.8(f)(2)(viii)(A) and (B) shall be determined quarterly in accordance with the following EPA Memorandums:

- Cook, M. (September 9, 1991), *Application and Use of the Regulatory Definition of Significant Noncompliance for Industrial Users.*
- Charles, M. (January 17, 1992), *Determining Industrial User Significant Noncompliance – One Page Summary*

2) Documenting SNC

a) The Superintendent, or the duly authorized representative of the Superintendent, will document the calculation of the criteria at 40 CFR §403.8(f)(2)(viii)(A) and (B) each quarter and retain this documentation with the SIU file system.

b) The Superintendent, or the duly authorized representative of the Superintendent, will evaluate the SNC status of permitted IUs for criteria at 40 CFR §403.8(f)(2)(viii)(C)–(H) at the time of each violation. The Contracting Party will document the reports associated with the qualifying violations and retain this documentation in the SIU file system.

c) The Superintendent, or the duly authorized representative of the Superintendent, will evaluate the SNC status of unpermitted IUs for criteria at 40 CFR §403.8(f)(2)(viii)(C)(D)and/or(H) at the time of each violation. The Contracting Party will document the reports associated with the qualifying violation and retain this documentation in the SIU file system.

3) SNC Notification to CA and SNC Public Notice

a) Each quarter, the Superintendent, or the duly authorized representative of the Superintendent, shall submit an update on the SNC status of each permitted SIU and if applicable, any unpermitted IUs, to the CA.

b) The Contracting Party shall publish in the month specified in the CA's TPDES or NPDES permit those IUs which are in SNC. Once published, the Superintendent, or duly authorized representative of the Superintendent, shall forward to the CA an original newspaper publication of the public notice or copy of the newspaper publication with official affidavit of the list of IUs that meet the criteria of SNC. The newspaper publication provided to the CA must include the name of the newspaper and the publication date of the list.

b. Contracting Party With an Existing RSA

If the TRA is providing contractual pretreatment services to the Contracting Party, the TRA will screen data and reports for violations as soon as possible after receipt of the report/data. When the TRA detects a violation of an IU permit condition and/or the violation qualifies for SNC, TRA will notify the Superintendent, or duly authorized representative of the Superintendent. Exhibit 4 provides a notification example. The Superintendent, or duly authorized representative of the Superintendent, will initiate any necessary enforcement action in a timely manner by following the guidelines of this ERP and the ERG.

i. SNC Tracking and Public Notice Responsibilities

Although the TRA will conduct the evaluation of SNC, the Contracting Party is responsible for publishing IUs in the month specified in the CA's TPDES or NPDES permit. SNC will be determined using the criteria for determining SNC found in the Contracting Party's Ordinance or at 40 CFR §403.8(f)(2)(viii)(A)-(H), whichever is more stringent.

1) Determining SNC

The TRA will evaluate SNC status of permitted IUs for criteria at 40 CFR §403.8(f)(2)(viii)(A) and (B) quarterly in accordance with the following EPA Memorandums:

- Cook, M. (September 9, 1991), *Application and Use of the Regulatory Definition of Significant Noncompliance for Industrial Users.*
- Charles, M. (January 17, 1992), *Determining Industrial User Significant Noncompliance – One Page Summary*.

2) Documenting SNC

a) The TRA will document the calculation of the criteria at 40 CFR §403.8(f)(2)(viii)(A) and (B) each quarter, and the TRA will retain this documentation with the TRA Contracting Party's file system.

b) The TRA will evaluate the SNC status of permitted IUs for criteria at 40CFR §403.8(f)(2)(viii)(C)–(H) at the time of each violation. The TRA will document the reports associated with qualifying violations, and the TRA will retain this documentation in the TRA Contracting Party's SIU file system.

c) The TRA will evaluate the SNC status of unpermitted IUs for criteria at 40 CFR §403.8(f)(2)(viii)(C)(D) and/or (H) at the time of each violation. The TRA will document the reports associated with qualifying violations, and the TRA will retain this documentation in the TRA Contracting Party's file system.

3) SNC Notification to the Contracting Party and SNC Public Notice

a) The TRA will identify and notify the Superintendent, or the duly authorized representative of the Superintendent, when IUs are in SNC. The Superintendent, or the duly authorized representative of the Superintendent, will then notify the IUs of their SNC status. At the end of the Pretreatment Year, the TRA will submit a list of IUs that are considered to be in SNC to the Superintendent, or the duly authorized representative of the Superintendent, for publication.

b) The Contracting Party shall publish in the month specified in the CA's TPDES or NPDES permit, the IUs who are in SNC. Once published, the Superintendent, or the duly authorized representative of the Superintendent, shall forward an original newspaper publication of the public notice or copy of the newspaper publication with an official affidavit of the list of IUs that meet the criteria of SNC to the CA. The newspaper publication provided to the CA must include the name of the newspaper and the publication date of the list.

2. CA Responsibilities

The Contracting Party is responsible for submitting to the CA all IU documents required by the wastewater contract and the CA's Approved Pretreatment Program. The CA is responsible for screening these documents received from the Contracting Party in a timely manner and notifying the Superintendent, or the duly authorized representative of the Superintendent, of any deficiencies. The CA will file documents from the Contracting Party in the TRA Contracting Party IU file system. The CA will submit required reports on compliance to the Approval Authority. The CA may also provide pretreatment and laboratories services to the Contracting Party on a contractual basis to assist the Contracting Party in its compliance verification activities identified in this ERP. The Contracting Party will be responsible for conducting enforcement actions.

B. Contracting Party and Control Authority Responsibilities for Submission of Data

1. Contracting Party Responsibilities

a. Contracting Party Without a RSA

The Superintendent, or the duly authorized representative of the Superintendent, is responsible for maintaining complete files on each permitted IU and applicable unpermitted IUs. The Contracting Party will note the date of receipt on all notices, reports, and data received from IUs. The Superintendent, or the duly authorized representative of the Superintendent, will submit to the CA copies of documents required by the wastewater contract or the CA's Approved Pretreatment Program as necessary.

b. Contracting Party with a RSA

If the TRA is providing contractual pretreatment services to the Contracting Party, the TRA will directly receive and review notices, reports and data submitted by permitted IUs and unpermitted IUs. The TRA will maintain complete files on each permitted IU and applicable unpermitted IUs. The Superintendent, or the duly authorized representative of the Superintendent, will forward any enforcement documents, signed wastewater permits, and other documents related to IUs which were not sent directly to TRA. The TRA will note the date of receipt on all notices, reports, and data received from IUs. The TRA is responsible for reviewing incoming notices, reports, and data from Contracting Parties and/or IUs. The TRA will address incomplete reports in accordance with procedures outlined in this ERP.

2. CA Responsibilities

The CA will note the date of receipt on all notices, reports, and data from Contracting Parties. All notices, data, and reports sent and received by the CA are kept in a file system that contains additional delineated IU files. The CA will adhere, at minimum, to document review as stipulated in the wastewater contract. The CA will notify the Superintendent, or the duly authorized representative of the Superintendent, of any reporting deficiencies. The Contracting Party will address incomplete reports according to procedures outlined in this ERP and the CA's Approved Pretreatment Program.

3. Tracking Information

The CA and/or Contracting Party will track dates associated with IU notices, data, and reports with a computer, a monthly update log, and/or the IU files. The CA and/or Contracting Party will address incomplete reports according to procedures outlined in this ERP. The following notices and reports require date tracking:

a. Notification of a violation from a permittee within twenty-four (24) hours of the permittee becoming aware of the violation;

b. Compliance schedule progress reports;

c. Baseline monitoring reports, including required BMP compliance information (Categorical Industrial User [CIU] and NSCIU only);

d. Ninety (90) day compliance reports, including required BMP compliance information (CIU and NSCIU only);

e. Periodic reports on continued compliance, including any applicable self-monitoring and required BMP compliance information (SIU and NSCIU);

f. NSCIU annual reports and certification statement;

g. Notifications of changed discharge;

h. Permit applications;

i. Notices of potential problems, including slug loading;

j. Notices of changes at the permitted facility affecting the potential for slug discharge;

k. Notifications of hazardous waste discharge;

l. Requested inspection follow up reports;

m. Thirty (30) day re-sampling for effluent related noncompliance, and

n. Other reports as required by permit and/or requested by the Superintendent, or the duly authorized representative of the Superintendent, from permitted IUs and unpermitted IUs.

VI. RESPONSE CRITERIA

This ERP establishes a proper range of enforcement responses that identify many common discharge and non-discharge violations. The Contracting Party will often choose from between several applicable responses. The Contracting Party will consider, among other factors, the following criteria when determining a proper response to IU violations:

A. Magnitude of the violation;

B. Duration of the violation;

C. Effect on the receiving water;

D. Effect on the POTW, its treatment processes or operations, or its sludge processes, use or disposal;

E. Compliance history of the IU,

F. Economic benefit to the IU of noncompliance; and

G. Good Faith of the IU

"Good Faith" means the Contracting Party's perception of the IU's honest intention to remedy any noncompliance, combined with actions that reflect this intention. An IU's demonstrated willingness to comply may predispose the Contracting Party to select less stringent enforcement responses. "Good Faith" will not eliminate the necessity for enforcement action. Compliance with any previous enforcement orders will not necessarily demonstrate "Good Faith".

VII. ENFORCEMENT RESPONSES

A. Severity of Violation

The Contracting Party may initially rely on informal actions such as telephone calls or Notices of Violation (NOVs) where violations are not significant, or do not result in immediate harm. However, when the violation is significant, or when the IU does not promptly undertake corrective action, the Contracting Party shall respond with more severe enforcement actions. In either case, enforcement response will promote a return to compliance in a timely manner.

For Contracting Parties with a RSA, the TRA can provide enforcement guidance based on the requirements of this ERP, but the Superintendent, or the duly authorized representative of the Superintendent, must conduct formal enforcement actions.

1. Determining Magnitude of the Violation

The Superintendent, or the duly authorized representative of the Superintendent, will determine if IU violations are significant or not significant. In addition, the Superintendent, or the duly authorized representative of the Superintendent, will assess the severity of the violation for impact on the POTW and receiving stream. Finally, the Superintendent, or the duly authorized representative of the Superintendent, will evaluate the frequency in regards to the same type of violation.

a. Significant Violations

A significant violation meets the criteria for classifying an IU as in SNC, as defined in the Town's Ordinance, and requires additional supplemental enforcement action of public notice. The Superintendent, or the duly authorized representative of the Superintendent, will respond to significant violations based on severity, which requires evaluating the violation for harmful impact to the POTW.

b. Harm

An IU violation is considered to cause harm if it has negative impacts on the POTW that interfere, harm, or damage POTW personnel, equipment, processes, operations, or cause biosolids contamination resulting in increased disposal costs. Additionally, an IU violation that has the potential

to affect the receiving stream, impact the receiving stream, and/or contributes to a violation of the CA's TPDES or NPDES permit is considered harmful.

c. Recurring Violations

Recurring violations indicate that chronic problem(s) exist(s) at the IU. The Superintendent, or the duly authorized representative of the Superintendent, will escalate its enforcement response when follow-up activities indicate either the violation persists or the IU is not achieving satisfactory progress.

Recurring, for purposes of this ERP, means three noncompliant events for each separate parameter or non-effluent violation over a twelve (12) month period from the date of the initial same type violation. For example, three recurring zinc violations would be evaluated separately from other recurring effluent violations and other recurring non-effluent violations. The Superintendent, or the duly authorized representative of the Superintendent, shall increase enforcement on the third violation for the same type of noncompliant event, unless the second violation qualifies as a significant violation and/or a violation that will harm the POTW.

2. Consistent Compliance

The Superintendent, or the duly authorized representative of the Superintendent, conducts enforcement actions to remedy IU violations of the CA's Approved Pretreatment Program and return the IU to consistent compliance in a timely manner. For purposes of this ERP, consistent compliance means no IU violations of the same type in a twelve (12) month period.

B. Enforcement Response Evaluation

The Contracting Party may use several initial and follow-up actions in responding to noncompliance issues. Which response, or combination of responses the Contracting Party uses will depend on the violation's severity, event duration, effect on the environment and/or POTW, the IU's economic benefit received from remaining in noncompliance, and the IU's compliance history including past "Good Faith" in taking corrective action. The Superintendent, or the duly authorized representative of the Superintendent, may assess penalties to IUs committing significant violations based upon the economic benefit received. The following document may be used to calculate the amount of the penalty.

- United States Environmental Protection Agency. *Guidance Manual for POTW's to Calculate the Economic Benefit of Noncompliance*, Office of Water Enforcement and Permits. (September 1990)

C. Enforcement Response Actions

The Superintendent, or the duly authorized representative of the Superintendent, will use the ERG to determine an appropriate enforcement action. When the IU fails to return to compliance following the initial enforcement response, the Contracting Party will escalate its enforcement in a follow-up action in response to subsequent noncompliance within the guidelines provided in this ERP. Possible enforcement

actions are as follows:

1. Informal Notice

   This is an informal communication between the Contracting Party with the IU to discuss noncompliance. This discussion is a starting point for situations that are not a significant violation. This can be a verbal or written notification. For Contracting Parties with a RSA, the TRA can provide informal notice, but must also inform the Superintendent, or the duly authorized representative of the Superintendent, of the notification.

2. Notice of Violation (See Exhibit 2)

   The NOV is an official communication from the Contracting Party to the noncompliant IU informing the IU of a pretreatment violation. The purpose of the NOV is to notify the IU of the violation(s) and to request a response within a given time period, usually within ten (10) business days.

3. Review meeting

   A review meeting is a meeting between the IU and Contracting Party usually preceding an increased enforcement action. This meeting can be at the request of the IU and/or Contracting Party. The meeting serves as an avenue for discussion of the current situation and/or the sequence of events on impending action. For Contracting Parties with a RSA, the Superintendent, or the duly authorized representative of the Superintendent, can have the TRA conduct a review meeting on behalf of the Contracting Party. In this instance, the TRA will provide a summary of the meeting to the Superintendent, or the duly authorized representative of the Superintendent.

4. Compliance Schedule

   A compliance schedule is a schedule that contains increments of progress in the form of milestones and corresponding dates for the commencement and completion of those milestones. Milestones are often major events leading to the construction and operation of additional pretreatment required for the IU to meet an applicable Pretreatment Standards. Such events include, but are not limited to, hiring an engineer, completing preliminary and final plans, executing contracts for major components, commencing and completing construction, and beginning and conducting routine operation. An IU's permit or an administrative order (AO) may contain a compliance schedule. In addition, the Superintendent, or the duly authorized representative of the Superintendent, can require a standalone compliance schedule.

5. Administrative Order

   An Administrative Order (AO) is an enforcement documents that direct an IU to undertake and/or cease specific activities. The Superintendent, or the duly authorized representative of the Superintendent, may or may not negotiate the terms of the AO with the IU. The AO may incorporate compliance schedules,

civil or criminal penalties, and termination of service orders. There are four types of AOs that the Contracting Party may utilize alone or in combination.

a. Cease and Desist Order (See Exhibit 3)

A Cease and Desist Order directs an IU to cease illegal unauthorized discharges immediately or terminate its discharge altogether. The Superintendent, or the duly authorized representative of the Superintendent, uses this order in situations where the discharge could cause harm such as interference or pass-through at the treatment plant, or otherwise causes an emergency at the treatment plant or in the collection system. The Contracting Party can order immediate cessation of any discharge to its collection system, regardless of an IU's compliance status and may revoke any wastewater discharge permits held by the IU. If the user fails to comply with the order, the Contracting Party may take independent action to halt the discharge, such as terminating water service, conducting physical severance, or blocking the IU's connection point.

b. Consent Order (See Exhibit 4)

A Consent Order is an agreement between the Contracting Party and the IU normally containing three elements:

i. Compliance schedule(s);

ii. Stipulated fines or remedial actions; and

iii. Signatures of the Contracting Party and IU representatives.

c. Show Cause Order (See Exhibit 5)

A Show Cause Order directs the IU to appear before the Contracting Party to explain its noncompliance, and show cause as to why more severe enforcement actions against the IU should not be pursued. The CA may be present during the hearing. The Superintendent, or the duly authorized representative of the Superintendent, can use this order to investigate violations of previous AOs.

d. Compliance Order (See Exhibit 6)

A Compliance Order directs the IU to achieve or restore compliance by a date specified in the order. The Superintendent, or the duly authorized representative of the Superintendent, need not discuss the terms of this order with the IU prior to issuance. The Contracting Party may use this order to require an IU to develop management practices, spill prevention programs, and any other Approved Pretreatment Program requirements.

6. Civil Litigation

Civil litigation is the formal process of filing a lawsuit(s) against an IU to secure court ordered actions to correct violations and to secure penalties for violations

including the recovery of costs to the POTW impacted by the noncompliance. Civil litigation also includes enforcement measures that require involvement or approval by the courts, such as injunctive relief and settlement agreements. The Contracting Party can pursue civil litigation when the corrective action required is costly and complex, or when the IU is unmanageable and/or unwilling to cooperate.

a. The following three general situations demonstrate when civil litigation is an appropriate enforcement action:

   i. Situations in which injunctive relief is necessary to halt or prevent discharges which threaten human health or the environment, or interfere with the POTW;

   ii. Situations in which efforts to restore compliance through cooperation with the IU have failed and a court supervised settlement (consent decree) is necessary to enforce Approved Pretreatment Program requirements;

   iii. Situations in which it is necessary to impose civil penalties and/or to recover losses incurred due to the noncompliance.

b. The Contracting Party will utilize three types of civil litigation either alone or in conjunction. They are as follows:

   i. Consent Decree

      A consent decree is an agreement between the Contracting Party and the IU reached after the Contracting Party files a lawsuit. The consent decree is signed by the judge assigned to the case. The Contracting Party uses a consent decree when the violator is willing to acknowledge and correct the noncompliance and the Contracting Party and the violator agree on the penalty. The agreement can be formalized prior to a full hearing on the issue(s).

   ii. Injunction

      An injunction is a court order that directs parties to follow an established procedure and/or to refrain from specific actions. A Contracting Party uses an injunction if the delays involved in filing a suit would result in irreparable harm. A cease and desist order may be used in place of injunctive relief.

iii. Civil Penalties and Cost Recovery

Civil penalties and cost recovery are forms of reimbursement to the Contracting Party and/or the CA by the IU to pay for all expenses incurred while responding to noncompliance. This may include restoration of the physical treatment plant and collection system, payment for medical treatment of injured personnel, and indemnification for all fines assessed for NPDES or TPDES permit violations. Civil penalties and cost recovery may be court ordered.

7. Criminal Prosecution

Criminal prosecution is the formal process of charging individuals and/or organizations with violations of Ordinance provisions that are punishable, upon conviction, by citation/fines and/or imprisonment. The purpose is to punish established noncompliance through court proceedings and to deter future noncompliance.

a. Citations

Town Ordinance allows the Contracting Party to issue citations as court summons for Class C Misdemeanors. Maximum fines should be the maximum allowed by state law, currently $2,000 per day, per violation. If applicable, the Contracting Party can pursue higher charges under the appropriate state law, which could result in higher fines or imprisonment.

8. Termination of Wastewater Services

Termination of wastewater service is the revocation of an IU's privilege to discharge industrial wastewater into the Contracting Party's wastewater system. Termination may be accomplished by physical severance or blocking of the industry's connection to the collection system, by issuance of an AO that requires the IU to terminate its discharge, or by a court ruling. The Contracting Party should consider termination of wastewater service as an appropriate response to IUs that have not responded adequately to previous enforcement remedies. The Contracting Party issues a notice to the IU, when possible, to fulfill the due process requirements associated with service termination and enables the IU to halt production in time to avoid backflows, spills, and other harm to the IU's facility, as well as time to look for alternative means of wastewater disposal.

9. Supplemental Enforcement Actions

The Superintendent, or the duly authorized representative of the Superintendent, shall determine on an individual basis to use supplement enforcement responses to reinforce the compliance obligations of IUs. The three categories below identity these supplemental actions:

a. Public Notice

As a requirement of 40 CFR §403.8(f)(2)(viii) there will be an annual publication of a list of IUs which were in SNC. The Superintendent, or the duly authorized representative of the Superintendent, shall evaluate IUs for SNC four times a year, in accordance with EPA guidelines as shown in the "rolling" quarter's method for SNC criteria at 40 CFR §403.8(f)(2)(viii)(A) and (B). In addition, he Superintendent, or the duly authorized representative of the Superintendent, shall evaluate IUs for SNC at the time of the qualifying violation for criteria 40 CFR §403.8(f)(2)(viii)(A)-(H). Publication of the list satisfies the public's right to know of violations affecting the immediate environment and causing additional expenditures of public funds to operate and maintain the POTW. Additionally, publication discourages IUs from committing pretreatment violations.

b. Increased Monitoring and Reporting

The Superintendent, or the duly authorized representative of the Superintendent, may increase surveillance activities (i.e., sampling and inspections) when an IU demonstrates a history of noncompliance Additionally the Superintendent, or the duly authorized representative of the Superintendent, may require the IU to conduct more self-monitoring and reporting until the problem is corrected and consistent compliance is demonstrated. Increased monitoring should be ordered for a specified time period or until a compliance milestone is achieved.

c. Cost Recovery for Damages, Abatement, and Remediation

Users or responsible persons may be required to make reimbursement to the Contracting Party and/or CA to pay for all expenses incurred in responding to violations. This may include restoration of the physical treatment plant and collection system, repairs or replacement of equipment, payment for medical treatment of injured personnel, and indemnification for all fines assessed for NPDES or TPDES permit violations. This may also include costs for abatement, cleanup, or remediation from prohibited discharges to the sanitary sewer or any area that drains to the sanitary sewer. The Contracting Party may conduct cost recovery through administrative action or court ordered civil penalties.

VIII. ENFORCEMENT RESPONSE GUIDE

The ERG shall serve as a matrix describing violations and indicates a range of appropriate enforcement options. It defines the range of enforcement actions based on the nature and severity of the violations and other relevant factors and will promote consistent and timely use of enforcement remedies. The guide allows the Contracting Party to select from several alternative initial and follow-up actions. When an IU fails to return to compliance following enforcement response, the Contracting Party shall escalate its enforcement response.

A. The Contracting Party shall consider the following criteria when determining a proper enforcement action:

1. Magnitude of the violation;

2. Duration of the violation;

3. Effect of the violation on the receiving water;

4. Effect of the violation on the POTW processes and sludge disposal;

5. Compliance history of the IU;

6. Economic benefit to the IU of noncompliance; and

7. . Good Faith of the IU.

B. The attached ERG identifies types of common violations the Contracting Party anticipates, determines which responses are appropriate for many of the common discharge and non-discharge violations, identifies initial and follow-up responses to the violations, and designates personnel responsible for administering each of these responses. The following guidelines are a tool and will be used as follows:

1. Locate the type of violation in the first column and identify the most accurate description of the violation in the second column.

2. Assess the appropriateness of the recommended response(s) in the second column. First offenders or IUs demonstrating "Good Faith" efforts may merit a more lenient response. Similarly, repeat offenders or those demonstrating negligence may require an escalated response.

3. Apply the chosen enforcement action to the IU from the third column. Specify if any supplemental enforcement actions are chosen.

4. Determine appropriate personnel for the enforcement action. The fourth column indicates personnel responsible for delivery each response.

5. Follow-up with escalated enforcement action if the IU does not respond or violations continue.

ENFORCEMENT RESPONSE GUIDE SUMMARY OF ACTION			
Violation	**Nature of the Violation**	**Enforcement Action**	**Personnel**
1. Failure to apply for discharge permit Applies to: Unpermitted Users	Not Significant, if classified as SIU-non CIU	- Informal Notice with Application - NOV with Application	Superintendent[e]
	Significant, if classified as CIU	- NOV with Application - Review Meeting with Application	
	Recurring	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
2. Failure to apply for renewal discharge permit Applies to: Permitted Users	Not Significant; Has not submitted application within specified time frame required in permit	- Informal Notice	Superintendent[e]
	Significant; >45 days late in submitting application in regards to specified time frame required in permit	- NOV - Review Meeting - AO - Criminal Prosecution	
	Significant Permit is expired; IU continues to discharge	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	
3. Late reports Applies to: Permitted Users	Not Significant; <45 days	- Informal Notice - NOV	Superintendent[e]
	Significant; >45 days	- NOV - Review Meeting	
	Recurring; Not Significant; > 45 Days	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Significant; > 45 Days	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	

ENFORCEMENT RESPONSE GUIDE SUMMARY OF ACTION			
Violation	**Nature of the Violation**	**Enforcement Action**	**Personnel**
4. Failure to properly sign reports with certification statement. Designated signatory must sign required report, or report is incomplete. <u>Applies to:</u> Permitted Users Dental Dischargers	First and Second Occurrence	- Informal Notice	Superintendent[e]
	Recurring	- NOV - Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
5. Failure to report changed discharge or changed conditions <u>Applies to:</u> Permitted Users	Significant; No Harm	- NOV - Review Meeting	Superintendent[e]
	Recurring; Significant; No Harm	- Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Significant; Harm	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Significant; Harm	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	

ENFORCEMENT RESPONSE GUIDE SUMMARY OF ACTION			
Violation	**Nature of the Violation**	**Enforcement Action**	**Personnel**
6. Failure to report discharge of hazardous waste <u>Applies to:</u> Unpermitted Users Permitted Users	Significant; No Harm	- NOV - Review Meeting	Superintendent[e]
	Recurring; Significant; No Harm	- Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Significant; Harm	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Significant; Harm	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	
7. Missed dates in compliance schedules <u>Applies to</u>: Unpermitted Users undergoing permit process Permitted Users	Missed milestone by < 45 days; Not Significant	- Informal Notice - NOV	Superintendent[e]
	Recurring; Not Significant	- NOV - Review Meeting - Civil Litigation - Criminal Prosecution - Terminate Service	
	Missed milestone by >45 days; Significant	- NOV - Review Meeting	
	Recurring; Significant; Missed final milestone with no reasonable cause for delay	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	

ENFORCEMENT RESPONSE GUIDE SUMMARY OF ACTION			
Violation	**Nature of the Violation**	**Enforcement Action**	**Personnel**
8. Falsification of Information to POTW Applies to: Unpermitted Users Permitted Users	Good Faith; No intent; No Harm	- Informal Notice - Review Meeting	Superintendent[e]
	Proven; No Harm	- Review Meeting - AO - Civil Litigation - Criminal Prosecution	
	Proven; Harm	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
9. Violation of pretreatment standards (effluent limitations, BMPs, etc) Applies to: Permitted Users	Not Significant; No Harm	- Informal Notice - NOV - Compliance Schedule	Superintendent[e]
	Significant; No Harm	- NOV - Review Meeting - Compliance Schedule	
	Recurring; Not Significant or Significant; No Harm	- Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Significant; Harm	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Significant; Harm	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	

SUMMARY OF ACTION			
Violation	**Nature of the Violation**	**Enforcement Action**	**Personnel**
10. Failure to sample or monitor correctly if IU is required to conduct self-monitoring <u>Applies to:</u> Permitted Users	Failure to monitor all pollutants as required by permit	- Informal Notice and require retest - NOV and require retest	Superintendent[e]
	Recurring, Failure to monitor all pollutants as required by permit	- NOV - Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Improper sampling procedure and/or improper analysis method	- Informal Notice and require retest - NOV and require retest	
	Recurring, improper sampling procedure and/or improper analysis method	- NOV - Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Failure to monitor in correct location	- Informal Notice and require retest - NOV and require retest	
	Recurring, failure to monitor in correct location	- NOV - Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
11. Failure to report required or voluntary monitoring of any regulated pollutant at permitted sampling location <u>Applies to:</u> Permitted Users	Not Significant	- Informal Notice - NOV	Superintendent[e]
	Significant or Recurring	- NOV - Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	

Violation	Nature of the Violation	Enforcement Action	Personnel
12. Failure to develop and or implement BMP required by permit <u>Applies to:</u> Permitted Users	Not Significant; No Harm	- Informal Notice - NOV	Superintendent[e]
	Significant; No Harm	- NOV - Review Meeting	
	Recurring; Not Significant or Significant; No Harm	- Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Significant; Harm	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Significant; Harm	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	
13. Violates prohibited discharge criteria or specific discharge prohibitions <u>Applies to:</u> Permitted Users	Not Significant; No Harm	- NOV	Superintendent[e]
	Significant; No Harm	- NOV - Review Meeting	
	Recurring; Not Significant or Significant; No Harm	- Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Significant; Harm	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Significant; Harm	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	

ENFORCEMENT RESPONSE GUIDE
SUMMARY OF ACTION

Violation	Nature of the Violation	Enforcement Action	Personnel

14. Slug load discharges Applies to: Unpermitted Users Permitted Users	No Harm	- Informal Notice - Slug Control Plan	Superintendent[e]
	Recurring; No Harm	- NOV and Slug Control Plan - Review Meeting and Slug Control Plan - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Harm	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Harm	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	
15. Violation of local limit or prohibited discharge criteria Applies to: Unpermitted Users	No Harm	- Informal Notice - Permit Application	Superintendent[e]
	Recurring; Not Significant or Significant; No Harm	- NOV and Permit Application - Review Meeting and Permit Application	
	Significant; Harm	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Significant; Harm	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	
16. Failure to allow access to the facility, facility area, or facility records Applies to: Unpermitted Users Permitted Users	Entry denied or consent withdrawn; Copies of records denied	- Obtain warrant and return to IU	Superintendent[e]

ENFORCEMENT RESPONSE GUIDE SUMMARY OF ACTION			
Violation	**Nature of the Violation**	**Enforcement Action**	**Personnel**
17. Failure to install and/or maintain monitoring equipment <u>Applies to:</u> Permitted Users	Not Significant	- Informal Notice - NOV	Superintendent[e]
	Significant	- NOV - Review Meeting	
	Recurring Not Significant	- NOV - Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Significant	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
18. Failure to properly operate and/or maintain treatment equipment <u>Applies to:</u> Permitted Users	Not Significant; No Harm	- Informal Notice - NOV	Superintendent[e]
	Significant; No Harm	- NOV - Review Meeting	
	Recurring; Not Significant or Significant; No Harm	- Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Significant; Harm	- AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Recurring; Significant; Harm	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	

ENFORCEMENT RESPONSE GUIDE SUMMARY OF ACTION			
Violation	**Nature of the Violation**	**Enforcement Action**	**Personnel**
19. Wastestreams are diluted in lieu of proper treatment <u>Applies to:</u> Permitted Users	Good Faith; No intent; No Harm	- Informal Notice - NOV	Superintendent[e]
	Recurring or Proven; No Harm	- Review Meeting - AO - Civil Litigation - Criminal Prosecution - Terminate Service	
	Proven; Harm	- Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	
20. Failure to maintain sample point that allows for and does not interfere with representative sample collection <u>Applies to:</u> Permitted Users	First and Second Occurrence	- Informal Notice	Superintendent[e]
	Recurring	- NOV - Review Meeting - AO - Citation - Civil Litigation - Criminal Prosecution - Terminate Service	
21. Inadequate recordkeeping <u>Applies to:</u> Permitted Users	IU's recordkeeping/files are incomplete and/or missing documents, Good Faith	- Informal Notice - NOV	Superintendent[e]
	IU's recordkeeping/files continue to be incomplete and/or missing documents or No Good Faith	- NOV - Review Meeting - AO - Citation - Civil Litigation - Criminal Prosecution - Terminate Service	

SUMMARY OF ACTION			
Violation	**Nature of the Violation**	**Enforcement Action**	**Personnel**
22. Failure to mitigate noncompliance or halt production Applies to: Permitted Users	Good Faith effort demonstrated	-Review Meeting -AO	Superintendent[e]
	Recurring or No Good Faith	- AO - Citation - Civil Litigation - Criminal Prosecution - Terminate Service	
23. Any other violation not elsewhere described in the Enforcement Response Guide	Any	- NOV - Review Meeting - AO - Show Cause Order - Civil Litigation - Criminal Prosecution - Terminate Service	Superintendent[e]

a. All violations may be subject to supplemental enforcement actions as defined in this ERP and include public notice, increased monitoring and reporting, and cost recovery for damages, abatement and remediation.

b. All violations will be identified and documented within ~~approximately ten (10) business~~ thirty (30) days of receiving compliance information.

c. Violations which threaten health, property or environmental quality are considered emergencies and will receive immediate responses such as halting the discharge or termination of service.

d. The Town's enforcement actions will include specified date(s) at which the Town expects a response from a user that has violated provisions of the ordinance. All violations will normally be addressed by the user within ten (10) to thirty (30) business days of the identification of noncompliance. The Town will pursue users return to compliance as quickly as seems practical, taking into account as many factors as appropriate for the situation.

e. Superintendent of Public Works or the duly authorized representative of the Superintendent of Public Works.

[*Insert TRA File Number*]

[*Insert Date*]

[*Insert Contract Party Pretreatment Representative Name*]
[*Insert Contract Party Pretreatment Representative Title*]
Town of [*Insert name of Town*]
[*Insert Street Address*]
[*Insert Town*], Texas [*Insert Zip Code*]

Dear [*Mr./Ms.]* [*Insert Contracting Party Representative Last Name*]:

Monitoring activities were conducted at [*Insert name of SIU as it appears on Permit*]. The enclosed analysis indicates noncompliance with the [*Insert name of SIU as it appears on Permit*]'s "Permit to Discharge Industrial Wastewaters to the Sanitary Sewer" at the time of the monitoring activity. [*Note this opening paragraph can be adjusted to accommodate or explain other types of violations besides a violation(s) of a numeric permit limit.*]

The Town of [*Insert name of Town*] (Town) is responsible for the administration and enforcement of Ordinance No. [*Insert all current Ordinance Nos. that were approved for the Town under the TRA-DCRWS Pretreatment Program*]. The Town and the Trinity River Authority (TRA) must also comply with the Environmental Protection Agency's (EPA) General Pretreatment Regulations (40CFR §403) and the Ordinance.

Therefore, a Notice of Violation (NOV) should immediately be sent to the industry with a request to submit within ten (10) business days of receiving this notice a report containing the following:

1. The problems(s) per the NOV issued.
2. The possible cause(s) of the problem(s).
3. The steps being taken to minimize or curtail the reoccurrence of the problem(s).

A copy of the NOV issued to the industry and the industry's report must be sent to the TRA's Pretreatment Division within one (1) month of the Town's receipt of the TRA monitoring report.

The NOV must also be addresses by the Town as to what its actions against the industry may be. This may entail a progressive enforcement, a fine, etc. Progressive enforcement is an essential part of the pretreatment enforcement program as required by the General Pretreatment Regulations.

[*Insert Contract Party Pretreatment Representative Name*]
[*Insert Date of Letter*]
[*Insert TRA File Number*]
Page 2

It is not the intent of the TRA to cause undue hardship for the industries in your Town; however, enforcement of Ordinance No. [*Insert all current Ordinance Nos. that were approved for the Town under the TRA-DCRWS Pretreatment Program*] is a requirement of the TRA Denton Creek Regional Wastewater System's (DCRWS) Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0013457001.

Sincerely,

[Insert Name of TRA Environmental Specialist]
Environmental Specialist

Enclosure [*Enclose a copy of the summary of the results identifying noncompliance and lab report if needed*]

cc: [*Insert Name*], Manager, DCRWS
[*Insert Name*], Environmental Supervisor, CRWS

[*Insert Date*]

[*Insert SIU's Designated Signatory's Name*]
[*Insert SIU's Designated Signatory's Title]*
[*Insert name of SIU as it appears on the Town's issued permit*]
[*Insert Street Address*]
[*Inset Town*], Texas [*Insert Zip Code*]

Re: Noncompliant Wastewater Discharge

Dear [*Mr./Ms*.] [*Insert SIU's Designated Signatory's Last Name*]:

Monitoring activities were conducted on [*insert date(s) of sample collection event that is in noncompliance*] at [*Insert name of SIU as it appears on the Town's issued permit*] "Permit to Discharge Industrial Wastewater to the Sanitary Sewer" at the time of the monitoring activity.

This letter shall serve as an OFFICIAL NOTICE OF VIOLATION
[*Note the opening paragraph and the "To Wit:" section can be adjusted to accommodate or explain other types of violations besides a violation(s) of a numeric permit limit.*]

To Wit:

Date	Parameter	Outfall	Result (mg/L)	Daily Limit (mg/L)	Monthly Limit (mg/L)
01/02/2014	*Oil and Grease*	*001*	*205*	*200*	*NA*

A report addressing the following must be submitted within ten (10) business days of the receipt of this letter:

1. Nature of the violation;
2. Cause(s) or possible cause(s) of problem(s) which resulted in the violation(s), and
3. Corrective action(s) taken to ensure compliance.

This notification shall not relieve the user of any expense, loss, damage, or other liability which may have incurred as a result of damage to the Town's collection line, POTW, or any other damage to person(s) or property, nor shall this notification relieve the user of any fine, civil penalties, or other liabilities which may be imposed.

[*Insert SIU's Designated Signatory's Name*]
[*Insert Date of Letter*]
Page 2

It is not the intent of the Town or the Trinity River Authority (TRA) to cause undue hardship for its industries; however, enforcement of Ordinance No. [*Insert all current Ordinance Nos. that were approved for the Town under the TRA-DCRWS Pretreatment Program*] is a requirement of the TRA Denton Creek Regional Wastewater System's (DCRWS) Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0013457001.

Sincerely,

[*Insert Contract Party Pretreatment Representative Name*]
[*Insert Contract Party Pretreatment Representative Title*]

Enclosure [*Enclose a copy of the summary of the results identifying noncompliance and lab report if needed*]

cc: [*Insert Name of Normal onsite contact*], [*Insert Title of this contact*], [*Insert Name of SIU*]
[*Insert Name*], Environmental Specialist, TRA

TOWN OF WESTLAKE

IN THE MATTER OF *

* CEASE AND DESIST ORDER

[*INSERT NAME OF INDUSTRY*] *

[*INSERT ADDRESS OF INDUSTRY*]*

LEGAL AUTHORITY

The following findings are made and order issued pursuant to the powers, duties and responsibilities vested in and imposed upon the Superintendent of Public Works by provisions of the Town's Industrial Wastewater Ordinance. This order is based on findings of violation of the conditions of the wastewater discharge permit issued under the Town's Industrial Wastewater Ordinance.

FINDINGS

1. The Town of Westlake (hereafter, "Town") discharges wastewater to the Trinity River Authority Denton Creek Regional Wastewater Treatment System which has implemented a pretreatment program to control industrial discharges in accordance with the Texas Pollutant Discharge Elimination System Permit No. WQ0013457001.
2. [*Insert name of Industry*] discharges non-domestic wastewater containing pollutants into the sanitary sewer system of the Town of Westlake.
3. [*Insert name of Industry*] is a [*Insert either "significant industrial user" or "industrial user" depending on the classification of the User.*] as defined by the Town's Industrial Wastewater Ordinance.

[*If the User is a permitted significant industrial user utilize the language in 4. If the User is an unpermitted Industrial User, utilize the language in 4a.]*

4. [*Insert name of Industry*] was issued a wastewater discharge permit on [*Insert the issuance date on the current wastewater permit*] which contains prohibitions, restrictions and other limitations on

the quality of the wastewater it discharges to the sanitary sewer.

4a. [*Insert name of Industry*] is subject to the Town Industrial Wastewater Ordinance, [*Insert all current Ordinance Nos. that were approved for the Town under the TRA-DCRWS Pretreatment Program*] which contains prohibitions, restrictions and other limitations on the quality of the wastewater it discharges to the sanitary sewer.

5. Pursuant to the ordinance [*Insert "and the above-referenced permit" if the User is permitted*], data is routinely collected or submitted on the compliance status of [*Insert name of Industry*].

6. This data shows that [*Insert name of Industry*] has violated the Industrial Wastewater Ordinance in the following manner:

[*Note the violations could vary from examples provided below*]

a. [*Insert name of Industry*] has continuously violated its [*Insert either "permit limits" if user is permitted or "ordinance limits" if user is not permitted*] for [*Insert Pollutant Type; e.g., copper and zinc*] in each sample collected from [*Insert Date*] to [*Insert Date*].

b. [*Insert name of Industry*] has also failed to comply with an administrative compliance order requiring the installation of a pretreatment system and the achievement of compliance with its permit limits by [*Insert Date*].

c. [*Insert name of Industry*] has failed to appear at a show cause hearing pursuant to an order requiring said attendance.

ORDER

THEREFORE, BASED ON THE ABOVE FINDINGS, [*INSERT NAME OF INDUSTRY*] IS HEREBY ORDERED TO:

1. Within 24 hours of receiving this order, cease all non-domestic discharges into the Town's sanitary sewer. Such discharges shall not recommence until such times as [*Insert name of Industry*] is able to demonstrate that it will comply with its current [*Insert "permit limits" if the User is permitted or "ordinance limits" if not permitted*].

2. Failure to comply with this order may subject [*Insert name of Industry*] to having its connection to the sanitary sewer sealed by the Town and assessed the costs therefore.

3. Failure to comply with this order shall also constitute a further violation of the Industrial

Wastewater Ordinance and may subject [*Insert name of Industry*] to civil or criminal penalties or such other enforcement response as may be appropriate.

4. This order, entered this _____day of _____ 20____, shall be effective upon receipt by [*Insert name of Industry*].

Signed: _____

[*Insert Name of Superintendent of Public Works*]
Superintendent of Public Works
Town of Westlake
[*Insert address of Superintendent of Public Works*]

TOWN OF WESTLAKE

IN THE MATTER OF	*	CONSENT ORDER
	*	
[*INSERT NAME OF INDUSTRY*]	*	SUPERINTENDENT OF PUBLIC WORKS
[*INSERT ADDRESS OF INDUSTRY*]*		[*INSERT ADDRESS OF PUBLIC WORKS*
	*	*Superintendent*]

CONSENT ORDER

WHEREAS, the Town of Westlake pursuant to the powers, duties and responsibilities vested in and imposed upon the Superintendent of Public Works by provisions of the Town's Industrial Wastewater Ordinance, have conducted an ongoing investigation of [*Insert name of Industry*] and has determined that:

1. The Town of Westlake (hereafter, "Town") discharges wastewater to the Trinity River Authority Denton Creek Regional Wastewater Treatment System which has implemented a pretreatment program to control industrial discharges in accordance with the Texas Pollutant Discharge Elimination System Permit No. WQ0013457001.
2. [*Insert name of Industry*] discharges non-domestic wastewater containing pollutants into the sanitary sewer system of the Town of Westlake and is an industrial user as defined by the Town's Industrial Wastewater Ordinance.
3. [*Insert name of Industry*] is subject to the Town Industrial Wastewater Ordinance, [*Insert all current Ordinance Nos. that were approved for Town under the TRA-DCRWS Pretreatment Program*] which contains prohibitions, restrictions and other limitations on the quality of the wastewater it discharges to the sanitary sewer.
4. [*Insert name of Industry*] has consistently violated the pollutant limits in its wastewater discharge permit as set forth in Exhibit I, attached hereto.
5. Therefore, to ensure that [*Insert name of Industry*] is brought into compliance with its permit limits at the earliest possible date, IT IS HEREBY AGREED AND ORDERED, BETWEEN [*INSERT NAME OF INDUSTRY*] AND THE SUPERINTENDENT OF PUBLIC WORKS, FOR THE TOWN OF WESTLAKE, that [*Insert name of Industry*] shall:

   [*Note, the tasks that an industrial user will need to accomplish to return to compliance can vary*

and the Town may have additional requirements. The contents of a Consent order are going to be unique depending on the situation. The Town can also choose to add additional penalties if steps are not completed; Two Example formats are given below. First example addresses the use of a compliance schedule. The second example places specific milestones/requirements in the body of the Consent Order].

Example 1:

a. By [*Insert Date*], submit a Compliance Schedule to the Town with detailed timely increments of progress (hereafter, milestone) for the purpose of bringing [*Insert name of Industry*] into compliance with its wastewater discharge permit. Each milestone will need to have a specific start and completion date.

b. Within [*Insert milestone report due dates, due date cannot be more than 14 days*] working days after each date, [*Insert name of Industry*] must submit to the Town, in writing, a process report detailing the measures taken to comply with the requirements of the milestone.

c. Beginning in [*Insert Month, Year*], [*Insert name of Industry*] shall self-monitor at [*Identify location; e.g. Outfall 001*] for [*Insert parameter(s); e.g. copper and zinc*] using 40 CFR Part 136 approved methodologies at least [*insert frequency, e.g., once a month*], and submit those results by [*Insert a timeframe of submittal*] for a period of [*insert duration*].

d. By [*Insert Date*], [*Insert name of Industry*] must achieve compliance with the limits set forth in the industry's permit to discharge industrial wastewater to the sanitary sewer system.

e. [*Insert name of Industry*] shall pay a maximum of One Thousand Dollars ($1000.00) for each and every day it fails to comply with the schedule set out in items a through d above. [*Insert how payment shall be made, to whom, and by what timeframe within the Town, e.g., The $1,000 per day penalty shall be paid to the cashier of the Town's Water Department within 5 days of being demanded by the Town.*].

Example 2:

a. By [*Insert Date*], obtain the services of a registered professional engineer specializing in wastewater treatment for the purposes of designing a pretreatment system, which will bring [*Insert name of Industry*] into compliance with its wastewater discharge permit.

b. By [*Insert Date*], submit plans and specifications for the proposed pretreatment system to

the Town for review.

c. By [*Insert Date*], install the pretreatment system in accordance with the plans and specifications submitted in item b above.

d. Beginning in [*Insert Month, Year*], [*Insert name of Industry*] shall self-monitor at [*Identify location; e.g. Outfall 001*] for [*Insert parameter(s); e.g. copper and zinc*] using 40 CFR Part 136 approved methodologies at least [*insert frequency*], and submit those results by [*Insert a timeframe of submittal*] for a period of [*Insert duration*].

e. By [*Insert Date*], [*Insert name of Industry*] must achieve compliance with the limits set forth in the industry's permit to discharge industrial wastewater to the sanitary sewer system.

f. [*Insert name of Industry*] shall pay a maximum of One Thousand Dollars ($1000.00) for each and every day it fails to comply with the schedule set out in items a through e above. [*Insert how payment shall be made, to whom, and by what timeframe within the Town, e.g., The $1,000 per day penalty shall be paid to the cashier of the Town's Water Department within 5 days of being demanded by the Town.*].

4. In the event [*Insert name of Industry*] fails to comply with any of the deadlines set forth. [*Insert name of Industry*] shall within [*Specify number of days*] working day(s) after expiration of the deadline, notify the Town in writing. This notice shall describe the reasons for [*Insert name of Industry*] failure to comply, the additional amount of time needed to complete the remaining work, and the steps to be taken to avoid future delays. This notification in no way excuses [*Insert name of Industry*] from its responsibility to meet any later milestones required by this Consent Order.

5. Compliance with the terms and conditions of this Consent Order shall not be construed to relieve [*Insert name of Industry*] of its obligation to comply with its wastewater discharge permit, which remains in full force and effect. The Town reserves the right to seek any and all remedies available to it under Section [*List applicable Ordinance Section Numbers*] of the Town's Industrial Wastewater Ordinance for any violation cited by this order.

6. Violation of this Consent Order shall constitute a further violation of the Town's Industrial Wastewater Ordinance and subjects [*Insert name of Industry*] to all penalties described by Section [*List applicable Ordinance Section Numbers*] of the Industrial Wastewater Ordinance.

7. Nothing in this Consent Order shall be construed to limit any authority of the Town to issue any other orders or take any other action which it deems necessary to protect the wastewater treatment

plant, the environment or the public health and safety.

SIGNATORIES

FOR [*INSERT NAME OF INDUSTRY*]

Date	[*Insert Designated Signatory's Name*] [*Insert Name of Industry*]

FOR TOWN OF WESTLAKE

Date	[*Insert Name of Superintendent of Public Works*] Superintendent of Public Works Town of Westlake [*Insert address of Superintendent of Public Works*]

TOWN OF WESTLAKE

IN THE MATTER OF	*	
	*	ADMINISTRATIVE
[*INSERT NAME OF INDUSTRY*]	*	SHOW CAUSE ORDER
[*INSERT ADDRESS OF INDUSTRY*]	*	

LEGAL AUTHORITY

The following findings are made and order issued pursuant to the powers, duties and responsibilities vested in and imposed upon the Superintendent of Public Works by provisions of the Town's Industrial Wastewater Ordinance. This order is based on findings of violation of the conditions of the wastewater discharge permit issued under the Town's Industrial Wastewater Ordinance.

FINDINGS

1. The Town of Westlake (hereafter, "Town") discharges wastewater to the Trinity River Authority Denton Creek Regional Wastewater Treatment System which has implemented a pretreatment program to control industrial discharges in accordance with the Texas Pollutant Discharge Elimination System Permit No. WQ0013457001.
2. [*Insert name of Industry*] discharges non-domestic wastewater containing pollutants into the sanitary sewer system of the Town of Westlake.
3. [*Insert name of Industry*] is a "significant industrial user" as defined by the Town's Industrial Wastewater Ordinance.
4. [*Insert name of Industry*] was issued a wastewater discharge permit on [*Insert the issuance date on the current wastewater permit*] which contains prohibitions, restrictions, and other limitations on the quality of the wastewater it discharges to the sanitary sewer.
5. Pursuant to the ordinance and the above-referenced permit, data is routinely collected or submitted on the compliance status of [*Insert name of Industry*].
6. This data shows that [*Insert name of Industry*] has violated its wastewater discharge permit in the following manner: [*Note the following are examples*]
    a. [*Insert name of Industry*] has violated its permit limits for [*Insert Pollutant Type; e.g., copper and zinc*]in each sample collected on [*Insert Date*] for a total of [*Insert number of*

violations] separate violations of this permit.

b. [*Insert name of Industry*] has failed to submit a periodic compliance report due [*Insert Date*].

c. All of these violations satisfy the Town's definition of significant violation.

ORDER

THEREFORE, BASED ON THE ABOVE FINDINGS, [*INSERT NAME OF INDUSTY*] IS HEREBY ORDERED TO:

1. Appear at a meeting with the Superintendent of Public Works to be held on [*Insert Date*], at [*Insert Time*] in [*Insert Description of meeting location, e.g., the Water Department Conference Room at the Town of Westlake Municipal Building*].
2. At this meeting, the industry must demonstrate why the Town should not pursue judicial enforcement action against the industry at this time.
3. This meeting will be closed to the public.
4. Representatives of [*Insert name of Industry*] may be accompanied by legal counsel if they so choose.
5. Failure to comply with this order shall also constitute a further violation of the Industrial Wastewater Ordinance and may subject [*Insert name of Industry*] to civil or criminal penalties or such other appropriate enforcement response as may be appropriate.
6. This order, entered this _____day of _____ 20____, shall be effective upon receipt by [*Insert name of Industry*]

Signed: _____

[*Insert Name of Superintendent of Public Works*]
Superintendent of Public Works
Town of Westlake
[*Insert address of Superintendent of Public Works*]

TOWN OF WESTLAKE

IN THE MATTER OF	*	
	*	
[*INSERT NAME OF INDUSTRY*]	*	ADMINISTRATIVE
[*INSERT ADDRESS OF INDUSTRY*]	*	COMPLIANCE ORDER

LEGAL AUTHORITY

The following findings are made and order issued pursuant to the powers, duties and responsibilities vested in and imposed upon the Superintendent of Public Works by provisions of the Town's Industrial Wastewater Ordinance. This order is based on findings of violation of the conditions of the wastewater discharge permit issued under the Town's Industrial Wastewater Ordinance.

FINDINGS

1. The Town of Westlake (hereafter, "Town") discharges wastewater to the Trinity River Authority Denton Creek Regional Wastewater Treatment System which has implemented a pretreatment program to control industrial discharges in accordance with the Texas Pollutant Discharge Elimination System Permit No. WQ0013457001.
2. [*Insert name of Industry*] discharges non-domestic wastewater containing pollutants into the sanitary sewer system of the Town of Westlake.
3. [*Insert name of Industry*] is a "significant industrial user" as defined by the Town's Industrial Wastewater Ordinance.
4. [*Insert name of Industry*] was issued a wastewater discharge permit on [*Insert the issuance date on the current wastewater permit*] which contains prohibitions, restrictions and other limitations on the quality of the wastewater it discharges to the sanitary sewer.
5. Pursuant to the ordinance and the above-referenced permit, data is routinely collected or submitted on the compliance status of [*Insert name of Industry*].
6. This data shows that [*Insert name of Industry*] has violated its wastewater discharge permit in the following manner: [*Note the following are examples*]
    a. [*Insert name of Industry*] has violated its permit limits for [*Insert Pollutant Type; e.g., copper and zinc*] in each sample collected on [*Insert Date*] for a total of [*Insert number of violations*] separate violations of this permit.

b. [*Insert name of Industry*] has failed to submit a periodic compliance report due since [*Insert Date*].

c. All of these violations satisfy the Town's definition of significant violation.

ORDER

THEREFORE, BASED ON THE ABOVE FINDINGS, [*INSERT NAME OF INDUSTRY*] IS HEREBY ORDERED TO: [*Note, the tasks that an industrial user will need to accomplish to return to compliance can vary and the Town may have additional requirements. The contents of a Compliance Order are going to be unique depending on the situation.*]

1. Within [*Insert a specific number of days, e.g. 180*] days, install pretreatment technology which will adequately treat [*Insert name of Industry*]'s wastewater to a level which will comply with its wastewater discharge permit.
2. Within [*Insert a specific number of days, e.g. 5*] days submit all periodic compliance reports due since [*Insert Date*].
3. Within [*Insert a specific number of days, e.g. 10*] days, pay to the cashier's office of the Municipal Court, Town of Westlake, a fine of $2,000.00 for the above-described violations in accordance with [*List applicable Ordinance Section Number from Industrial Wastewater Ordinance*], of the Industrial Waste Ordinance.
4. Report, on a monthly basis, the wastewater quality and the corresponding flow and production information as described on Page [*Insert appropriate page number of permit*] of the wastewater discharge permit, [*Insert Permit No.]* for a period of one year from the effective date of this order.
5. All reports and notices required by this order shall be sent in writing to the Town and copied to the Trinity River Authority of Texas at the following addresses:

[*Insert Name of Superintendent of Public Works*]
Superintendent of Public Works
Town of Westlake
[*Insert address of Superintendent of Public Works*]

[*Insert Name of TRA Environmental Specialist*]
Environmental Specialist
Trinity River Authority of Texas
6500 W. Singleton Blvd.
Dallas, Texas 75212

6. This order does not constitute a waiver of the wastewater discharge permit which remains in full force and effect. The Town of Westlake reserves the right to seek any and all remedies available to it under Section [*List*

applicable Ordinance Section Number from Industrial Wastewater Ordinance] of the Industrial Wastewater Ordinance for any violation cited by this order.

7. Failure to comply with the requirements of this order shall constitute a further violation of the Industrial Wastewater Ordinance and may subject [*Insert name of Industry*] to civil or criminal penalties or such other appropriate enforcement response as may be appropriate.

8. This order, entered this _____day of _____ 20____, shall be effective upon receipt by [*Insert name of Industry*]

Signed: _____

[*Insert Name of Superintendent of Public Works*]
Superintendent of Public Works
Town of Westlake
[*Insert address of Superintendent of Public Works*]

SuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendent SuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentS uperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSu perintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSup erintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperi rintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperintendentSuperi ntendentSuperintendent

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: ORD-1026 **Agenda Date:** 7/15/2025 **Agenda #:** H.1.

TOWN STAFF REPORT RECOMMENDATIONS

Hold a Public Hearing and Discuss, Consider and Act Regarding Ordinance 1026 to Adopt Land Use Assumptions and Capital Improvement Plans for the Potential Implementation of Impact Fees for Water, Wastewater, and Roadway Impact Fee Program (Cheryl Taylor, P.E., Director of Public Works)

STAFF: Cheryl Taylor, P.E., Director of Public Works

BACKGROUND:

Chapter 395 of the Local Government Code outlines the requirements for the adoption of impact fees

DISCUSSION:

As a rapidly growing community, the Town of Westlake has an opportunity to consider the implementation of water, wastewater and roadway impact fees that will allow for development to participate in the cost of necessary future improvements to serve the community. An impact fee is a charge or assessment on new development that generates revenue for funding or recouping the costs of capital improvements or facility expansions attributable to new development. It is a tool that can be used to recoup, from property developers, some of the costs that new development places on City infrastructure. Impact fees ensure that those who place additional demand on the roadway, water, and wastewater systems help pay the costs required to meet that demand.

The Capital Improvements Advisory Committee approved the Land Use Assumption and the Capital Improvements Plan at their June 11, 2025 meeting.

Project kickoff for the impact fee study was in January 2025 with nine (9) months anticipated for completion. A public hearing and the approval of the Land Use Assumptions and a Capital Improvements Plan are required steps for the consideration of adoption of the ordinance and potential implementation of impact fees for water, wastewater and roadway.

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of Ordinance 1026 to Adopt Land Use Assumptions and Capital Improvement Plans for the Potential Implementation of Impact Fees for Water, Wastewater, and Roadway Impact Fee Program.

ATTACHMENT(S):

1. Ordinance 1026 Adopt LUA and CIP
2. Final LUA and CIP Report
3. CIAC Recommendation Letter

TOWN COUNCIL ACTION/OPTIONS:

1) Motion to approve
2) Motion to amend with the following stipulations (please state stipulations in motion)
3) Motion to table
4) Motion to deny

TOWN OF WESTLAKE

ORDINANCE NO. 1026

AN ORDINANCE OF THE OF THE TOWN COUNCIL OF THE TOWN OF WESTLAKE ADOPTING LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENT PLANS FOR THE POTENTIAL IMPLEMENTATION OF IMPACT FEES FOR WATER, WASTEWATER, AND ROADWAY IMPACT FEE PROGRAM.

WHEREAS, Chapter 395, Tex. Loc. Government Code, provides procedures for preparing land use assumptions and a capital improvements plan for the consideration of imposing water, wastewater, and roadway impact fees within the Town limits; and

WHEREAS, the Town of Westlake has found it necessary to and appropriate to employ qualified professionals to prepare land use assumptions and a capital improvements plan for water, wastewater, and roadway facilities; and

WHEREAS, the Capital Improvements Advisory Committee has reviewed the water, wastewater and roadway land use assumptions and capital improvement plans for the service areas designated as shown in attached Exhibit "A"; and

WHEREAS, The Town Council conducted a Public Hearing to receive comments from citizens and other interested parties concerning the adoption of the land use assumptions and capital improvement plans.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

SECTION 2. The Town Council hereby adopts the land use assumptions and capital improvement plans as shown in the attached Exhibit "A".

SECTION 3. This Ordinance shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

PASSED AND APPROVED BY THE TOWN COUNCIL, THE TOWN OF WESTLAKE, ON THIS THE 15TH DAY OF JULY 2025.

TOWN OF WESTLAKE, TEXAS:

_____

Kim D. Greaves, Mayor

ATTEST:

_____
Dianna Buchanan, Town Secretary

APPROVED AS TO FORM:

_____
Matthew C. G. Boyle, Town Attorney

Innovative approaches
Practical results
Outstanding service

LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENT PLAN REPORT FOR WATER, WASTEWATER, AND ROADWAY IMPACT FEES

June 2025

Prepared for:

Town of Westlake

Prepared by:

FREESE AND NICHOLS, INC.
801 Cherry Street, Suite 2800
Fort Worth, Texas 76102
817-735-7300

FNI Project Number: WSK24597

Innovative approaches
Practical results
Outstanding service

LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENT PLAN REPORT FOR WATER, WASTEWATER, AND ROADWAY IMPACT FEES

Prepared for:

Town of Westlake



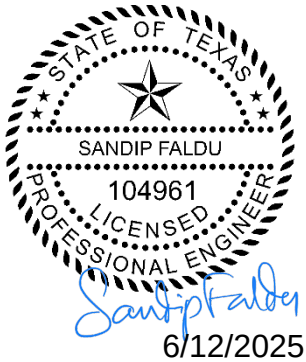
6/12/25

FREESE AND NICHOLS, INC.
TEXAS REGISTERED
ENGINEERING FIRM
F-2144



6/12/2025

FREESE AND NICHOLS, INC.
TEXAS REGISTERED
ENGINEERING FIRM
F-2144



6/12/2025

FREESE AND NICHOLS, INC.
TEXAS REGISTERED
ENGINEERING FIRM
F-2144

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List of Abbreviations

Abbreviation	Full Nomenclature
CIP	Capital Improvement Plan
CAGR	Compound Annual Growth rate
FNI	Freese and Nichols, Inc.
ITE	Institute for Transportation Engineers
MGD	Million Gallons per Day
NAICS	North American Industry Classification System
NCTCOG	North Central Texas Council of Governments
PP	Pressure Plane
Town	Town of Westlake
TLGC	Texas Local Government Code
TRA	Trinity River Authority
TSZ	Traffic Survey Zone
Veh-Mi	Vehicle-Miles, the service unit for roadway fees

EXECUTIVE SUMMARY

The Town of Westlake, Texas, (Town) authorized Freese and Nichols, Inc. (FNI) to perform an impact fee analysis of the Town's water, wastewater, and roadway systems. The purpose of this report is to summarize the methodology used in the development of land use assumptions and impact fee capital improvement plans for the Town of Westlake.

LAND USE ASSUMPTIONS

Land use assumptions, including population and employment projections, are important elements in the analysis of water, wastewater, and roadway systems. A reasonable estimation of future growth is required to determine the need and timing of capital improvements to serve future development. Growth and future development projections were formulated based on assumptions pertaining to the type, location, quantity, and timing of various future land uses within the community. These land use assumptions are the basis for the preparation of impact fee capital improvement plans (CIP) for water, wastewater, and roadway facilities.

ELIGIBLE CAPITAL IMPROVEMENT PLAN

The water, wastewater, and roadway impact fee CIP was developed for the Town of Westlake based on the land use assumptions, input from Town staff, known development information, and projects anticipated within the near future. The recommended improvements were designed to provide the required capacity to meet projected water demands, wastewater flows, and roadway demand through the year 2045, but will provide capacity for anticipated growth through the year 2035. The projects identified are consistent with the Texas Local Government Code Chapter 395 definition of impact fee eligible projects. The water, wastewater, and roadway CIP projects are summarized in **Tables ES-1**, **ES-2**, and **ES-3**, respectively.

ES- 1: Water System Eligible CIP

Project ID	Project Name
1	2.0 MGD Water Supply and Connection Improvements from Fort Worth via Southlake
2	4.0 MGD Firm Capacity at the Davis Boulevard Pump Station (East PP) and 1.5 MG Ground Storage Tank
3	20-inch Dove Road Water Line Extension
4	16/20-inch US 377 Water Line Loop
5	4.0 MGD Water Supply Increase from Fort Worth via Southlake
6	2.0 MG Firm Capacity at the Davis Boulevard Pump Station (West PP)
7	12-inch SH 114 Water Line Loop
8	1.0 MG Circle T Ranch Elevated Storage Tank
9	16-inch J.T. Ottinger Road Water Line
10	12-inch J.T. Ottinger Road Water Line
11	0.5 MG J.T. Ottinger Road Elevated Storage Tank
12	12-inch US 377 Water Line Loop
13	12-inch Parish Lane Water Line Loop
14	12-inch Main Street Water Line Loop

ES- 2: Wastewater System Eligible CIP

Project ID	Project Name
1	12-inch Parish Lane Gravity Main
2	8-inch Marshall Branch Gravity Main Extension 1
3	8-inch Marshall Branch Gravity Main Extension 2
4	8-inch Marshall Branch Gravity Main Extension 3
5	10-inch Schwab Way Gravity Main Extension
6	8-inch Ottinger Road Gravity Main
7	12-inch Turner Lake Replacement and Gravity Main Extension
8	TRA Denton Creek WRF Expansion Cost Participation

ES- 3: Roadway System Eligible CIP

Roadway CIP Projects – Service Area 1					
ID	**Roadway**	**From**	**To**	**Improvement**	**Total Proposed Lanes**
1	New Road A	SH 170	Roanoke Rd	+ 4 lanes	4D Arterial
2	New Road A	Roanoke Rd	Liberty Ext	+ 4 lanes	4D Arterial
3	New Road A	Liberty Ext	Ottinger Rd	+ 4 lanes	4D Arterial
4	Liberty Ext	US 377	Roanoke Rd	+ 4 lanes	4D Arterial
5	Liberty Ext	Roanoke Rd	New Road A	+ 4 lanes	4D Arterial
6	Liberty Ext	New Road A	New Road B	+ 4 lanes	4D Arterial
7	New Road B	SH 170	Liberty Ext	+ 4 lanes	4D Arterial
8	New Road B	Liberty Ext	Ottinger Rd	+ 4 lanes	4D Arterial
9	Ottinger Rd	New Road B	New Road A	+ 2 lanes	4D Arterial
10	Ottinger Rd	New Road A	N Pearson Ln	+ 2 lanes	4D Arterial
11	New Road C	Liberty Ext	New Road A	+ 4 lanes	4D Arterial
12	Ottinger Rd	Dove Rd	Town Limits	+ 2 lanes	4D Arterial
13	Roanoke Rd	Liberty Ext	Town Limits	+ 2 lanes	4D Arterial
14	Westlake Pkwy	New Road E	Ottinger Rd	+ 4 lanes	4D Arterial
15	Dove Rd	N Pearson Ln	Blue Sky Dr	+ 2 lanes	4D Arterial
16	Roanoke Rd	New Road A	Liberty Ext	+ 2 lanes	4D Arterial
17	Westlake Pkwy	Capital Way	New Road E	+ 2 lanes	4D Arterial
18	New Road E	SH 114	Westlake Pkwy	+ 4 lanes	4D Arterial
19	Capital Pkwy	Westlake Pkwy	Davis Blvd	+ 2 lanes	4D Arterial
20	Schwab Way	Ottinger Rd	New Road B	+ 4 lanes	4D Arterial
21	N Pearson	Dove Rd	50' S of Spring Dr	+ 2 lanes	4D Arterial
22	Dove Rd	Blue Sky Dr	Davis Blvd	+ 4 lanes (recoup)	4D Arterial
23	Davis Blvd	SH 114	Solana Blvd	+ 6 lanes (recoup)	6D Arterial
24	Davis Blvd	Solana Blvd	Dove Rd	+ 6 lanes (recoup)	6D Arterial
25	Davis Blvd	Dove Rd	Town Limits	+ 4 lanes (recoup)	4D Arterial

1.0 PURPOSE

Chapter 395 of the Texas Local Government Code (TLGC) prescribes the process by which cities in Texas must formulate an Impact Fee Program. An initial step in the process is the establishment of land use assumptions and a capital improvement plan (CIP) to address growth and development for a 10-year planning period (TLGC Section 395.001(5)) for the years 2025-2035. The land use assumptions, which include population, non-residential acreage and employment projections, will become the basis for the preparation of impact fee capital improvements plans for water, wastewater, and roadway facilities. This report details the development of the land use assumptions and the impact fee CIPs. This report contains the following components:

- **Methodology** - Explanation of the general methodology used to prepare the land use assumptions and CIPs.
- **Land Use Assumptions**
    - **Service Area Structure** – Description of benefit area to be served by capacity enhancement infrastructure projects from the impact fee program. Explanation of data collection zones (traffic analysis zones), and the division of the Town of Westlake (Town) into impact fee service areas for roadway, water, and wastewater facilities.
    - **Base Year Data** – Historical population trends for Westlake and information on population, non-residential acreage, employment, and existing land use for each service area.
    - **Existing Conditions Analysis** – Analysis of the existing roadway system including its carrying capacity, current utilization, and deficiencies.
    - **Growth Projections** – Population and non-residential acreage, and employment growth assumptions for 10 years by service areas.
- **Eligible Capital Improvements Plans** - Description of identified capital improvement to address growth for roads, water, and wastewater.

2.0 METHODOLOGY

Based upon the growth assumptions and the capital improvements needed to support growth, it is possible to develop an impact fee structure which fairly allocates improvement costs to growth areas in relationship to their impact upon the entire infrastructure system. The data in this report has been formulated using reasonable and generally accepted planning principles for the preparation of impact fee systems in Texas and meets the requirements of the TLGC Section 395 for the establishment of impact fees. For the formulation of the land use assumptions and the capital improvements plans, a series of work tasks were undertaken and are described below.

- A kick-off meeting was held to describe the general methodological approach in the study.
- Service areas were defined for roadway, water, and wastewater impact fee systems.
- Current and historical population, non-residential acreage, and employment data were gathered from the U.S. Census Bureau American Community Survey (2025), the North Central Texas Council of Governments (NCTCOG), the Town future land use plan, and input from Town staff. These served as a basis for future growth.
- A compound annual growth rate (CAGR) of 5.28% was recommended for 10-year population growth in the roadway service area (Town Limits) and the water/wastewater service area (Town Limits).
- A CAGR of 6.79% was recommended for 10-year non-residential acreage in the water/wastewater service area (Town Limits).
- A CAGR of 6.72% was recommended for 10-year employment growth in the roadway service area (Town Limits).
- Vehicle-miles of travel in the PM peak hour was identified as the service unit of measure for analyses and roadway impact fee calculations.
- A roadway inventory was conducted to document lane geometrics, roadway functional classification, and system capacity. Traffic volume count data were collected in winter 2025 to determine roadway utilization and if any capacity deficiencies exist within each impact fee service area.

- Base and 10-year demographics were prepared for the respective service areas for water, wastewater, and roadway.

- Water demands and wastewater flow projections were developed based on the population projections for evaluating the water and wastewater CIP.

- Projected 10-year growth was calculated for the roadway service areas based on land use assumptions (projections of population and employment growth) and translated into residential, office, commercial and industrial travel using service unit equivalencies. Trip rate data was obtained from *Trip Generation, Eleventh Edition* by the Institute of Transportation Engineers, and trip length statistics for Westlake were obtained from the National Household Workplace Survey.

- Projected 10-year growth was calculated for the water and wastewater service areas based on land use assumptions (projections of population and employment growth).

- Water, wastewater, and roadway eligible capital improvements plans were developed.

3.0 LAND USE ASSUMPTIONS

3.1 Data Collection Zones and Service Area Maps

3.1.1 Study Areas

TLGC Chapter 395 requires that service areas be defined for impact fees to ensure that facility improvements are located in close proximity to areas generating needs. The water and wastewater service areas are defined as the town limits. **Figure 3-1** illustrates the water and wastewater service area for the Westlake Impact Fee study.

Legislative requirements stipulate that roadway service areas be limited to a 6-mile maximum and must be located within the current Town Limits. Transportation service areas are different from water and wastewater systems, which can include the Town Limits and its ETJ or other defined service area. This is primarily because roadway systems are "open" to both local and regional (non-town) use as opposed to a defined level of utilization from residents within a water and wastewater system. The roadway service area established for the Town is illustrated in **Figure 3-2**.

FIGURE 3-1

TOWN OF WESTLAKE

WATER/WASTEWATER SERVICE AREA

LEGEND

- Water/Wastewater Service Area
- Road
- Railroad
- Stream
- Lake
- Parcel
- Town Limit
- Other City Limit
- County Boundary

THE TOWN OF WESTLAKE

FREESE AND NICHOLS

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SCALE IN FEET

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FIGURE 3-2

TOWN OF WESTLAKE

ROADWAY SERVICE AREA

LEGEND

- Roadway Service Area
- Road
- Railroad
- Stream
- Lake
- Parcel
- Town Limit
- Other City Limit
- County Boundary

THE TOWN OF WESTLAKE

FREESE AND NICHOLS

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3.1.2 Land Use Methodology

The land use assumptions and future growth projections take into consideration several factors influencing development patterns, including the following:

- The character, type, density, and quantity of existing development
- Availability of land for future expansion,
- Current and historical growth trends of population and development within the Town,
- Location and configuration of vacant land
- Known or anticipated development projects as defined by Town staff

3.2 HISTORICAL GROWTH

FNI reviewed the Town's historical population data collected from the North Central Texas Council of Governments (NCTCOG) and the US Census Bureau. Based on the NCTCOG and US Census Bureau data, the Town experienced an average population growth rate of approximately 6.77% and 5.98% over the last 10 years, respectively. Generally, the Town has maintained a high growth rate since 2010. The historical population is shown in **Table 3-1.**

Table 3-1: Historical Population Growth

Year	NCTCOG Population[1]	NCTCOG Growth Rate	U.S. Census Population[2]	U.S. Census Growth Rate
2010	992	--	992	--
2011	990	-0.20%	999	0.71%
2012	1,010	2.02%	1,029	3.00%
2013	1,040	2.97%	1,076	4.57%
2014	1,050	0.96%	1,112	3.35%
2015	1,120	6.67%	1,207	8.54%
2016	1,230	9.82%	1,276	5.72%
2017	1,310	6.50%	1,390	8.93%
2018	1,380	5.34%	1,483	6.69%
2019	1,610	16.67%	1,555	4.86%
2020	1,623	0.81%	1,623	4.37%
2021	1,780	9.67%	1,681	3.57%
2022	1,842	3.48%	1,778	5.77%
2023	1,922	4.34%	1,920	7.99%
2024	2,006	4.37%	--	--
10-Year Average Growth Rate		**6.77%**	**--**	**5.98%**
5-Year Average Growth Rate		**4.53%**	**--**	**5.31%**
3-Year Average Growth Rate		**4.06%**	**--**	**5.78%**

[1]Source: North Central Texas Council of Governments
[2]Source: U.S Census Bureau

3.3 POPULATION AND EMPLOYMENT PROJECTIONS

For the land use assumptions process, the existing population and non-residential acreage data was calculated using U.S. Census, NCTCOG, and Town data. FNI prepared a projections database to determine a population and non-residential acreage for each parcel within the Town's service area. The Town's future land use plan and input from Town staff were used to develop 10-year projections. Adjustments were also made based on discussions with Town staff. A series of assumptions were made to arrive at reasonable growth rates for population and employment.

3.3.1 Population and Non-Residential Acreage

Generally, the following assumption was made as a basis from which 10-year and 20-year projections could be initiated.

- Future land uses will occur based on similar trends of the past and will conform with the anticipated future development and redevelopment opportunities as forecasted in the 2015 Comprehensive Plan and other special area plans.

The water and roadway population and service connection projections are presented in **Table 3-2**. The existing population for wastewater is smaller to account for septic users that will not be served by the Town. The wastewater population projections are provided in **Table 3-3**. The 10-year future land use plan is presented in **Figure 3-3**.

Table 3-2: Water/ Roadway Service Area Population Projections

Planning Period	Served Population	Connections	Non-Residential Acreage
Existing	2,073	1,002	581
10-year	3,469	1,676	1,150
10-year CAGR	**5.28%**	**5.28%**	**7.07%**

Table 3-3: Wastewater Service Area Population Projections

Planning Period	Served Population	Non-Residential Acreage
Existing	1,856	581
10-year	3,252	1,150
10-year CAGR	**5.28%**	**7.07%**

FIGURE 3-3
TOWN OF WESTLAKE
2035 LAND USE

LEGEND

- Road
- Railroad
- Stream
- Lake
- 100-Year Floodplain
- Floodway
- Parcel
- Town Limit
- Other City Limit
- County Boundary

THE TOWN OF WESTLAKE

FREESE AND NICHOLS

2035 LAND USE

- Single Family Residential
- Commercial
- Institution
- Mixed Use
- Open Space
- Municipal
- Future Land Use

Roanoke
Trophy Club
Fort Worth
Keller
Southlake
Turner Lake
DENTON CO
TARNTON CO
DENTON CO
TARRANT CO

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3.3.2 Employment

Employment for each service area was broken down into basic, retail, and service uses as defined by the North American Industry Classification System (NAICS) code. Each of these employment types generate unique types of demand for roadway usage, hence the breakdown. **Basic Employment** includes land use activities that produce goods and services exported outside the local economy, such as manufacturing, construction, transportation, wholesale trade, warehousing, and other industrial uses. **Retail Employment** includes land use activities that provide for the retail sale of goods that primarily serve households and whose location choice is oriented to the household sector, such as grocery stores, restaurants, and shopping centers. **Service Employment** includes land use activities that provide personal and professional services such as financial, insurance, government, and other professional administrative offices.

Traffic Survey Zone (TSZ) data was used to attribute projected employment within the roadway service area. Based on known development trends, incoming employment centers, Census data, and TSZ data, a CAGR of approximately 6.7% aligns with employment expectations for non-residential acreage within the Town. This will result in approximately a 90% total increase in employment over 10 years. **Table 3-4** shows this projected employment data.

Table 3-4: Roadway Employment Projections

Planning Period	Employment Type			Total
	Basic	Retail	Service	
Existing	5,188	2,739	10,151	**18,078**
10-year	5,292	5,248	24,098	**34,638**
			10-Year CAGR	**6.72%**

4.0 ELIGIBLE CAPITAL IMPROVEMENT PLANS

The water, wastewater, and roadway impact fee analysis involves determining the eligible portion of total projected costs to serve new development and the projected number of service units attributed to new development over the next 10 years. The total projected costs include the 10-year capital costs, financing costs for the capital improvements, and consultant costs for preparing and updating the study.

The water, wastewater, and roadway impact fee CIP was developed for the Town to provide high quality infrastructure based on the growth patterns detailed in the land use assumptions. The eligible existing and future improvements were designed to provide the required capacity to meet projected water, wastewater, and roadway demands through the next 10 years and are sized to 20-year conditions. The water, wastewater, and roadway projects required to meet growth in the 10-year period were used in the impact fee analysis and calculation.

4.1 Existing Water and Wastewater Systems

The Town of Westlake's water distribution system includes one existing pressure plane, one elevated storage tank, two ground storage tanks, and more than 367,000 linear feet of water line ranging in size from 6 inches to 20 inches in diameter. The existing water system is shown on **Figure 4-1**. The Town's drinking water is supplied on the west side of the Town Limits by the City of Fort Worth.

The Town of Westlake's wastewater collection system includes approximately 167,000 linear feet of gravity and force main lines ranging in size from 4 inches to 18 inches. The Town's wastewater is lifted southwest and northeast into the Trinity River Authority (TRA) collection system to be treated. The existing collection system is shown on **Figure 4-2**.

Pump Station
Firm Capacity = 9,000 gpm
0.665 MG Ground Storage Tank
1.0 MG Ground Storage Tank

1.0 MG Knox
Elevated Storage Tank
Overflow Elev. = 901.5'

FIGURE 4-1
TOWN OF WESTLAKE
EXISTING WATER SYSTEM
LEGEND

- Pressure Reducing Valve
- Hydrant
- Meter Station
- Elevated Storage Tank
- Pump Station
- Under Design/Construction Water Line
- 8" and Smaller Water Line
- 10" and Larger Water Line
- Trophy Club MUD Water Line
- Road
- Railroad
- Stream
- Lake
- Parcel
- Town Limit
- Other City Limit
- County Boundary

THE TOWN OF WESTLAKE

FREESE AND NICHOLS

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FIGURE 4-2

TOWN OF WESTLAKE

EXISTING WASTEWATER SYSTEM

LEGEND

Under Design/Construction
- Lift Station
- Wastewater Line
- Force Main

Existing Wastewater System
- Manhole
- Meter Station
- Lift Station
- 8" and Smaller Wastewater Line
- 10" and Larger Wastewater Line
- Force Main

Owned by Other Wastewater System
- Manhole
- Meter Station
- Lift Station
- Southlake Wastewater Line
- Trophy Club MUD Wastewater Line
- Private Wastewater Line
- TRA Wastewater Line
- TRA Force Main
- Road
- Railroad
- Stream
- Lake
- Parcel
- Town Limit
- Other City Limit
- County Boundary

THE TOWN OF WESTLAKE

FREESE AND NICHOLS

Cade Branch Lift Station

Circle T Ranch Lift Station

Westlake Ranch Lift Station

Vaquero Lift Station

Roanoke

Fort Worth

Keller

Trophy Club

Southlake

Turner Lake

DENTON CO

TARRANT CO

0 800 1,600

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4.2 Water Demand and Wastewater Load Projections

4.2.1 Water Demands

A water utility must be able to supply water at rates that fluctuate over time. Yearly, monthly, daily, and hourly variations in water use occur, with higher use during dry years and in hot months. Also, water use typically follows a diurnal pattern, being low at night and peaking in the early morning and late afternoon. Flow rates most important to the hydraulic design and operation of a water treatment plant and distribution system are average day and maximum day demands. Average day use is the total annual water use divided by the number of days in the year and is typically used in water supply planning. The average day demand is also typically used as a basis for estimating maximum day demands. Maximum day demand is the maximum quantity of water used on any one day of the year. Water supply facilities, such as treatment plants and pump stations, are typically designed based on the maximum day demand. Therefore, estimating future water demands directly impacts the projects needed to serve future growth.

Future water demands were developed by utilizing per-capita usage rates applied to the projected service connection count. Known Town commercial flows were also added to projected future demand. A maximum day to average day peaking factor was then used to estimate future maximum day demands. **Table 4-1** presents the water demand design criteria and **Table 4-2** displays the projected water demands. A lower residential per capita usage is assumed in the 10-year period due to projected water conservation.

Table 4-1: Water Demand Design Criteria

Criteria	Factor
Residential Average Day Per Capita Usage (gpcd)	700
Non-Residential Average Day Per Acre Usage (gpad)	700
10-year Residential Average Day Per Capita Usage (gpcd)	675
Maximum Day to Average Day Peaking Factor	2.8
Peak Hour to Maximum Day Peaking Factor	1.85

Table 4-2: Projected Water Demands

Year	Pressure Plane	Population	Connections	Non-Residential Acreage	Average Day Demand (MGD)	Maximum Day Demand (MGD)	Peak Hour Demand (MGD)
2025	East	731	353	124	0.6	1.68	3.11
	West	1,342	648	457	1.28	3.58	6.63
	Sum	**2,073**	**1,001**	**581**	**1.88**	**5.26**	**9.74**
2035	East	1,148	555	271	0.96	2.69	4.97
	West	2,321	1,121	879	3.38	7.31	12.74
	Sum	**3,469**	**1,676**	**1,150**	**4.34**	**10.00**	**17.72**

4.2.2 Wastewater Flows

Wastewater flows in a municipal collection system vary by time of day, wastewater discharge source, and weather conditions. Average daily flow is defined as the total wastewater flow over a one-year period divided by the number of days in that year. Wastewater treatment plants are typically sized in terms of average daily flow. Peak wastewater flow consists of the peak dry weather flow plus infiltration and inflow (I/I). Infiltration is the seepage of groundwater into the sewer pipe and appurtenances. Inflow is the measurement of storm water runoff that enters the wastewater collection system during wet weather rain events. I/I is typically expressed in terms of a wet weather peaking factor for the purposes of estimating future wastewater flows. The collection system is sized to convey peak wastewater flows. Therefore, developing future wastewater flows directly impacts the projects needed to serve future growth. **Table 4-3** presents the wastewater flow design criteria and **Table 4-4** displays the projected wastewater flows for the Town of Westlake.

Table 4-3: Wastewater Flow Design Criteria

Criteria	Factor
Residential Average Day Per Capita Flow (gpcd)	95
Non-Residential Average Day Per Acre Flow (gpad)	150
Peak Wet Weather to Average Day Peaking Factor	5.5

Table 4-4: Projected Wastewater Flows

Year	Population	Non-Residential Acreage	Average Day Flow (MGD)	Peak Wet Weather Flow (MGD)
2025	1,856	581	0.26	1.45
2035	3,252	1,150	0.48	2.65

4.3 Water and Wastewater System Improvements

Proposed wastewater projects were developed using planning-level desktop analyses. No hydraulic modeling was performed to prepare the wastewater CIP. Proposed water system improvement projects were developed based on hydraulic modeling to determine projects required to support growth for the 5-year and 10-year periods. Projects were sized for 20-year growth, but only projects serving growth in the 10-year period were included. FNI also received input from Town staff to right-size the proposed improvements. The proposed 10-year eligible water system projects are shown on **Figure 4-3** and summarized in **Table 4-5**. Proposed 10-year eligible wastewater projects are shown on **Figure 4-4** and summarized in **Table 4-6**.

Table 4-5: Water System Eligible CIP

Project ID	Project Name
1	2.0 MGD Water Supply and Connection Improvements from Fort Worth via Southlake
2	4.0 MGD Firm Capacity at the Davis Boulevard Pump Station (East PP) and 1.5 MG Ground Storage Tank
3	20-inch Dove Road Water Line Extension
4	16/20-inch US 377 Water Line Loop
5	4.0 MGD Water Supply Increase from Fort Worth via Southlake
6	2.0 MG Firm Capacity at the Davis Boulevard Pump Station (West PP)
7	12-inch SH 114 Water Line Loop
8	1.0 MG Circle T Ranch Elevated Storage Tank
9	16-inch J.T. Ottinger Road Water Line
10	12-inch J.T. Ottinger Road Water Line
11	0.5 MG J.T. Ottinger Road Elevated Storage Tank
12	12-inch US 377 Water Line Loop
13	12-inch Parish Lane Water Line Loop
14	12-inch Main Street Water Line Loop

Table 4-6: Wastewater System Eligible CIP

Project ID	Project Name
1	12-inch Parish Lane Gravity Main
2	8-inch Marshall Branch Gravity Main Extension 1
3	8-inch Marshall Branch Gravity Main Extension 2
4	8-inch Marshall Branch Gravity Main Extension 3
5	10-inch Schwab Way Gravity Main Extension
6	8-inch Ottinger Road Gravity Main
7	12-inch Turner Lake Replacement and Gravity Main Extension
8	TRA Denton Creek WRF Expansion Cost Participation

10.0 MGD Water Supply from Fort Worth

Pump Station
Firm Capacity = 9.000 gpm
0.665 MG Ground Storage Tank
1.0 MG Ground Storage Tank

0.5 MG J.T. Ottinger
Elevated Storage Tank
Overflow Elev. = 901.5'

1.0 MG Circle T Ranch
Elevated Storage Tank
Overflow Elev. = 820'

1.0 MG Knox
Elevated Storage Tank
Overflow Elev. = 901.5'

Pump Station
East PP Firm Capacity = 2.778 gpm
1.5 MG Ground Storage Tank
West PP Firm Capacity = 1,389 gpm

2.0 MGD Water Supply and Connection Improvements from Fort Worth via Southlake
Increase Water Supply to 4.0 MGD from Fort Worth via Southlake

DENTON CO
TARRANT CO

Roanoke
Fort Worth
Trophy Club
Southlake
Turner Lake
Marshall Branch
Kirkwood Branch

FIGURE 4-3
TOWN OF WESTLAKE
WATER SYSTEM
IMPACT FEE ELIGIBLE
CAPITAL IMPROVEMENTS PLAN

LEGEND

- Hydrant
- Pressure Reducing Valve
- Meter Station
- Elevated Storage Tank
- Pump Station
- 8" and Smaller Water Line
- 10" and Larger Water Line
- Under Design/Construction Water Line
- Fort Worth Water Line
- Road
- Railroad
- Stream
- Lake
- Parcel
- Town Limit
- Other City Limit
- County Boundary

THE TOWN OF WESTLAKE

FREESE AND NICHOLS

PROPOSED IMPROVEMENTS

Proposed IF Eligible Improvements

- Pump Station
- Ground Storage Tank
- Elevated Storage Tank
- Water Line
- East Pressure Plane
- West Pressure Plane

The utility alignments shown in this figure are for illustration purposes only and do not set the alignments. The alignment of each utility will be determined at the time of the engineering design.

0 800 1,600
SCALE IN FEET

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The utility alignments shown in this figure are for illustration purposes only and do not set the alignments. The alignment of each utility will be determined at the time of the engineering design.

PROPOSED IMPROVEMENTS

Proposed IF Eligible Wastewater Line

8 TRA Denton Creek WRF Expansion Cost Participation

FIGURE 4-4
TOWN OF WESTLAKE
WASTEWATER SYSTEM IMPACT FEE ELIGIBLE CAPITAL IMPROVEMENTS PLAN

LEGEND

Under Design/Construction
- Lift Station
- Wastewater Line
- Force Main

Existing Wastewater System
- Manhole
- Meter Station
- Lift Station
- 8" and Smaller Wastewater Line
- 10" and Larger Wastewater Line
- Force Main

Owned by Other Wastewater System
- Manhole
- Meter Station
- Lift Station
- Southlake Wastewater Line
- TRA Wastewater Line
- TRA Force Main
- Road
- Railroad
- Stream
- Lake
- Parcel
- Town Limit
- Other City Limit
- County Boundary

THE TOWN OF WESTLAKE

FREESE AND NICHOLS

Cade Branch Lift Station

Circle T Ranch Lift Station

Westlake Ranch Lift Station

Vaquero Lift Station

Turner Lake

Roanoke

Trophy Club

Fort Worth

Keller

Southlake

DENTON CO
TARRANT CO

SCALE IN FEET
0 800 1,600

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User Name: GBT7

4.4 Roadway System Analysis

An inventory of the collector and arterial roadway facilities within the Town Limits was conducted to determine existing conditions throughout the Town. This analysis determined the capacity provided by the existing roadway system, the demand currently placed on the system, and the potential existence of deficiencies on the roadway system. Updated data for the inventory was obtained from traffic volume counts and field reconnaissance of current roadway sections.

The roadways were divided into segments based on volume changes, major intersections, service area boundaries, and capacity changes. The length, number of lanes, cross-section, and peak hour volume data were obtained for each roadway segment. Lane capacities were assigned to each segment based on functional street classification, associated roadway lane capacities, and the present number of lanes. Lane capacities used in the analysis are shown in **Table 4-7**.

Table 4-7: Roadway Facility Vehicle-Mile Lane Capacities

Roadway Type	Capacity (vehicle per hour per lane)
Undivided Minor Collector (UC)	450
Divided Major Collector (DC)	500
Undivided Minor Arterial (UA)	550
Divided Major Arterial (DA)	600

4.4.1 Existing Roadway Volumes

Existing directional peak hour volumes were obtained from automated traffic counts on major roadways (as identified in the Thoroughfare Plan as arterial or collector status) throughout the Town. To minimize the total number of counts, data was collected at locations where traffic volumes would typify link volumes on the major segments within the immediate area. For segments not counted, existing volumes were used or estimates were developed based on data from adjoining roadway counts. Data was compiled for roadway segments throughout the Town and entered into the database for use in calculations. The unit for many of these calculations is vehicle-miles (veh-mi), and the existing roadway capacity analysis is shown in **Table 4-8.**

Table 4-8: Existing Roadway Capacity Analysis

Roadway	From	To	Type	Lanes	Miles	Peak Hour Volumes (Veh. per Hour)			Supply (veh-mi)	Demand (veh-mi)	Excess Capacity (veh-mi)	Existing Deficiency (veh-mi)
						A	B	Total				
Solana Blvd	SH 114	Sam School Rd	DA	6	0.22	836	282	1,118	794	247	548	0
Solana Blvd	Sam School Rd	Campus Court	DA	6	0.41	755	360	1,115	1,485	460	1,025	0
Solana Blvd	Campus Court	David Blvd.	DA	6	0.46	236	404	640	1,672	297	1,375	0
Sam School Rd	Solana Blvd	Kirkwood Branch Br.	UC	4	0.31	116	138	254	559	79	480	0
Sam School Rd	Kirkwood Branch Br.	City Limits	UC	2	0.10	116	138	254	87	24	62	0
Davis Blvd	SH 114	Solana Blvd	DA	6	0.20	1,114	1,465	2,579	707	507	201	0
Davis Blvd	Solana Blvd	W Dove Rd	DA	6	0.60	714	1,292	2,006	2,163	1,205	958	0
Davis Blvd	W Dove Rd	Town Limits	DA	4	1.23	616	650	1,266	2,952	1,557	1,395	0
Capital Pkwy	Davis Blvd	Westlake Pkwy	UA	2	0.83	395	23	418	915	348	567	0
Westlake Pkwy	Capital Pkwy	SH 114	DA	6	0.32	619	56	675	1,156	217	940	0
W Dove Rd	Ottinger Rd	N Pearson Ln	UA	2	0.12	157	245	402	135	49	86	0
W Dove Rd	N Pearson Ln	Blue Sky Dr	UA	2	0.59	217	272	489	649	288	360	0
W Dove Rd	Blue Sky Dr	Davis Blvd	DA	4	0.55	257	322	579	1,330	321	1,009	0
N Pearson Ln	Town Limits	W Dove Rd	UA	2	0.24	75	137	212	267	51	216	0
Schwab Way	SH 114	Ottinger Rd	DA	4	0.76	388	58	446	1,818	338	1,480	0
Ottinger Rd	SH 170	Schwab Way	UA	2	0.13	204	175	379	140	48	92	0
Ottinger Rd	Schwab Way	Deloitte Way	UA	2	1.14	154	178	332	1,254	378	876	0
Ottinger Rd	Deloitte Way	W Dove Rd	UA	2	0.25	42	52	93	272	23	249	0
Parish Ln	Roanoke Rd	SH 170	DA	4	0.30	121	202	323	713	96	617	0
Roanoke Rd	Town Limits	SH 170	UA	2	0.92	127	157	284	1,012	261	751	0
Service Area Total									**20,080**	**6,795**	**13,285**	**0**

4.4.2 Vehicle-Miles of Existing Capacity

An analysis of the total capacity for each service area was performed. For each roadway segment, the existing vehicle-miles of capacity supplied was calculated using the following equation:

Vehicle-Miles of Capacity = Link capacity per peak hour per lane x Number lanes x Segment length

A summary of the current capacity available on the roadway system is shown in **Table 4-9**. It is important to note that the roadway capacity depicted in **Table 4-9** is system-wide for most major roadways and not restricted to those roadways proposed in the impact fee CIP. Directional calculations of capacity were performed separately.

4.4.3 Vehicle-Miles of Existing Demand

The level of current usage in terms of vehicle-miles was calculated for each roadway segment. The vehicle-miles of existing demand were calculated by the following equation:

Vehicle-Miles of Demand = Peak hour volume x Segment length

Table 4-8 also lists total vehicle-miles of demand. For each roadway segment, the existing vehicle-miles of excess capacity and/or deficiencies were calculated. Each direction was evaluated to determine if vehicle demands exceeded the available capacity. If demand exceeded capacity in one or both directions, the deficiency was deducted from the supply associated with the impact fee CIP. A summary of existing capacity, demand, and deficiencies by roadway service area is shown in **Table 4-9.**

Table 4-9: Roadway Existing Vehicle-Miles of Capacity, Demand, and Deficiencies

Capacity (veh-mi)	Demand (veh-mi)	Excess Capacity (veh-mi)	Deficiencies (veh-mi)
20,080	6,795	13,285	0

4.4.4 Roadway Demand Projections

The projected growth for the transportation service area is represented by the increase in the number of new vehicle-miles generated over the 10-year planning period. The basis for calculating new demand was the population and employment projections outlined in previous sections. Employment data was provided in terms of the number of jobs.

Projected vehicle-miles of demand were calculated based on the growth expected to occur during the 10-year planning period, and on the associated service unit generation for each of the population and

employment data components (basic, service and retail). Separate calculations were performed for each data component and were then aggregated for the service area. Vehicle-miles of demand for population growth were based on dwelling units, and vehicle-miles of demand for employment were based on the number of employees and estimates of square footage per employee.

Information extracted from the regional travel demand model provides information on average trip lengths for four general types of land uses. These trip lengths were converted into service unit equivalencies based on trip rates in the Institute for Transportation Engineers' (ITE) *Trip Generation, 11th Edition* and trip lengths from the NCTCOG travel demand model, tailored to the Town of Westlake. These equivalencies are:

- 3.93 vehicle-miles per dwelling unit for residential.
- 2.43 vehicle-miles per thousand square feet for basic employment.
- 2.10 vehicle-miles per thousand square feet of retail employment.
- 6.52 vehicle-miles per thousand square feet for service employment.

Table 4-10 lists the projected vehicle-miles of demand over the 10-year planning period for the Town.

Table 4-10: 10-Year Projected Vehicle-Miles of New Demand

A		B	C	D	E
Additional Population		**Persons per Dwelling Unit**	**Added Dwelling Units (A / B)**	**Vehicle-Miles per Dwelling Unit**	**Total Vehicle-Miles (C x D)**
1,396		3.19	438	3.93	1,721
Additional Employees		**Square Feet per Employee**	**Added Square Feet (A x B)**	**Vehicle-Miles per 1,000 Square Feet**	**Total Vehicle-Miles (C/1000 x D)**
Basic	104	1,500	155,652	2.43	378
Retail	2,509	1,000	2,508,840	2.10	5,269
Service	13,947	500	6,973,696	6.52	45,468
				Total Growth (Vehicle-Miles)	**52,836**

4.5 ROADWAY SYSTEM IMPROVEMENTS

4.5.1 Eligible Improvements

The roadway portion of the impact fee CIP aims to address the long-term growth expected for the Town, provide the ability to credit development-driven road improvements against assessed impact fees, and reduce program amendment needs to incorporate eligible facilities not in the impact fee program. To this end, most arterial and collector roads on the Thoroughfare Plan were initially incorporated into the impact fee program, with adjustments made to remove developer-implemented improvements (information per Town staff). The approach of all remaining roadways satisfies recently adopted legislation regarding "funded" roads through the impact fee program.

Legislative mandate stipulates that the impact fee CIP contain only those roadways classified as *arterial* or *collector* status facilities that are included in the Town's adopted Thoroughfare Plan. Impact fee legislation also allows for the recoupment of costs for previously constructed facilities as well as projects currently under construction. Four recently constructed improvement projects were identified as recoupment-eligible in this program.

4.5.2 Impact Fee CIP

The impact fee CIP includes 25 project segments that advance the implementation of the Thoroughfare Plan network. Projects identified include only new lanes added to achieve Thoroughfare Plan standards, and, thus, only new capacity is provided by the CIP. For example, if two lanes of a future six-lane arterial exist, the four new lanes of added capacity are incorporated into the program. The capacity provided and the net capacity provided by the proposed CIP are summarized in **Table 4-11**. Net capacity provided by the proposed CIP takes into consideration current traffic on those roadways and any deficiencies in the network from the existing conditions analysis described in Section 4.4. A detailed listing by project of the capacity supplied can be found in **Table 4-13**.

Table 4-11: Capacity and Net Capacity Provided by the Proposed CIP

Service Area	A	B	C = A – B	D	E = C – D
	Capacity Supplied by CIP (veh-mi)	Existing Utilization on Eligible Network (veh-mi)	Excess Capacity (veh-mi)	Existing Deficiencies (veh-mi)	Net Capacity Supplied by CIP (veh-mi)
1	23,909	2,187	21,722	0	21,722

A comparison of net capacity provided by the proposed CIP relative to 10-year needs is listed in **Table 4-12**. The percent attributable to new growth is a direct result of the land use assumptions described earlier in the report. Based on the land use assumptions, 100% of the capacity provided by the CIP is expected to be consumed by 10-year growth in the Roadway Service Area.

Table 4-12: Capacity and Net Capacity Provided by the Proposed CIP

A	B	B / A (Max 100%)
Net Capacity Supplied by CIP (veh-mi)	Projected 10-Year Growth (veh-mi)	Percent Of CIP Attributable to New Dev. (10-Yr.)
21,722	52,836	100%

Figure 4-5 illustrates the eligible roadway CIP, and **Table 4-13** lists the corresponding proposed CIP projects.

Table 4-13: Roadway System Eligible CIP Projects

				A		B	C	D = A x B x C	E	F = D - E
ID	Roadway	From	To	Length (mi)	Ultimate Thoroughfare Class	Eligible Improvement	Lane Capacity	New Capacity Provided	Existing Utilization	Net Capacity Provided (veh-mi)
1	New Road A	SH 170	Roanoke Rd	0.45	4D Arterial	+ 4 lanes	600	1,080	0	1,080
2	New Road A	Roanoke Rd	Liberty Ext	0.41	4D Arterial	+ 4 lanes	600	984	0	984
3	New Road A	Liberty Ext	Ottinger Rd	0.61	4D Arterial	+ 4 lanes	600	1,464	0	1,464
4	Liberty Ext	US 377	Roanoke Rd	0.82	4D Arterial	+ 4 lanes	600	1,968	0	1,968
5	Liberty Ext	Roanoke Rd	New Road A	0.74	4D Arterial	+ 4 lanes	600	1,776	0	1,776
6	Liberty Ext	New Road A	New Road B	0.57	4D Arterial	+ 4 lanes	600	1,368	0	1,368
7	New Road B	SH 170	Liberty Ext	0.11	4D Arterial	+ 4 lanes	600	264	0	264
8	New Road B	Liberty Ext	Ottinger Rd	0.37	4D Arterial	+ 4 lanes	600	888	0	888
9	Ottinger Rd	New Road B	New Road A	0.85	4D Arterial	+ 2 lanes	600	1,020	0	1,020
10	Ottinger/Dove Rd	New Road A	N Pearson Ln	0.73	4D Arterial	+ 2 lanes	600	876	0	876
11	New Road C	Liberty Ext	New Road A	0.54	4D Arterial	+ 4 lanes	600	1,296	0	1,296
12	Ottinger Rd	Dove Rd	Town Limits	0.27	4D Arterial	+ 2 lanes	600	328	0	328
13	Roanoke Rd	Liberty Ext	Town Limits	0.10	4D Arterial	+ 2 lanes	600	120	0	120
14	Westlake Pkwy	New Road E	Ottinger Rd	0.40	4D Arterial	+ 4 lanes	600	960	0	960
15	Dove Rd	N Pearson Ln	Blue Sky Dr	0.59	4D Arterial	+ 2 lanes	600	708	0	708
16	Roanoke Rd	New Road A	Liberty Ext	0.52	4D Arterial	+ 2 lanes	600	624	0	624
17	Westlake Pkwy	Capital Way	New Road E	0.61	4D Arterial	+ 2 lanes	600	732	0	732
18	New Road E	SH 114	Westlake Pkwy	0.49	4D Arterial	+ 4 lanes	600	1,176	0	1,176
19	Capital Pkwy	Westlake Pkwy	Davis Blvd	0.85	4D Arterial	+ 2 lanes	600	1,020	0	1,020
20	Schwab Way	Ottinger Rd	New Road B	0.20	4D Arterial	+ 4 lanes	600	480	0	480
21	N Pearson	Dove Rd	50' S of Spring Dr	0.70	4D Arterial	+ 2 lanes	600	841	0	841
22	Dove Rd	Blue Sky Dr	Davis Blvd	0.44	4D Arterial	+ 2 lanes (recoup)	600	528	255	273
23	Davis Blvd	SH 114	Solana Blvd	0.20	6D Arterial	+ 4 lanes (recoup)	600	480	344	136
24	Davis Blvd	Solana Blvd	Dove Rd	0.60	6D Arterial	+ 4 lanes (recoup)	600	1,440	803	637
25	Davis Blvd	Dove Rd	Town Limits	1.24	4D Arterial	+ 2 lanes (recoup)	600	1,488	785	703
								Total Net Capacity Provided by CIP		**21,722**

FIGURE 4-5
TOWN OF WESTLAKE
ROADWAY
IMPACT FEE ELIGIBLE
CAPITAL IMPROVEMENTS PLAN

LEGEND

Proposed Improvements

- New Project
- Recoup Project (Completed)
- Road
- Railroad
- Stream
- Lake
- Parcel
- Town Limit
- Other City Limit
- County Boundary

THE TOWN OF WESTLAKE

FREESE AND NICHOLS

0 800 1,600

SCALE IN FEET

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Printed: Friday, June 6, 2025 11:32 AM
User Name: cgray

July 8, 2025

TO: The Westlake Town Mayor and Town Council
FROM: Adam Coffey, Chair, *Capital Improvements Advisory Committee (CIAC)*
SUBJECT: CIAC Recommendation: Land Use Assumptions and Impact Fee Eligible CIP Regarding Water, Wastewater, and Roadway Impact Fee Program

---

Mayor Kim Greaves and Members of the Town Council:

In accordance with Texas Local Government Code, the Westlake Capital Improvements Advisory Committee (CIAC), which consists of members of the Planning and Zoning Commission, has been conducting meetings with Town Staff and the Town's consultants for the development of a Water, Wastewater, and Roadway Impact Fee Program. Over the course of study, the CIAC has received information regarding Land Use Assumptions (2025-2035) and Capital Improvement Plans for each infrastructure component.

After review and comment of the information, the CIAC recommends the following:

- Approval of Land Use Assumptions and associated population and employment growth forecasts over the ten-year planning period (2025-2035) and
- Approval of the impact fee eligible Capital Improvement Plans for water, wastewater, and roads.

Respectfully,

Adam Coffey
Chair, Capital Improvements Advisory Committee

Westlake Capital Improvements Advisory Committee
Adam Coffey, Chair
Mr. Terry Wilkinson
Mr. Nizar Didarali
Mr. David Ricci
Mr. Lanny Huggins
Ms. Jennifer Konz-Alt
Mr. Rachit Gupta

File #: ORD-1027 **Agenda Date:** 7/15/2025 **Agenda #:** I.1.

TOWN STAFF REPORT RECOMMENDATIONS

Discuss and take action to adopt Ordinance 1027 Authorizing the Issuance of up to $9,540,000 Town of Westlake, Combination Tax and Revenue Certificates of Obligation, Series 2025, to fund water projects, including pump stations and a water tower, and the Sam & Margaret Lee Arts & Science Center; Levying an Annual Ad Valorem Tax and Providing for the Security for and Payment of said Certificates of Obligation; Approving an Official Statement; and Enacting other Provisions relating to the Subject (Cayce Lay Lamas, Finance Director)

STAFF: Finance Director Cayce Lay Lamas

BACKGROUND:

The Town Council will discuss and take action to adopt an Ordinance authorizing the issuance and sale of combination tax and revenue certificates of obligation, in an amount not to exceed $9,540,000, to fund pump station improvements, land acquisition and design services for a future water tower, and an expansion of the Sam & Margaret Lee Arts & Sciences Center at Westlake Academy; levying an annual ad valorem tax and providing for the payment of said certificates of obligation; approving an official statement; and enacting other provisions relating to the subject. The amount being considered for issuance is less than the amount included in the Notice of Intention published by the Town on May 23, 2025 and May 30, 2025; the Town will not issue any additional debt associated with said Notice of Intention, and said Notice of Intention will be extinguished upon approval of this Ordinance.

DISCUSSION:

The Town Council approved a Notice of Intent to issue debt at the May 20, 2025, meeting in response to pending legislation that would have severely limited the Town's borrowing opportunities going forward. Projects originally planned over the next three (3) fiscal years were presented for consideration in a bond issuance and notice was given in an amount not to exceed $30 million. The notice was correctly published in the Star Telegram and on the Town's website.

When the concerning legislation failed to pass, the project list was scaled back to include only items requiring funding during Fiscal Year 2026. The issuance for approval is now limited to $9,540,000 and is projected to be facilitated as follows:

- $4,000,000 for the expansion of the Arts & Sciences Center on campus. This portion of the debt will be serviced by property taxes, which is anticipated to require an approximately 0.5-cent increase.
- $5,500,000 for utility projects, including the purchase of land for a future water tower,

design/engineering for a future water tower, and pump station improvements identified during the water system study. This portion of the debt will be serviced by water rates, which are anticipated to require an approximately 18% increase.

- Up to $40,000 for issuance costs; these costs will be split proportionately between the two projects, pending the final sale.

The final property tax rate and water rates will be calculated with the actual issuance costs, tax year 2025 certified valuation of property, and revised utility projections ahead of any potential increase for fiscal year 2026. These increases, if needed, will be publicly discussed and voted on during future Council meetings.

FISCAL IMPACT:

The Town anticipates receiving $9,500,000 in bond proceeds, to be repaid over 30 years. The debt, along with the estimated $40,000 in issuance costs, are anticipated to require an approximately 0.5-cent property tax increase and 18% water rate increase.

STAFF RECOMMENDATION:

Staff recommends approval of the item as presented.

ATTACHMENT(S):

Ordinance 1027 - Authorizing the Issuance

Exhibit A - Written Procedures for Continuing Compliance

TOWN COUNCIL ACTION/OPTIONS:

1) Motion to approve
2) Motion to amend with the following stipulations (please state stipulations in motion)
3) Motion to table
4) Motion to deny

TOWN OF WESTLAKE

ORDINANCE NO. 1027

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF UP TO $[PAR] OF TOWN OF WESTLAKE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID CERTIFICATES; ENGAGING BOND COUNSEL; APPROVING A PAYING AGENT/REGISTRAR AGREEMENT AND AN OFFICIAL STATEMENT; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Town Council of the Town of Westlake, Texas (the "Issuer") deems it advisable to issue Certificates of Obligation in the amount of $[PAR] for the purpose of paying all or a portion of the Issuer's contractual obligations incurred in connection with the planning, acquisition, design, expansion, renovation, equipping, and construction of (i) pump stations and water tower, including the acquisition of land and equipment therefor, (ii) the Sam & Margaret Lee Arts & Science Center, and (iii) paying legal, fiscal and engineering fees in connection with these projects; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Local Government Code and Chapter 1502, Government Code, as amended; and

WHEREAS, the Town Council has heretofore passed a resolution authorizing and directing the Town Secretary to give notice of intention to issue Certificates of Obligation; and

WHEREAS, said notice has been duly published in a newspaper of general circulation in said Town, said newspaper being a "newspaper" as defined in §2051.044, Texas Government Code; and

WHEREAS, the Town received no petition from the qualified electors of the Town protesting the issuance of such Certificates of Obligation; and

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates of Obligation was submitted to the voters of the Issuer during the preceding three years and failed to be approved; and

WHEREAS, it is considered to be to the best interest of the Town that said interest bearing Certificates of Obligation be issued.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The certificates of the Town of Westlake, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of $[PAR] for the purpose of paying all or a portion of the Issuer's contractual obligations incurred in connection with the planning, acquisition, design, expansion, renovation, equipping, and construction of (i) pump stations and water tower, including the acquisition of land and equipment therefor, (ii) the Sam &

Margaret Lee Arts & Science Center, and (iii) paying legal, fiscal and engineering fees in connection with these projects (collectively, the "Project").

SECTION 2: DESIGNATION, DATE, DENOMINATIONS, NUMBERS, MATURITIES OF CERTIFICATES AND INTEREST RATES. Each certificate issued pursuant to this Ordinance shall be designated: "TOWN OF WESTLAKE, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2025", and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated as of July 1, 2025, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the initial purchaser as described in Section 18 hereof), or to the registered assignee or assignees of said certificates or any portion or portions thereof (in each case, the "Registered Owner"). The Certificates shall mature on February 15 in the years and in the principal amounts and interest rates set forth below, interest on each Certificate accruing on the basis of a 360-day year of twelve 30-day months from the date of initial delivery of the Certificates or the most recent interest payment date to which interest has been paid or provided for at the per annum rates of interest, payable semiannually on August 15 and February 15 of each year until the principal amount shall have been paid or provision for such payment shall have been made, commencing February 15, 2026, as follows:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2026			2041		
2027			2042		
2028			2043		
2029			2044		
2030			2045		
2031			2046		
2032			2047		
2033			2048		
2034			2049		
2035			2050		
2036			2051		
2037			2052		
2038			2053		
2039			2054		
2040			2055		

SECTION 3: CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the corporate trust office of BOKF, NA, Dallas, Texas, (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such

registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

Except as provided in Section 3(c) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, and particularly Subchapter D thereof, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(b) Payment of Certificates and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 35 days prior to any such redemption date), (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the

principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Certificate initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE.

(d) Book-Entry Only System. The Certificates issued in exchange for the Certificate initially issued to the initial purchaser specified herein shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(e) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representations letter of the Issuer to DTC or that it is in the best interest of the

beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate certificated Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(f) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representations letter of the Issuer to DTC.

(g) Cancellation of Initial Certificate. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the purchaser designated in Section 18 or its designee, executed by manual or facsimile signature of the Mayor and Town Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Certificate, the Paying Agent/Registrar shall cancel the initial Certificate and deliver to the Depository Trust Company on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity.

(h) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

SECTION 4: FORM OF CERTIFICATES. The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

(a) [Form of Certificate]

NO. R-UNITED STATES OF AMERICA PRINCIPAL AMOUNT
$_____

STATE OF TEXAS
TOWN OF WESTLAKE, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATE OF OBLIGATION, SERIES 2025

Interest Rate	Date of Initial Delivery	Maturity Date	CUSIP No.
%	[CLOSING]	February 15, [_____]	

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____DOLLARS

ON THE MATURITY DATE specified above, the Town of Westlake, in Tarrant and Denton Counties, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Initial Delivery set forth above at the Interest Rate per annum specified above. Interest is payable on February 15, 2026 and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the corporate trust office of BOKF, NA, in Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail,

first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared at the close of business on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for redemption and payment at the corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Certificate Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the Town where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a series of Certificates dated as of July 1, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $[PAR] for the purpose of paying all or a portion of the Issuer's contractual obligations incurred in connection with the planning, acquisition, design, expansion, renovation, equipping, and construction of (i) pump stations and water tower, including the acquisition of land and equipment therefor, (ii) the Sam & Margaret Lee Arts & Science Center, and (iii) paying legal, fiscal and engineering fees in connection with these projects.

THE CERTIFICATES OF THIS SERIES having stated maturities on and after February 15, 20__ may be redeemed prior to their scheduled maturities, at the option of the Issuer, on February 15, 20__ or on any date thereafter, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

THE CERTIFICATES scheduled to mature on February 15 in the years 20__ and 20__ (the "Term Certificates") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Certificates, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Certificate Maturing:
February 15, 20__

Mandatory Redemption Date	Principal Amount ($)
(maturity)	

Term Certificate Maturing:
February 15, 20__

Mandatory Redemption Date	Principal Amount ($)
(maturity)	

The principal amount of Term Certificates of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Certificates of the same maturity which, at least 50 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST 30 days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the registered owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the

Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Certificate Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that this Certificate is a general obligation of said Issuer, issued on the full faith and credit thereof; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the revenues of the System remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of said revenues, all as provided in the Certificate Ordinance.

BY BECOMING the registered owner of this Certificate, the registered owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer and countersigned with the manual or facsimile signature of the Town Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(Signature)
Mayor

ATTEST:

(Signature)
Town Secretary

(SEAL)

(b) [Form of Paying Agent/Registrar's Authentication Certificate]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by
an executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

BOKF, NA
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) [Form of Assignment]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

_____

Please insert Social Security or Taxpayer Identification Number of Transferee

_____

(Please print or typewrite name and address, including zip code, of Transferee.)

_____

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.	NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

(d) [Form of Registration Certificate of the Comptroller of Public Accounts]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

_____

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) [Initial Certificate Insertions]

(1) The initial Certificate shall be in the form set forth is paragraph (a) of this Section, except that:

(a) immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. " shall be deleted.

(b) the first paragraph shall be deleted and the following will be inserted:

"THE TOWN OF WESTLAKE, TEXAS (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate

(Insert information from Section 2)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Initial Delivery shown above at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2026 and semiannually on each August 15 and February 15 and thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

(c) The Initial Certificate shall be numbered "T-1."

SECTION 5: DEFINITIONS. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Surplus Revenues therefor, the following words or terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

(a) The term "Additional Obligations" shall mean tax and revenue obligations hereafter issued which by their terms are payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Net Revenues of the System of equal rank and dignity with the lien and pledge securing the payment of the Certificates.

(b) The term "Certificates" shall mean the "Town of Westlake, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2025" authorized by this Ordinance.

(c) The term "Certificate Fund" shall mean the special Fund created and established under the provisions of Section 6 of this Ordinance.

(d) The term "Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the Issuer become delinquent.

(e) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

(f) The term "Fiscal Year" shall mean the annual financial accounting period for the System ending September 30th of each year; provided, however, the Issuer, by ordinance, may change the Fiscal Year to another period of not less than twelve calendar months if such change is found and determined to be necessary for budgetary or other fiscal purposes.

(g) The term "Net Revenues" shall mean the gross revenues of the System, less expenses of operation and maintenance, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the Issuer and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair any bonds payable from and secured by a first lien on the Net Revenues of the System shall be deducted in determining "Net Revenues".

(h) The term "Outstanding" when used in this Ordinance with respect to Certificates means, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except:

(1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates for which payment has been duly provided by the Issuer in accordance with the provisions of Section 14 hereof; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 15 hereof.

(i) The term "Prior Lien Obligations" shall mean all revenue bonds or other obligations heretofore or hereafter issued payable from and secured by a lien on and pledge of the Net Revenues of the System, with such pledge being senior in right to the pledge of the Surplus Revenues that secures the Certificates.

(j) The term "Surplus Revenues" shall mean the revenues of the System remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of the Net Revenues of the System.

(k) The term "System" shall mean the Issuer's combined Waterworks and Sewer System, including all present and future additions, extensions, replacements and improvements thereto.

SECTION 6: CERTIFICATE FUND. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there shall be and is hereby created a special account or fund on the books and records of the Issuer known as the "SPECIAL SERIES 2025 TAX AND REVENUE CERTIFICATE OF OBLIGATION FUND", and all moneys deposited to the credit of such Fund shall be shall be kept and maintained in a special

banking account at the Issuer's depository bank. The Mayor, Mayor Pro Tem, Town Manager, Director of Finance and Town Secretary of the Issuer, individually or jointly, are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the Issuer, be invested in obligations identified in, and in accordance with the provisions of the "Public Funds Investment Act" (V.T.C.A., Government Code, Chapter 2256) relating to the investment of "bond proceeds"; provided that all such investments shall be made in such a manner that the money required to be expended from the Certificate Fund will be available at the proper time or times. All interest and income derived from deposits and investments in the Certificate Fund shall be credited to, and any losses debited to, the Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 7: TAX LEVY. To provide for the payment of the "Debt Service Requirements" on the Certificates being (i) the interest on the Certificates and (ii) a sinking fund for their payment at maturity or redemption or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars' valuation of taxable property in the Issuer, within the limitations prescribed by law, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the Issuer for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

Excess premium received from the purchasers of the Certificates that is not needed for paying the costs of construction of the Projects shall be deposited to the Certificate Fund as a capitalized interest deposit. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in the Certificate Fund from ad valorem taxes.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the Council shall determine:

(1) The amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for

the ad valorem taxes to be levied and (b) adding thereto the amount of the Surplus Revenues, together with any other lawfully available revenues of the Issuer, appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of Surplus Revenues, together with any other lawfully available revenues of the Issuer, appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(3) The amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 8: PLEDGE OF SURPLUS REVENUES. The Issuer hereby covenants and agrees that, subject to the prior lien on and pledge of the Net Revenues of the System to the payment and security of Prior Lien Obligations, the Surplus Revenues are hereby irrevocably pledged, equally and ratably, to the payment of the principal of and interest on the Certificates and Additional Obligations, if issued, and the pledge of the Surplus Revenues herein made for the payment of the Certificates shall constitute a lien on the Surplus Revenues in accordance with the terms and provisions hereof. Furthermore, such lien on and pledge of the Surplus Revenues securing the payment of the Certificates shall be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer or transfer of control of the Surplus Revenues, the filing of this Ordinance or any other act; all as provided in Chapter 1208 of the Texas Government Code ("Chapter 1208").

Chapter 1208 applies to the issuance of the Certificates and the limited pledge of the Surplus Revenues granted by the Issuer under this Section 8, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are Outstanding such that the pledge of the Surplus Revenues granted by the Issuer under this Section 8 is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 9: SYSTEM FUND. The Issuer covenants and agrees that all gross revenues of the System (excluding earnings from the investment of money held in any special funds or accounts created for the payment and security of the Prior Lien Obligations) shall be deposited as collected into a fund maintained at au official depository of the Issuer and known on the books of the Issuer as the "System Fund" (hereinafter called the "System Fund"). All moneys deposited to the credit of the System Fund shall be allocated, dedicated and disbursed to the extent required for the following purposes and in the order of priority shown, to wit:

First: To the payment of all necessary and reasonable maintenance and operating expenses of the System as defined herein or required by statute to be a first charge on and claim against the revenues thereof.

Second: To the payment of all amounts required to be deposited in the special Funds created and established for the payment, security and benefit of Prior Lien Obligations in accordance with the terms and provisions of the ordinances authorizing the issuance of Prior Lien Obligations.

Third: To the payment, equally and ratably, of the amounts pledged to the payment of the Certificates.

Any revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other Issuer purpose now or hereafter permitted by law.

SECTION 10: DEPOSITS TO CERTIFICATE FUND.

(a) Subject to the provisions of Section 9 hereof, the Issuer hereby covenants and agrees to cause to be deposited in the Certificate Fund from the pledged Surplus Revenues in the System Fund, the amount of Surplus Revenues pledged to the payment of the Certificates, subject to the provisions of Section 10(b), below.

(b) The Issuer covenants and agrees that the amount of pledged Surplus Revenues, together with other lawfully available revenues appropriated by the Issuer for payment of the debt service requirements on the Certificates and ad valorem taxes levied, collected, and deposited in the Certificate Fund for and on behalf of the Certificates, will be an amount equal to one hundred percent (100%) of the amount required to fully pay the interest and principal due and payable on the Certificates. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in the Certificate Fund from ad valorem taxes and the Surplus Revenues.

SECTION 11: SECURITY OF FUNDS. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 12: POWER TO PLEDGE THE SURPLUS REVENUES. The Issuer hereby further covenants that it has the lawful power to pledge the Surplus Revenues to the payment of the Certificates in the manner herein contemplated and has lawfully exercised such power under the Constitution and laws of the State of Texas, including said power existing under V.T.CA, Government Code, Sections 1502.56 and 1502.58, as amended, and V.T.C.A., Local Government Code, Sections 271.041, et seq., as amended.

SECTION 13: ISSUANCE OF PRIOR LIEN OBLIGATIONS AND ADDITIONAL PARITY OBLIGATIONS. The Issuer hereby expressly reserves the right to hereafter issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, payable, in whole or in part, from the Net Revenues (without impairment of the obligation of contract with the Holders of the Certificates) upon such terms and conditions as the Council may determine. Additionally, the Issuer reserves the right to issue Additional Obligations payable, in whole or in part, from the Surplus Revenues and, to the

extent provided, secured by a lien on and pledge of the Surplus Revenues of equal rank and dignity with the lien and pledge securing the payment of the Certificates.

SECTION 14: DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section 14, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Certificates, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 7(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 7(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) In the event that the Issuer elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

SECTION 15: DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the registered owner applying for a replacement certificate shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Subchapter D of Chapter 1201, Government Code, this Section 15 of this Ordinance shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

SECTION 16: CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION AND ENGAGEMENT; ATTORNEY GENERAL FILING FEE; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. (a) The Mayor of the Issuer is hereby authorized to have control of the Certificates initially issued and

delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates. If the Certificates are insured by a policy of municipal bond insurance, the Certificates may bear an appropriate legend as provided by the issuer of such policy.

The obligation of the initial purchaser to accept delivery of the Certificates is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or Town Manager of the Issuer and the Mayor and the Town Manager are each hereby authorized to execute such engagement letter.

In accordance with the provisions of Section 1202.004, Tex. Gov't Code Ann., in connection with the submission of the Certificates by the Attorney General of Texas for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Certificates, subject to a minimum of $750 and a maximum of $9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Certificates. The Issuer hereby authorizes the Issuer's Bond Counsel to remit said filing fee to the Public Finance Division of the Office of the Attorney General of Texas in the name of an on behalf of the Issuer, and further authorizes reimbursement to Bond Counsel for said payment.

SECTION 17: COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as Obligation described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Certificates (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action that would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Certificates, other than investment property acquired with --

(1) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Certificates or refunding bond are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury ("Treasury Regulations"), and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(g) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(h) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(i) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(j) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

In order to facilitate compliance with the above covenant (h), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the certificateholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

For purposes of the foregoing (a) and (b), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the

event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor and Town Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

Unless superseded by another action of the Issuer, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the Issuer hereby adopts and establishes the instructions attached hereto as Exhibit A as its written procedures.

SECTION 18: SALE OF CERTIFICATES; APPROVAL OF OFFICIAL STATEMENT.

(a) The Certificates are hereby sold and shall be delivered to Raymond James & Associates, Inc., TRB Capital Markets, LLC (d/b/a Estrada Hinojosa), and Frost Bank (the "Underwriters") for the purchase price of $_____, representing the aggregate principal amount of the Certificates, plus a net reoffering premium of $_____, less an underwriter's discount of $_____, pursuant to the terms and provisions of a Bond Purchase Agreement, in substantially the form presented at this meeting, which the Mayor or Mayor Pro-Tem of the Town is hereby authorized to execute and deliver. It is hereby officially found, determined, and declared that the terms and issuance of the Certificates are in the best interests of the Issuer. The Initial Bond shall be registered in the name of Raymond James & Associates, Inc., TRB Capital Markets, LLC (d/b/a Estrada Hinojosa), and Frost Bank or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement, prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor, Town Manager, and Town Secretary of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the sale of the Certificates and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 19: ALLOCATION OF CERTIFICATE PROCEEDS. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure

to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

SECTION 20: DISPOSITION OF PROJECT. The Issuer covenants that the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax proposes from gross income of the interest.

SECTION 21: INTEREST EARNINGS ON CERTIFICATE PROCEEDS; USE OF PREMIUM.

(a) The proceeds of sale of the Certificates, excluding the amounts to pay costs of issuance and amounts deposited to the Certificate Fund, shall be deposited in a construction fund maintained at the Town's depository bank. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of V.T.C.A., Government Code, Chapter 2256, as amended, including specifically guaranteed investment contracts permitted in V.T.C.A., Section 2256.015, et seq., and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the Town Council of the Issuer. All surplus proceeds of sale of the Certificates, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund. It is further provided, however, that any interest earnings on certificate proceeds that are required to be rebated to the United States of America pursuant to Section 17 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(b) The cash premium received from the sale of the Certificates, in the amount of $_____ shall be applied as follows, to pay the underwriter's discount in the amount of $_____, with the remaining $_____ to pay costs of issuance, and the sum of $_____ shall be deposited to the construction fund.

SECTION 22: COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

(1) "MSRB" means the Municipal Securities Rulemaking Board.

(2) "Rule" means SEC Rule 15c2-12, as amended from time to time.

(3) "SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. (i) The Issuer shall provide annually to the MSRB, in the electronic format as prescribed by the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the Issuer of the general type included in the Official Statement under Tables numbered 1 through 5 in Appendix A and in Appendix D, which is the Town's annual audited financial report. The Town will update and provide the information in the numbered tables within six months after the end of each fiscal year ending in and after 2025 and, if not submitted as part of such annual financial information, the Town will provide audited financial statements when

and if available, and in any event, within 12 months after the end of each fiscal year. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Town will file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix D of the Official Statement or such other accounting principles as the Town may be required to employ from time to time pursuant to State law or regulation.

(c) Event Notices. The Issuer shall notify the MSRB, in a timely manner not in excess of ten Business Days after the occurrence of the event, of any of the following events with respect to the Certificates:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;

(7) Modifications to rights of holders of the Certificates, if material;

(8) Certificate calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Certificates, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the Issuer;

(13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor trustee or change in the name of any trustee, if material.

(15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (i) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer., and (ii) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same

meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (c) of this Section by the time required by subsection (c).

(d) Limitations, Disclaimers, and Amendments.

(1) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Certificates no longer to be outstanding.

(2) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(3) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(4) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under the Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(5) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the

provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

SECTION 23: METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and which shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and which shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates which are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto which may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

(1) Make any change in the maturity of any of the outstanding Certificates;

(2) Reduce the rate of interest borne by any of the outstanding Certificates;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;

(4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The Town of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Certificates.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Certificates then outstanding which are required for the amendment, which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such

amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

SECTION 24: INCONSISTENT PROVISIONS. All indentures, ordinances or resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 25: GOVERNING LAW. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 26: SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 27: EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an event of default (an "Event of Default"):

(a) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(b) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

SECTION 28: REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the may proceed against the Issuer or the Board of Trustees of the Issuer, as appropriate for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

SECTION 29: REMEDIES NOT EXCLUSIVE.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the Board of Trustees of the Issuer.

SECTION 30: DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS. The Issuer hereby designates the Certificates as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code"), conditioned upon the Underwriters certifying that the aggregate initial offering price of the Certificates to the public (excluding any accrued interest) is no greater than $10 million (or such other amount permitted by such section 265 of the Code). Assuming such condition is met, in furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Certificates are issued, the Issuer (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Certificates, will result in more than $10,000,000 (or such other amount permitted by such section 265 of the Code) of "qualified tax-exempt obligations" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year in which the Certificates are issued, by the Issuer (or any subordinate entities) will not exceed $10,000,000 (or such other amount permitted by such section 265 of the Code); and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in Section 17, hereof, in order that the Certificates will not be considered "private activity bonds" within the meaning of section 141 of the Code.

SECTION 31: 2025 CONSTRUCTION FUND. There shall be established by the Issuer a separate fund to be designated the "Series 2025 CO Construction Fund" (the "Construction Fund") to be held by the Issuer's depository bank, and upon the delivery of the purchase price for the Certificates, the proceeds from the sale of the Certificates shall be deposited into the Construction Fund. The costs of issuance of the Certificates, which include legal, fiscal and engineering fees, may be paid from the Construction Fund. The cost of the construction of the Project will be paid from this Construction Fund upon direction of the Town Council of the Issuer. All interest and profits from investments made with moneys in the Construction Fund shall remain on deposit in the Construction Fund as a part thereof.

SECTION 32: EFFECTIVE DATE. In accordance with the provisions of V.T.C.A., Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Town Council.

PASSED AND APPROVED ON THIS 15th DAY OF JULY, 2025.

ATTEST: _____
Kim Greaves, Mayor

_____
Dianna Buchannan, Town Secretary

APPROVED AS TO FORM:

_____
L. Stanton Lowry, Town Attorney

EXHIBIT A

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE
WITH FEDERAL TAX COVENANTS

These procedures, together with any federal tax certifications, provisions included in the bond ordinance or other authorizing document (the "Ordinance") with respect to the issuance and sale of Obligations (as defined below), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the "Closing Documents"), are intended to assist the Issuer in complying with federal guidelines related to the issuance of any tax-exempt debt such as the Certificate (the "Obligations").

A. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Responsible Person (as defined below) will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Issuer's Town Manager (such officer, together with other employees of the Issuer who report to such officer, is collectively, the "Responsible Person") will:

1. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations are entered into within 6 months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence;

2. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within 3 years of the Issue Date;

3. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after 3 years of the Issue Date;

4. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Sinking Fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one twelfth of the principal and interest payable on the Obligations for the immediately preceding 12 month period; and

5. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.

Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will:

1. Assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

Procedures applicable to Escrow Accounts for Refunding Issues. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:

1. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;

2. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and

3. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).

4. Procedures applicable to all Tax-Exempt Obligation Issues. For all issuances of Obligations, the Responsible Person will:

5. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;

6. Ensure that the applicable information return (e.g., IRS Form 8038 G, 8038 GC, or any successor forms) is timely filed with the IRS; and

7. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. Generally, to be tax exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Persons will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the facilities financed or refinanced with the proceeds of the Obligations (the "Project") do not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Persons will:

8. Develop procedures or a "tracking system" to identify all property financed with tax exempt debt;

9. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;

10. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;

11. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);

12. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;

13. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;

14. Monitor and record whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and

15. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the Project.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax exempt Obligations, such records shall be maintained until the three (3) years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the Town Council whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking Town Council approval to engage or utilize existing advisors and agents for such purposes.

File #: WA RES 25-16 **Agenda Date:** 7/15/2025 **Agenda #:** I.2.

TOWN STAFF REPORT RECOMMENDATIONS

Consider and act to approve WA Resolution 25-16 approving the Westlake Academy Amended Operating Budget for Fiscal Year Ending June 30, 2025 (Cayce Lay Lamas, Finance Director)

STAFF: Cayce Lay Lamas, Finance Director

BACKGROUND:

The FY 2024-2025 annual operating budget was adopted by the Board of Trustees on June 17, 2024. Due to actual enrollment, subsequent staffing and curriculum needs, and the natural movement of funds occurring as the administrative staff, including a new Head of School, became more involved in the financial activities, changes to the original budget are warranted. Additionally, this amendment formally increases the respective budget lines for items previously approved by the Board during the year.

The changes presented will increase the operating fund balance by $147,287 due to the following amendments:

- Budgeted Revenues will increase by $439,851 (or 4%).
- Budgeted Expenditures will increase $292,564 (or 3%).

Additional details are available in the agenda packet and further discussed below. The major changes are due to:

- The implementation of the Position Control module, which detected instances of over-budgeting of staff salaries & benefits. Overages were reallocated to line items insufficiently budgeted (e.g., utilities, legal fees, janitorial and landscaping costs, building projects).

DISCUSSION:

Revenue Changes by Source

- **Transportation:** Increased by $800 (4% increase)
  - Due to receipts from athletic sport registrations designated for transportation costs.
- **Athletics:** Increased by $18,400 (14% increase)
  - Driven by higher participation and registrations in basketball, cross country, soccer, tennis, and track.

- **General Operating (Local):** Increased by $298,551 (11% increase)
    - Attributable to higher-than-budgeted interest earnings.
    - Includes a $40,000 contribution to offset WAF employee salary and benefit costs.
    - Increase in the Municipal Operating Transfer from $1.5 million to $1.7 million.
- **General Operating (State):** Increased by $43,700 (1% increase)
    - Due to an increase in Average Daily Attendance (ADA).
    - Offset slightly by a decrease in CTE funding, reported in October 2024, resulting from changes in CTE course coding and attendance reporting.
    - A larger increase may follow the Summer PEIMS submission, which reflects full-year student attendance and course completion data.
- **General Operating (State): TRS On-Behalf & Medicare Part D (GASB 24):** Increased by $78,400 (14%)
    - A matching revenue and expenditure entry is recorded at year-end to comply with GASB Statement No. 24. This entry reflects the amount of state funding paid directly to the Teacher Retirement System of Texas (TRS) on behalf of Westlake Academy employees. No actual cash transaction occurs within the Academy's accounts.
    - The adopted budget for TRS On-Behalf contributions is based on estimates, typically calculated as 8.25% of eligible employees' salaries. For budget purposes, vacant positions are projected using the salary of a 15-year teacher. If a teacher with fewer years of experience is ultimately hired, the actual TRS On-Behalf expenditure will be lower than budgeted.
    - TRS-Care and Medicare Part D On-behalf were not included in the original budget.

Expenditure Changes by Function

Instruction & Instructional Support

- **Function 11 - Instruction:** Decrease of $146,583 (2%)
    - Lower substitute costs, mostly offset by staff covering vacancies during conference periods.
    - Changes in the overall salary budget resulting from the implementation of Position Control.
- **Function 12 - Media Resources:** Increase of $16,499 (8%)
    - Librarian travel, training, and professional fees & dues.
    - Librarian salary and benefits not correctly budgeted initially.
- **Function 13 - Curriculum & Staff Development:** Decrease of $13,221 (23%)
    - Reduced travel and training costs due to no participation in Reading Academy.
    - Reallocation of elementary travel & training budget to purchase curriculum materials recorded

under Function 11.

- **Function 21 - Instructional Leadership:** Decrease of $27,603 (8%)
    - Reduced travel and training costs, in addition to lower costs for International Baccalaureate (IB) fees.
    - Changes in the overall salary budget due to the implementation of Position Control.
- **Function 23 - Campus Leadership:** Decrease of $43,476 (3%)
    - Changes in overall salary budget from Position Control.
    - Funds reallocated for: increases in hourly staff salaries and professional/hourly employee benefits, professional development travel and training, and supplies for Elementary, Middle School, High School, and Special Education.

Student Services

- **Function 31 - Guidance & Counseling:** Increase of $25,302 (4%)
    - Changes in overall salary budget from Position Control.
    - Elimination of the Elementary School Counselor position, with salary costs reallocated to fund a contracted Board-Certified Behavioral Analyst (BCBA).
    - Although costs were reduced for Occupational Therapist (OT) services and for ES Counselor travel, training, and professional fees & dues, these savings were reallocated to cover additional BCBA costs.
- **Function 33 - Health Services:** Decrease of $36,902 (27%)
    - Salary budget changes from Position Control.
- **Function 36 - Co-/Extra-Curricular Activities:** Decrease of $69,021 (21%)
    - Fewer chartered buses for student transportation.
    - Reallocation of hourly salary and benefits from the Athletic fund.
    - Inactive co-curricular clubs resulting in lower sponsor stipends.
    - Unfilled coaching positions reducing athletic stipends.

Administration & Operations

- **Function 41 - General Administration:** Increase of $318,653 (68%)
    - Costs related to SPED and general legal services.
    - Increases in staff salaries and benefits.
    - Higher travel and training expenses.
    - Addition of a contracted PowerSchool PEIMS consultant to fill a vacancy, with funds

reallocated from Function 53 (Technology).

- Funding for an operational audit of the current fee collection system.
- General liability insurance costs.
- Web hosting fees.

- **Function 51 - Maintenance & Operations:** Increase of $191,333 (17%)
  - Higher utility costs (electricity, water, gas, internet).
  - Fire sprinkler system repair and maintenance.
  - HVAC repairs and maintenance.
  - Janitorial services.
  - Landscaping and grounds services.
  - Building repairs and maintenance (roofing, painting, general repairs).
  - Pest control.
- **Function 52 - Security & Monitoring:** Increase of $11,300 (35%)
  - Increased use of off-duty officers for at-home athletic events when the SRO was unavailable.
  - Increase in security monitoring and related technology costs.
- **Function 53 - Data Processing:** Increase of $23,519 (5%)
  - Costs associated with the PowerSchool eFinancePlus update.
  - Salary costs were initially under budgeted. A mid-year employee termination required additional funds to cover payout obligations.

Other Functions

- **Function 61 - WAF Community Services:** Increase of $42,764 (27%)
  - Staff salary increases funded by the WAF (offset in revenue).
- **Function 71 - Debt Service (1-to-1 iPad Initiative):** No change.

FISCAL IMPACT:

The Westlake Academy amended budget will increase fund balance by $147,287.

STAFF RECOMMENDATION:

Staff recommends approval of the Westlake Academy Budget Amendment, as presented.

TOWN COUNCIL ACTION/OPTIONS:

1) Motion to approve
2) Motion to amend with the following stipulations (please state stipulations in motion)
3) Motion to table
4) Motion to deny

WESTLAKE ACADEMY

RESOLUTION NO. 25-16

A RESOLUTION OF THE BOARD OF TRUSTEES OF WESTLAKE ACADEMY ADOPTING THE YEAR-END OPERATING BUDGET AMENDMENT FOR FISCAL YEAR ENDING JUNE 30, 2025, INCLUDING ASSIGNED FUND BALANCES.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF WESTLAKE ACADEMY:

WHEREAS, Section 44.002 of the Education Code of the Texas Education Agency Texas School Law Bulletin states the budget must be prepared according to generally accepted accounting principles, and

WHEREAS, the budget was approved by the Board of Trustees on June 17, 2024, according to Texas Education Agency's Financial Accountability System Resource Guide, Section 2.6.2 – TEA Legal Requirements; and

WHEREAS, the Board of Trustees held a Public Hearing on June 17, 2024, as advertised; and

WHEREAS, it is desired to amend the Westlake Academy operating budget for fiscal year ending June 30, 2025, the Board of Trustees finds that the passage of this Resolution is in the best interest of the citizens of Westlake as well as the students, their parents, and faculty and staff of Westlake Academy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF WESTLAKE ACADEMY:

SECTION 1: That, all matters stated in the recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: That the Board of Trustees of Westlake Academy hereby approves the Amended Westlake Academy Operating Budget for the fiscal year ending June 30, 2025, and appropriates the funds contained therein attached to this resolution as ***Exhibit "A".***

SECTION 3: That a copy of the official Amended Fiscal Year 2024-2025 Budget shall be kept on file in the office of the Town Secretary.

SECTION 4: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 5: That this resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS 15TH DAY OF JULY 2025.

_____
Kim Greaves, President

ATTEST:

_____
Diana Buchanan, Board Secretary

_____
Dr. Kelly Ritchie, Head of School

APPROVED AS TO FORM:

_____
L. Stanton Lowry or Janet S. Bubert,
School Attorney

WESTLAKE ACADEMY

Budgetary Comparison Schedule - Revenues & Expenditures - UNAUDITED

FY 2024-25 REQUEST TO AMEND ORIGINAL BUDGET as of June 30, 2025

Consolidated General Fund	Original Budget	Amended Budget	Change over/(under) Orig Budget	Actual Revenues & Expenditures	% of Budget Realized or Expended
Revenues					
Transportation: Local Sources	$ 35,000	$ 35,800	$ 800	$ 24,910	69.58%
Athletics: Local Sources	133,000	151,400	18,400	124,248	82.07%
General Operating: Local WAF Donation	1,250,000	1,255,869	5,869	1,255,869	100.00%
General Operating: Local Sources	1,577,070	1,869,752	292,682	1,860,244	99.49%
General Operating: State Sources	8,514,994	8,637,093	122,099	6,701,125	77.59%
Total Revenues	$ 11,510,063	$ 11,949,914	$ 439,851	$ 9,966,395	83.40%
Expenditures (by function)					
11 Instructional	5,947,401	5,739,711	(207,690)	4,846,984	84.45%
12 Resources & Media	198,488	214,609	16,121	169,079	78.78%
13 Staff Development	56,600	43,379	(13,221)	27,328	63.00%
21 Instructional Leadership	304,791	302,017	(2,774)	256,473	84.92%
23 School Leadership	1,305,082	1,351,134	46,052	1,172,600	86.79%
31 Guidance & Counseling	698,595	622,368	(76,227)	521,005	83.71%
33 Health Services	102,710	99,260	(3,450)	78,805	79.39%
36 Fund 198 Athletics	310,059	266,496	(43,563)	234,178	87.87%
36 Other Extra-/Co-Curricular	144,925	137,850	(7,075)	92,251	66.92%
41 Administrative	469,071	786,603	317,532	731,146	92.95%
51 Maintenance & Operations	1,044,442	1,291,590	247,148	1,173,395	90.85%
52 Security & Monitoring	60,400	43,800	(16,600)	18,842	43.02%
53 Data Processing	463,913	461,893	(2,020)	332,823	72.06%
61 Community Services	165,286	203,617	38,331	188,232	92.44%
71 Debt Service	238,300	238,300	-	214,459	90.00%
Total Expenditures	$ 11,510,063	$ 11,802,627	$ 292,564	$ 10,057,599	85.21%
Other Financing Sources (Uses)					
79 Other Resources (Internal TR from Gen Op)	90,000	90,000	-	90,000	100.00%
89 Other Uses (Internal TR to Athletics)	(90,000)	(90,000)	-	(90,000)	100.00%
Total Other Financing	$ -	$ -	$ -	$ -	100.00%
Excess/(Deficiency) Budgeted Rev & Exp	-	147,287	147,287		
(Over)/Under Actual Rev & Exp				(91,204)	98.19%
FUND BALANCE, BEGINNING	$ 2,007,991	$ 2,007,991		$ 2,007,991	
Result of annual audit 8/31/2024					
FUND BALANCE, ENDING	2,007,991	2,155,278		1,916,787	
Assigned - Bus Maintenance	(15,343)	(15,343)		(15,343)	
Assigned - Tech/FF&E Replacement	(128,570)	(128,570)		(128,570)	
Assigned - Uniforms/Equip Rep	(15,000)	(15,000)		(15,000)	
FUND BALANCE, UNASSIGNED	$ 1,849,078	$ 1,996,365		$ 1,757,874	
Daily Operating Cost	$ 31,534	$ 32,336		$ 27,555	
Operating Days	59	62		64	

WESTLAKE ACADEMY
Statement of Revenues, Expenditures, and Changes in Fund Balance
Consolidated General Fund 5-Year Forecast FY 2024/2025 through FY 2029/2030

Updated 07/03/25

		Audited FY 23/24	Original FY 24/25	Amended FY 24/25	Adopted FY 25/26	Projected FY 26/27	Projected FY 27/28	Projected FY 28/29	Projected FY 29/30
1	**REVENUE**								
2	Transportation	$ 11,791	$ 20,000	$ 20,800	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
3	Parking	2,020	15,000	15,000	15,000	15,000	15,000	15,000	15,000
4	Athletic Activities	122,354	130,000	148,400	133,000	133,000	133,000	133,000	133,000
5	Athletic Donations	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000
6	Interest Earned	40,620	35,000	44,300	35,000	35,000	35,000	35,000	35,350
7	WAF Blacksmith Donations	1,129,384	1,250,000	1,255,869	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000
8	WAF Salary Reimbursement	-	-	40,000	37,364	37,364	37,364	37,364	37,364
9	Municipal Transfer: WA Operations	1,462,264	1,496,494	1,736,484	1,500,000	1,250,000	1,000,000	1,000,000	1,000,000
10	Technology Use Fees	13,150	33,000	33,000	35,000	35,000	35,000	35,000	35,000
11	AP/IB Exam Fees	-	-	-	95,000				
12	Other Local Revenue (sub, prnt, misc)	4,383	4,000	7,800	4,500	4,500	4,500	4,500	4,500
13	Food Services	8,168	8,576	8,168	8,405	8,531	8,659	8,789	8,921
14	**Total Local Revenue**	2,794,135	2,995,070	3,312,821	3,636,269	3,291,395	3,041,523	3,041,653	3,042,135
15	***Percent of total revenue***	***26%***	***26%***	***28%***	***29%***	***27%***	***25%***	***25%***	***24%***
16	TEA - Available School Funds	328,702	343,119	522,290	532,736	543,391	554,258	565,343	576,650
17	TEA - Foundation School Funds	6,602,963	6,846,021	7,075,832	7,217,349	7,361,696	7,508,930	7,659,108	7,812,290
18	CTE Funding (addt'l TEA-FSP Funds)	400,764	647,523	282,432	288,081	293,842	299,719	305,713	311,828
19	Facilities Allotment (addt'l TEA-FSP Funds)	138,840	134,696	134,505	137,195	138,567	139,953	141,352	142,766
20	TEA - Advanced Placement Training	-	-	-	-	-	-	-	-
21	TRS On-behalf/Medicare Part D (GASB 24)	480,751	543,634	622,034	622,034	628,254	634,537	640,882	647,291
22	**Total State Revenue**	7,952,021	8,514,993	8,637,093	8,797,393	8,965,749	9,137,397	9,312,400	9,490,825
23	***Percent of total revenue***	***74%***	***74%***	***72%***	***71%***	***73%***	***75%***	***75%***	***76%***
24	**TOTAL REVENUE**	**$ 10,746,156**	**$ 11,510,063**	**$ 11,949,914**	**$ 12,433,662**	**$ 12,257,144**	**$ 12,178,920**	**$ 12,354,053**	**$ 12,532,961**
					4.05%				
25	**EXPENDITURES by OBJECT**								
26	Object Code 61XX - Salaries	$ 7,870,243	9,373,928	9,136,955	9,637,280	$ 9,733,653	$ 9,830,989	$ 9,929,299	$ 10,028,592
27	Object Code 62XX - Contracted Services	1,281,517	1,014,580	1,534,677	1,315,919	1,322,499	1,329,111	1,335,757	1,342,435
28	Object Code 63XX - Supplies & Materials	304,482	407,000	418,614	626,015	629,145	632,291	635,452	638,630
29	Object Code 64XX - Other Operating Costs	391,740	476,255	474,081	486,411	488,843	491,287	493,744	496,212
30	Object Code 65XX - Debt Service	181,878	238,300	238,300	289,711	281,415	281,415	332,070	332,070
31	**TOTAL EXPENDITURES by OBJECT**	**$ 10,029,860**	**$ 11,510,063**	**$ 11,802,627**	**$ 12,355,336**	**$ 12,455,555**	**$ 12,565,093**	**$ 12,726,322**	**$ 12,837,939**
					4.7%				

WESTLAKE ACADEMY
Statement of Revenues, Expenditures, and Changes in Fund Balance
Consolidated General Fund 5-Year Forecast FY 2024/2025 through FY 2029/2030

Updated 07/03/25

		Audited FY 23/24	Original FY 24/25	Amended FY 24/25	Adopted FY 25/26	Projected FY 26/27	Projected FY 27/28	Projected FY 28/29	Projected FY 29/30
32	**EXPENDITURES by FUNCTION**								
33	Function 11 - Instructional	$ 5,015,099	5,886,294	5,739,711	5,953,463				
34	Function 12 - Resources & Media	123,472	198,110	214,609	193,732				
35	Function 13 - Curriculum & Staff Development	40,545	56,600	43,379	45,979				
36	Function 21 - Instructional Leadership	252,002	329,620	302,017	259,773				
37	Function 23 - School Leadership	1,085,587	1,394,610	1,351,134	1,074,147				
38	Function 31 - Guidance & Counseling	640,771	597,066	622,368	595,935				
39	Function 33 - Health Services	79,050	136,162	99,260	87,431				
40	Function 36 - Athletics	262,963	323,051	266,496	351,739				
41	Function 36 - Other Activities	92,611	150,316	137,850	124,345				
42	Function 41 - General Admin	584,578	467,950	786,603	1,350,830				
43	Function 51 - Maintenance & Operations	1,090,851	1,100,257	1,291,590	1,129,411				
44	Function 52 - Security & Monitoring	16,461	32,500	43,800	44,100				
45	Function 53 - Data Processing	404,735	438,374	461,893	635,889				
46	Function 61 - Community Services	159,256	160,853	203,617	218,851				
47	Function 71 - Debt Service	181,878	238,300	238,300	289,711				
48	**TOTAL EXPENDITURES by FUNCTION**	**$ 10,029,860**	**$ 11,510,063**	**$ 11,802,627**	**$ 12,355,336**				
49	Other Resources/Capital Lease Proceeds	-	-	-	844,244	-	-	-	600,000
50	Other Uses/Capital Lease	-	-	-	(844,244)	-	-	-	(600,000)
51	Transfer in - Athletics (198)	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
52	Transfer out - Academy General Fund (199)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
53	**NET OTHER RESOURCES & USES**	-	-	-	-	-	-	-	-
54	**REVENUES OVER(UNDER) EXP**	**$ 716,296**	**$ -**	**$ 147,287**	**$ 78,326**	**$ (198,410)**	**$ (386,174)**	**$ (372,270)**	**$ (304,978)**

WESTLAKE ACADEMY
Statement of Revenues, Expenditures, and Changes in Fund Balance
Consolidated General Fund 5-Year Forecast FY 2024/2025 through FY 2029/2030

Updated 07/03/25

		Audited FY 23/24	Original FY 24/25	Amended FY 24/25	Adopted FY 25/26	Projected FY 26/27	Projected FY 27/28	Projected FY 28/29	Projected FY 29/30
55	**FUND BALANCE BEGINNING**	1,291,695	2,007,991	2,007,991	2,155,278	2,233,604	2,035,194	1,649,020	1,276,750
56	**FUND BALANCE ENDING**	2,007,991	2,007,991	2,155,278	2,233,604	2,035,194	1,649,020	1,276,750	971,772
57	Less: Assigned for Bus Maintenance	(16,150)	(15,343)	(15,343)	(15,343)	(14,576)	(13,847)	(13,155)	(12,497)
58	Less: Assigned for Technology R & M	(128,570)	(128,570)	(128,570)	(128,570)	(122,142)	(116,034)	(110,233)	(104,721)
59	Less: Assigned for Ath Uniform/Equip Rplcmnt	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
60	**FUND BALANCE ENDING (Unassigned)**	**$ 1,848,271**	**$ 1,849,078**	**$ 1,996,365**	**$ 2,074,691**	**$ 1,883,477**	**$ 1,504,138**	**$ 1,138,363**	**$ 839,555**
61	**Number of Operating Days**	**67**	**59**	**62**	**61**	**55**	**44**	**33**	**24**
62	Dollars per Operating Day	$ 27,479	$ 31,534	$ 32,336	$ 33,850	$ 34,125	$ 34,425	$ 34,867	$ 35,172
63	Total Students Enrolled	882	880	876	900	900	900	900	900
64	TEA Basic Allotment	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160
65	TEA Revenue from Basic Allotment (BA*enrollment)	$ 5,433,120	$ 5,420,800	$ 5,396,160	$ 5,544,000	$ 5,544,000	$ 5,544,000	$ 5,544,000	$ 5,544,000
66	TEA Funding per Student	$ 8,471	$ 9,058	$ 9,150	$ 9,084	$ 9,264	$ 9,448	$ 9,635	$ 9,826
67	Operating Cost per Student	$ 11,372	$ 13,080	$ 13,473	$ 13,728	$ 13,840	$ 13,961	$ 14,140	$ 14,264
68	Teachers (fnct 11)	70.43	74.43	72.34	74.50	74.50	74.50	74.50	74.50
69	Student/Teacher Ratio	12.52	11.82	12.11	12.08	12.08	12.08	12.08	12.08
70	ALL Faculty & Staff	106.26	117.76	114.34	107.00	107.00	107.00	107.00	107.00

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: RES 25-25 **Agenda Date:** 7/15/2025 **Agenda #:** I.3.

TOWN STAFF REPORT RECOMMENDATION

Discuss, consider and act to approve Resolution 25-25 calling for and setting a public hearing to discuss and receive public testimony on the adoption of an ordinance imposing roadway, water and wastewater impact fees in the Town of Westlake, Texas; and providing an effective date (Cheryl Taylor, P.E., Director of Public Works).

STAFF: Cheryl Taylor, P.E., Director of Public Works

BACKGROUND:

Chapter 395 of the Local Government Code outlines the requirements for the adoption of impact fees.

DISCUSSION:

As a rapidly growing community, the Town of Westlake has an opportunity to consider the implementation of water, wastewater and roadway impact fees that will allow for development to participate in the cost of necessary future improvements to serve the community. An impact fee is a charge or assessment on new development that generates revenue for funding or recouping the costs of capital improvements or facility expansions attributable to new development. It is a tool that can be used to recoup, from property developers, some of the costs that new development places on City infrastructure. Impact fees ensure that those who place additional demand on the roadway, water, and wastewater systems help pay the costs required to meet that demand.

Project kickoff for the impact fee study was in January 2025 with nine (9) months anticipated for completion. Consideration of adoption of impact fees is anticipated by the end of the August 2025.

FISCAL IMPACT:

There is no fiscal impact for scheduling the public hearing.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 25-25 as presented.

ATTACHMENT(S):

1. Resolution 25-25

TOWN COUNCIL ACTION/OPTIONS:

1) Motion to approve
2) Motion to amend with the following stipulations (please state stipulations in motion)
3) Motion to table

4) Motion to deny

TOWN OF WESTLAKE

RESOLUTION NO. 25-25

A RESOLUTION OF THE TOWN OF WESTLAKE, TEXAS, CALLING FOR AND SETTING A PUBLIC HEARING TO DISCUSS AND RECEIVE PUBLIC TESTIMONY ON THE ADOPTON OF AN ORDINANCE IMPOSING ROADWAY, WATER AND WASTEWATER IMPACT FEES IN THE TOWN OF WESTLAKE, TEXAS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Westlake, Texas, following the publication of notice, has previously conducted a public hearing to consider the adoption of capital improvements plan and land use assumptions, after which public hearing the Council has approved land use assumptions and a capital improvements plan; and

WHEREAS, Section 395.047 of the Texas Local Government Code requires a public hearing, following proper notice, to receive public input from interested persons in connection with the imposition of impact fees for roadway, water and wastewater service infrastructure; and

WHEREAS, the Town Council of the Town of Westlake appointed the Planning and Zoning Commission as the Capital Improvements Advisory Committee (CIAC) in accordance with the requirements of *Ch. 395 of the TLGC*, and charges them to advise the Town Council on the imposition of impact fees; and

WHEREAS, in accordance with the provisions of State law, the Town Council hereby calls a public hearing to discuss the imposition of impact fees.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS, THAT:

SECTION 1: The above and foregoing recitals are approved and incorporated herein for all purposes.

SECTION 2: A public hearing to take testimony and to discuss and consider the adoption and imposition of impact fees for roadway, water, and wastewater service infrastructure be and is hereby called and shall be held on August 25th, at 4:00 PM, which shall be conducted at the Westlake Town Hall, 1500 Solana Boulevard, Westlake, Texas.

SECTION 3: The Town Manager or designee shall send and publish notice of the foregoing public hearing as required by law at least 30 days before the public hearing

SECTION 4: That copies of the Impact Fee Report for water, wastewater, and roadway facilities shall be available to the public on the Office of the Secretary at Town Hall on and after July 24th, 2025.

SECTION 5: The Capital Improvements Advisory Committee is directed to review the maximum allowable impact fee and forward their recommendations to Town Council no later than August 18th, 2025.

SECTION 6: This Resolution shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

PASSED AND APPROVED ON THE 15th DAY OF JULY, 2025.

TOWN OF WESTLAKE, TEXAS:

_____
Kim Greaves, Mayor

ATTEST:

_____
Dianna Buchanan, Town Secretary

APPROVED AS TO FORM:

_____
Matthew C. G. Boyle, Town Attorney

File #: RES 25-26 **Agenda Date:** 7/15/2025 **Agenda #:** I.4.

TOWN STAFF REPORT RECOMMENDATIONS

Discuss, consider and act regarding Resolution 25-26 to approve an economic incentive agreement with Pluralsight as recommended by the Westlake Development Corporation, Inc (EDC 4B).

STAFF: Jason Alexander, AICP, CEcD, Deputy Town Manager

BACKGROUND:

Pursuant to the provisions set forth in Chapter 380 of the Texas Local Government Code, as amended, and the provisions set forth in Chapters 501 and 505 of the Texas Local Government Code, as amended (i.e., the "Development Corporation Act"), this economic development incentive is an agreement between the Town of Westlake (the "Town"), the Westlake Development Corporation (the "WDC"), and a business prospect to "promote state or local economic development and to stimulate business and commercial activity in the municipality".

As a joint economic development incentive agreement between the Town and the WDC, the terms and conditions that are contained therein are in complete alignment with the vision for economic development espoused by the Town and the WDC. This vision includes increasing the number of primary jobs as defined by the Development Corporation Act and making the Town and the surrounding communities more attractive to investment.

In particular, the terms and conditions provided for within the economic development incentive agreement focus on: (i) the creation and the retention of full-time (or equivalent) employment opportunities; (ii) the activation of underutilized space; and (iii) increasing the market demand for goods, services, and other commercial enterprises within the Town.

DISCUSSION:

As proposed and presented, this economic development agreement incentivizes the recruitment and the retention of Pluralsight. Pluralsight is a company that provides online professional tech training to a range of clients and customers. To recruit the company to Westlake, the economic development incentive agreement proposes that the WDC offer a cash grant in the form of sales and use tax revenues to assist with finish out, fixtures, furniture, and other technological needs --- and that the Town waive fees related to expedited plan review and building permits. For consideration of the economic development incentive --- Pluralsight --- will increase the supply of full-time (or equivalent) employment opportunities; activate underutilized space; and stimulate increased demand for commercial activity within the Town (e.g., lodging, restaurants, and retail). More importantly, the attraction, the retention, and the possible expansion of the company will reinforce the Town as a premier destination for corporations and other businesses providing high-paying employment opportunities within an increasingly complex knowledge-based economy.

As proposed:
Pluralsight will begin their finish out construction project consisting of an 18,000 square feet space at an estimated cost of $1.2 million in August. They will have an initial estimated IT spend requirement of $240,000, FF&E of $24,000, and estimated annual IT spend of $120,000, and an annual general office expenditures of $50,000. Total Sales Tax generation of initial costs is approx. $37,200.

Pluralsight is an AI training company and will be bringing in aprox. 150 people from outside of Westlake for multi-day training. The average stay is 1.25 days and an average room charge of $125 (Contract with Marriot Hotel in Westlake) which should yield and additional $1,636.25 a month to the Town in the way of Hotel Occupancy Tax.

Initial tax generated: $37,200
Annual sales tax generated: $1500
Annual HOT generated: $19,635
Annual Sales tax from F&B (Food and Beverage): $9,500

Total year one taxes generated: $67,835
Annual sales tax over the length of 10 year lease with Glen Star: $306,350

ROI including permit costs and grant: 1 year and 122 days

FISCAL IMPACT:

If the Town Council approves this economic development incentive agreement, it is anticipated that the Town will forego revenues generated from building permits and expedited development review fees; and the WDC will provide a one-time cash payment in the form of sales and use tax rebate from the Economic Development Corporation Fund.

WESTLAKE DEVELOPMENT CORPORATION RECOMMENDATION:

The WDC convened on July 7, 2025 and with a vote of 5 to 0 (with two absences) recommended approval of the economic development incentive agreement as proposed and presented.

STAFF RECOMMENDATION:

The Office of the Town Manager recommends approval of the economic development incentive agreement as proposed and presented.

TOWN COUNCIL ACTION / OPTIONS:

1) Motion to approve;
2) Motion to approve with additional conditions (please state additional conditions in motion);
3) Motion to deny; OR
4) Motion to table (must table to a specific date).

ATTACHMENT(S):

1) Resolution 25-26
2) EXHIBIT “A” - Economic Development Performance Agreement

TOWN OF WESTLAKE

RESOLUTION NO. 25-26

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS, APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BETWEEN THE TOWN OF WESTLAKE, TEXAS, THE WESTLAKE DEVELOPMENT CORPORATION, INC. AND PLURALSIGHT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, both the Town Council of the Town of Westlake, Texas (the "Town") and the Board of Directors of the Westlake Development Corporation, Inc. (the "WDC"), recognize that the Town is experiencing significant economic development and economic growth because of the presence of globally recognized corporations, the highly talented workforce, and the high quality of life that is afforded to residents and businesses alike; and

WHEREAS, the Town Council recognizes that the Town and the WDC are most desirous of entering into an economic development performance agreement with Pluralsight in accordance with the statutes as found in Chapter 380 of the TEXAS LOCAL GOVERNMENT CODE, as amended, ("Chapter 380") and the statutes as found in Chapters 501-505 of the TEXAS LOCAL GOVERNMENT CODE, as amended, to induce Pluralsight, a corporation duly incorporated in the State of Delaware, to locate a significant portion of its operations within the Town; and

WHEREAS, Pluralsight agrees to create a minimum of 75 full-time employment positions (or its equivalent) that will further the expansion of primary jobs in the State and will advance the

distinct economic development efforts of the Town, including expanding the tax base, increasing employment opportunities, and providing a superior quality of life; and

WHEREAS, the WDC convened on July 7, 2025 and recommended approval of economic development incentives, including a sales and use tax rebate, a waiver of building permit fees, and expedited development review, to induce Pluralsight to locate its operations within the Town and to generate at least 75 full-time employment positions (or their equivalent) as provided for in the agreement attached hereto as EXHIBIT "A"; and

WHEREAS, the Town Council, in agreement with the WDC, finds that the provision of economic development incentives is prudent and will expand the local economy; and

WHEREAS, the Town Council finds that the passage of this Resolution is in the best interest of the citizens of Westlake.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: That all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: That the Town Council does hereby approve the economic development performance agreement that is attached hereto as EXHIBIT "A", and further authorizes the Town Manager and / or his designee to execute said agreements and pursue any necessary procedures on behalf of the Town.

SECTION 3: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof

and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 4: That this Resolution shall become immediately effective from and after its date of passage.

PASSED AND APPROVED ON THIS 15TH DAY OF JULY 2025.

_____

Kim Greaves, Mayor

ATTEST:

_____

Dianna Buchanan, Town Secretary

APPROVED AS TO FORM:

_____

Matthew C. G. Boyle, Town Attorney

EXHIBIT "A"

ECONOMIC DEVELOPMENT AND PERFORMANCE AGREEMENT

This **ECONOMIC DEVELOPMENT AND PERFORMANCE AGREEMENT** (this "*Agreement*") is made and entered into on the Effective Date (hereinafter defined) by and between the **TOWN OF WESTLAKE, TEXAS**, a Texas general law municipality located in Tarrant and Denton Counties, Texas (the "*Town*"), the **WESTLAKE DEVELOPMENT CORPORATION, INC.**, a Type B development corporation (the "*WDC*"), and **PLURALSIGHT INC.**, a corporation duly incorporated in the State of Delaware (the "*Company*") (collectively the "*Parties*" and each individually a "*Party*" hereto).

RECITALS

WHEREAS, the Company desires to lease a minimum of 25,000 square feet of office space in the Town (the "*Property*"), which is more particularly described in the attached **Exhibit A**, and made a part of this Agreement hereof;

WHEREAS, the Company intends to develop and operate a technology-based business on the Property, (collectively, the "*Project*");

WHEREAS, the Company will facilitate the creation of approximately one hundred and fifty (150) employment positions (as further described herein) in the Town;

WHEREAS, the Company has advised the Town and WDC that a contributing factor that would induce the Company to undertake the Project would be an agreement by the Town and WDC to provide an economic development grant to the Company to defray a portion of the cost of such development;

WHEREAS, Chapter 380 of the TEXAS LOCAL GOVERNMENT CODE, as amended ("*Chapter 380*" herein), provides the statutory authority for the Town to establish and administer a program, including the making of loans and grants of public money, to promote state and local economic development and to stimulate business and commercial activity in the Town;

WHEREAS, the Town, by and through its governing body (the "*Town Council*"), finds that it is in the best interest of the Town and its residents to encourage programs, including programs for making loans and grants of public money and providing personnel and services of the Town, to promote state or local economic development and stimulate business and commercial activity in the Town in accordance with Chapter 380;

WHEREAS, with the approval and execution of this Agreement, the Town hereby establishes a program to encourage and induce the economic development generated by the Project pursuant to Chapter 380, together with any amendments, permutations, or recodifications of the

provisions in Chapter 380 whether renaming such economic incentives or other modifications thereof;

WHEREAS, the Town Council finds and determines that the terms and provisions of this Agreement satisfies the prerequisites of Chapter 380 and qualifies for a grant under Chapter 380, as this Agreement furthers the objectives of the Town, benefits the Town and its residents, promotes local economic development in the Town, and enhances business and commercial activity in the Town;

WHEREAS, this Agreement is made and entered into by the Town pursuant to the authority granted under Chapter 380;

WHEREAS, the WDC is a Type B development corporation created under the authority of the City and operating pursuant to the Development Corporation Act, Chapters 501–505 of the TEXAS LOCAL GOVERNMENT CODE, as amended (the "*Act*" herein);

WHEREAS, the WDC, pursuant to Laws and Regulations (hereinafter defined), including, without limitation, the Act and Chapter 321 of the TEXAS TAX CODE, as amended, collects sales and use taxes in the amount of one half of one percent (0.50%) for each and every sale of Taxable Items Consummated in the Town;

WHEREAS, the WDC, by and through its board of directors (the "*Board of Directors*"), is authorized under the Act to undertake certain economic development and job-creation projects;

WHEREAS, the Board of Directors believes that the Project will create and retain primary jobs as defined by the Act within the Town, including, without limitation, certain jobs that require a high degree of expertise and training, which jobs are expected to pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area;

WHEREAS, the Board of Directors hereby finds and determines that the Project meets the minimum eligibility requirements for an economic incentive grant under the Act, subject to the terms and conditions contained in this Agreement;

WHEREAS, the Town Council and Board of Directors hereby find and determine that the Project and this Agreement will (i) promote new or expanded business development in the Town; (ii) create new jobs in the Town; (iii) stimulate business and commercial activities in the Town; (iv) add taxable improvements to real property in the Town; (v) reduce unemployment and create employment opportunities for the Town's current and future residents; and (vi) benefit the Town and its residents;

WHEREAS, the Company understands and acknowledges that the obligations undertaken under this Agreement are primarily for the benefit of the Project;

WHEREAS, nothing contained in this Agreement shall be construed as creating a contractual obligation that controls, waives, or supplants the Town Council's or Board of

Directors' legislative discretion or functions with respect to any matters not specifically addressed in this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement for the purposes herein provided and upon the terms and conditions herein expressed.

AGREEMENT

NOW, THEREFORE, for and in consideration of the above Recitals and the mutual covenants, promises, obligations, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby mutually agree as follows:

SECTION 1. FINDINGS INCORPORATED.

1.1 The foregoing Recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the Parties.

SECTION 2. TERM OF AGREEMENT; TERMINTION.

2.1 **Term.** This Agreement shall be in full force and immediately take effect on the Effective Date (hereinafter defined) and shall continue thereafter until the Expiration Date (hereinafter defined), unless terminated sooner or extended under the provisions of this Agreement or Laws and Regulations (the "*Term*" herein).

2.2 **Termination.** This Agreement shall terminate upon any one of the following: (i) by written agreement of the Parties; (ii) on the Expiration Date (hereinafter defined); (iii) by the Town and / or WDC, if any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal, or unenforceable; or (iv) by the Town and / or WDC, should the Company fail to satisfy any of the terms, conditions, or obligations of this Agreement, subject to the requirements of this Agreement.

SECTION 3. DEFINITIONS.

3.1 In addition to those terms otherwise defined herein, the following terms shall have the following meanings when used in this Agreement:

(a) **Commencement Date.** The term "*Commencement Date*" shall mean the latter of the date (i) of issuance of the final permanent certificate of occupancy by the Town to the Company for the Project; and (ii) the Company's business is open. The "final permanent certificate of occupancy" for the purposes of this definition and this Agreement is that document issued by the Chief Building Official of the Town when a building or structure is fully compliant with all Laws and Regulations (as further defined below).

(b) **Commencement of Construction.** The term "*Commencement of*

Construction" shall mean that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities, including, without limitation, the Town, have been obtained; and (ii) all necessary permits for construction of the Project pursuant to the respective plans therefore having been issued by all applicable governmental authorities, including, without limitation, the Town.

(c) **Completion of Construction.** The term "*Completion of Construction*" shall mean that (i) the Project has been completed; (ii) a final, permanent certificate of occupancy for the Project has been issued by the Town to the Company for the Project; and (iii) the Project is fully operational and open for business in accordance with all Laws and Regulations.

(d) **Effective Date.** The term "*Effective Date*" shall mean the date on which the latter of all the following have occurred: (i) the Board of Directors has formally approved and an authorized representative of the WDC has duly executed this Agreement; (ii) the Town Council has formally approved and an authorized representative of the Town has duly executed this Agreement; and (iii) an authorized representative of the Company has duly executed this Agreement.

(e) **Expiration Date.** The term "*Expiration Date*" shall mean the last day of the Grant Period (hereinafter defined).

(f) **Force Majeure Event.** The term "*Force Majeure Event*" shall mean acts of God; inability to obtain labor, materials, or reasonable substitute materials; governmental restrictions, regulations, or controls; judicial orders; civil commotion; war; act of terrorism; fire or other casualty; condemnation; and causes beyond the reasonable control of the Company. Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance by the Company is delayed by a Force Majeure Event, then the time for such performance shall be extended by the amount of time of such delay, provided, however, that the affected Party must provide written notice to the other Parties within three (3) business days of the date of the first occurrence of the Force Majeure Event.

(g) **Grant Period.** The term "*Grant Period*" shall mean a term of one (1) full calendar year beginning on January 1 of the year immediately following the Commencement Date, unless otherwise modified in accordance with the terms of this Agreement.

(h) **Laws and Regulations.** The term "*Laws and Regulations*" shall mean any and all applicable federal, state, and local laws, rules, regulations, ordinances, policies, standards, and guidelines, as amended. Any and all regulations that have not been expressly repealed by the Town as of the Effective Date are incorporated herein as if set forth in full for all purposes.

(i) **Project.** The term "*Project*" shall mean as defined above.

(j) **Property.** The term "*Property*" shall mean as described above.

SECTION 4. OBLIGATIONS OF THE COMPANY.

4.1 **General Obligations.** To be eligible for the Economic Development Incentives outlined in Section 5 herein below, the Company shall fully perform and strictly comply with all terms, conditions, and provisions set forth in this Agreement (including, but not limited to, those outlined in this Section 4) during the Term of this Agreement.

4.2 **Construction Deadlines.**

(a) The Company shall, to the extent of its reasonable control and subject to any Force Majeure Events, cause the Commencement of Construction on or before **AUGUST 1, 2025,** unless said date is extended by mutual agreement of the Parties in writing.

(b) The Company shall, to the extent of its reasonable control and subject to any Force Majeure Events, cause the Completion of Construction on or before **NOVEMBER 30, 2025,** unless said date is extended by mutual agreement of the Parties in writing.

(c) For the avoidance of confusion, the Company agrees, understands, and acknowledges that neither the Town nor WDC have any responsibility to perform, monitor, supervise, manage, inspect, or control the construction of the Project. Notwithstanding the foregoing, the Town and WDC shall have the right, but not the duty, to inspect, at any time, the progress of the Company's construction of the Project.

4.3 **Open and Operate the Project.** Promptly upon Completion of Construction, the Company shall open and operate the Project in accordance with all Laws and Regulations.

4.4 **Employment Incentives.** Within 365 days from the Effective Date the Company shall employ no less than seventy-five (75) or more full-time (or equivalent) employees at the Property (the *"Employment Requirement")*. The Company shall provide the Town and WDC with all reasonably requested employment data to verify the Employment Requirement. Failure by the Company to meet the Employment Requirement shall require the Company to immediately refund back to the WDC an amount of $50,000.00. At such time that the Company meets or exceeds one hundred and fifty (150) full-time (or equivalent) employees at the Property the WDC and / or the Town may, but are not obligated to, consider further economic incentives for the Company.

SECTION 5. ECONOMIC DEVELOPMENT INCENTIVES.

5.1 **Sales Tax Grant.** Subject to the Company's continued satisfaction of all the terms and conditions of this Agreement, the WDC agrees to provide sales tax rebates to the Company in a one-time payment of $50,000.00 for use by the Company on finish out, furnishings, fixtures, and technology needs (the "*Sales Tax Grant*" herein).

(a) The Sales Tax Grant shall be paid by the WDC to the Company within five (5) days after the Completion of Construction.

(b) Neither the Town nor the WDC shall be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by the Company. None of the Town's or WDC's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

5.2 **Waiver of Building Permit Fees.** The Town agrees to waive all costs and fees associated with any Town-required building permits for the Project. Provided, however, that Company shall still be required to apply for and receive all other Town-required permits.

5.3 **Expedited Development Review.** To the extent feasible and in accordance with this Agreement and Laws and Regulations, the Town shall endeavor to engage in expedited development review of any and all permits (or other submittals) submitted by the Company to the Town in connection with, regarding, or arising out of the Property or Project. The Town agrees to waive all costs and fees associated with expedited development review as adopted by the Town.

SECTION 6. EVENTS AND EFFECT OF DEFAULT.

6.1 **Events of Default.** Each of the following shall constitute an event of default under this Agreement (each an "*Event of Default*" herein):

(a) Failure of any Party to timely comply with or strictly perform any term, obligation, covenant, or condition contained in this Agreement;

(b) Any warranty, representation, or statement made or furnished to the WDC and/or Town by or on behalf of the Company under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished;

6.2 **Effect of an Event of Default.**

(a) In the Event of Default by the Company, a non-defaulting party shall give written notice to the Company of any default, and the Company shall have thirty (30) calendar days to completely and adequately cure said default, or longer if mutually agreed upon in writing by the Parties or due to the occurrence of a Force Majeure Event. Should said default remain uncured by the Company after the time provided in this Section, the non-defaulting parties shall (i) have the right to terminate this Agreement and recover any and all payments made pursuant to Section 5 of this Agreement; and (ii) be entitled to all rights and remedies as specified under Texas law, including, without limitation, the right to maintain a cause of action for damages caused by an Event of Default. . Notwithstanding the foregoing, if a default arises from a violation of law resulting from a change in law or a change in the interpretation or enforcement of law by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting party acts in accordance with a commercially reasonable plan of action to minimize the effect of such default prepared by the defaulting party and delivered to the non-defaulting

party or parties.

(b) In the Event of Default by the WDC or the Town, the Company shall give written notice to the defaulting party of any default, and the defaulting party shall have thirty (30) calendar days to completely and adequately cure said default, or longer if mutually agreed upon in writing by the Parties or due to the occurrence of a Force Majeure Event. Should said default remain uncured by the defaulting party after the time provided in this Section, the Company shall (i) have the right to terminate this Agreement; and (ii) be entitled to all rights and remedies as specified under Texas law, including, without limitation, the right to maintain a cause of action for damages caused by an Event of Default.

(c) In the event either Party retains the services of an attorney to enforce its rights under this Agreement, the prevailing party shall collect its attorneys' fees and all costs of litigation from the non-prevailing party.

SECTION 7. MISCELLANEOUS PROVISIONS.

7.1 **Amendments.** This Agreement constitutes the entire understanding and agreement of the Parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the Parties to this Agreement.

7.2 **Notice.** All notices, demands, or other communications required or provided under this Agreement will be effective only if in writing and delivered (i) in person, (ii) by courier, (iii) by reputable overnight courier guaranteeing next business day delivery, (iv) if sent on a business day during the business hours of 9:00 a.m. until 7:00 p.m., central time, via email, with a copy to follow by reputable overnight courier guaranteeing next business day delivery, or (v) by United States certified mail, return receipt requested. All notices will be directed to the other party at its address provided below or such other address as either party may designate by notice given in accordance with this section. Notices will be effective (i) in the case of personal delivery or courier delivery, on the date of delivery, (ii) if by overnight courier, one (1) business day after deposit with all delivery charges prepaid, (iii) if by email, on the date of delivery, provided that a copy of the notice is sent as required above, and (iv) in the case of certified mail, the earlier of the date receipt is acknowledged on the return receipt for such notice or five (5) business days after the date of posting by the United States Post Office. The notice addresses for the Town, the WDC, and the Company are as follows:

To the Town: Town of Westlake, Texas
ATTN: Wade Carroll, Town Manager
1500 Solana Blvd., Building 7, Suite 7200
Westlake, Texas 76262

With a copy to: Boyle & Lowry, L.L.P.
ATTN: Stan Lowry
4201 Wingren Drive, Suite 108
Irving, Texas 75062

To the WDC: Westlake Development Corporation, Inc.
ATTN: Wade Carroll
1500 Solana Blvd., Building 7, Suite 7200
Westlake, Texas 76262

With a copy to: Boyle & Lowry, L.L.P.
ATTN: Stan Lowry
4201 Wingren Drive, Suite 108
Irving, Texas 75062

To the Company: _____
ATTN: _____
_____
_____

7.3 **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Tarrant County, Texas. Venue for any action arising under or related to this Agreement shall lie exclusively in a state court of competent jurisdiction in Tarrant County, Texas.

7.4 **Assignment.** The rights and privileges granted to the Company pursuant to this Agreement are not assignable or transferable without the prior written consent of the Town and the WDC, which shall not be unreasonably withheld, conditioned, or delayed.

7.5 **Indemnification.** **THE COMPANY, AT NO COST OR LIABILITY TO THE CITY OR PEDC, AGREES TO INDEMNIFY AND HOLD HARMLESS THE TOWN AND WDC, INCLUDING, THEIR RESPECTIVE OFFICERS, ELECTED AND APPOINTED OFFICIALS, AGENTS, ATTORNEYS, REPRESENTATIVES, VOLUNTEERS, AND EMPLOYEES (EACH AN "*INDEMNIFIED PARTY*") AGAINST ANY AND ALL THIRD PARTY CLAIMS, LAWSUITS, ACTIONS, COSTS, AND EXPENSES RELATED THERETO, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES, TO THE EXTENT CAUSED BY (i) THE COMPANY'S PERFORMANCE OF ANY OBLIGATION HEREUNDER; (ii) THE COMPANY'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT; OR (iii) ANY NELIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF THE COMPANY, INCLUDING ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, AND REPRESENTATIVES, DUE OR RELATED TO, FROM, OR ARISING FROM ITS PERFORMANCE UNDER THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION SHALL REQUIRE THE COMPANY TO INDEMNIFY OR DEFEND FOR ANY CLAIMS ARISING OUT OF THE WILLFUL ACTS OF ANY INDEMNIFIED PARTY. THE INDEMNITY OBLIGATIONS UNDER THIS SECTION 7.5 SHALL SURVIVE THE EXPIRATION OF THE TERM OR EARLIER TERMINATION OF THIS AGREEMENT FOR A PERIOD OF FOUR (4) YEARS.**

7.6 **Limitation of Liability.** It is understood and agreed that the Town, WDC, and the Company, in satisfying the conditions of this Agreement, have acted independently, and assume no responsibilities or liabilities to third parties in connection with these actions.

7.7 **No Joint Venture.** The Parties acknowledge and agree that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties.

7.8 **Binding Obligation.** This Agreement shall become a binding obligation on the Parties upon the Effective Date. The Town warrants and represents that the individual executing this Agreement on the Town's behalf has full authority to execute this Agreement and bind it to the same. The WDC warrants and represents that the individual executing this Agreement on the WDC's behalf has full authority to execute this Agreement and bind it to the same. The Company warrants and represents that the individual executing this Agreement on the Company's behalf has full authority to execute this Agreement and bind it to the same.

7.9 **Consideration.** This Agreement is executed by the Parties without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

7.10 **Representations.** Each signatory acknowledges this Agreement has been read by the Party for which this Agreement is executed and that such Party has had an opportunity to confer with its counsel.

7.11 **Miscellaneous Drafting Provisions.** This Agreement will be deemed drafted equally by all Parties. The language of all parts of this Agreement will be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any Party will not apply.

7.12 **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.

7.13 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

7.14 **Severability.** The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.

7.15 **No Waiver.** The failure of either Party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that Party's right to insist upon appropriate performance or to assert any such right on any future occasion.

7.16 **Time is of the Essence.** The Parties agree and acknowledge that time is of the

essence in the performance of this Agreement.

7.17 **Undocumented Workers.** The Company certifies that it does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, the Company is convicted of a violation under 8 U.S.C. § 1324a(t), it shall repay the amount of any public subsidy provided under this Agreement to the Company plus six percent (6.0%), not later than the 120th calendar day after the date the City and/or PEDC notifies the Company of the violation.

7.18 **No Boycotting Israel.** In accordance with Section 2270.002 of the Texas Government Code (as added by Tex. H.B. 89, 85th Leg., R.S. (2017)), the Company verifies that it does not boycott Israel and will not boycott Israel during the Term of this Agreement.

7.19 **Not a Listed Company.** In accordance with Section 2252.152 of the Texas Government Code (as amended by Tex. S.B. 252, 85th Leg., R.S. (2017)), the Company represents and warrants that it is not on a list maintained by the State of Texas prepared and maintained pursuant to Section 806.051, 807.051, or 2252.153 of the Texas Government Code.

7.20 **Exhibits.** The following exhibits attached to this Agreement are incorporated herein by reference for all intents and purposes wherever reference is made to the same:

Exhibit A Legal Description of the Property

HAVING READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, THE PARTIES AGREE TO ITS TERMS. THIS AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. SIGNATURE PAGES TO IMMEDIATELY FOLLOW.]

TOWN:

TOWN OF WESTLAKE, TEXAS
a Texas general law municipality in State of Texas

By: _____

Name: Kim Greaves

Title: Mayor

Date: _____

ATTEST:

By: _____

Name: Dianna Buchanan

Title: Town Secretary

WDC:

WESTLAKE DEVELOPMENT CORPORATION, INC.
a Type B development corporation

By: _____

Name: Kim Greaves

Title: WDC President

Date: _____

ATTEST:

By: _____

Name: Todd Gautier

Title: WDC Secretary

COMPANY:

Pluralsight Inc.
a State of Delaware corporation

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

By: _____

Name: _____

Title: _____

THE STATE OF _____§
§
COUNTY OF _____ §

BEFORE ME, the undersigned notary public, on this day personally appeared _____, _____ of _____., known to me or proven to me by presentation of a valid driver's license to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same on behalf of _____, a _____ corporation, for the purposes and consideration therein expressed.

Given under my hand and seal of office this_____day of_____, 2025.

_____
Notary Public

[NOTARY SEAL]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Terraces Property:

Tract 1:

Lot 1R2, in Block 1, of Westlake/Southlake Park Addition No. 1, an addition to the Town of Westlake, Tarrant County, Texas, according to the map or plat thereof recorded in/under Clerk's File No. D218212046, Map/Plat Records, Tarrant County, Texas.

Tract 2:

Lot 2R2, in Block 1, of Westlake/Southlake Park Addition No. 1, an addition to the Town of Westlake, Tarrant County, Texas, according to the map or plat thereof recorded in/under Clerk's File No. D218212046, Map/Plat Records, Tarrant County, Texas.

Tract 3:

Lot 1R2, in Block 1, of Westlake/Southlake Park Addition No. 1, an addition to the Town of Westlake, Tarrant County, Texas, according to the map or plat thereof recorded in/under Clerk's File No. D213118945, Map/Plat Records, Tarrant County, Texas.

Tract 4:

Being a Non-Exclusive Easement Estate as set out in Access Easement and Agreement by and between Maguire Partners-Solana Land, L.P. and Maguire Partners-Solana Limited Partnership, dated as of 10/17/2005, filed 10/19/2005, Recorded in/under Clerk's File No. D205311995, Real Property Records, Tarrant County, Texas, as amended by First Amendment to Access Easement and Agreement, dated as of 3/26/2010, filed 3/30/2010, Recorded in/under Clerk's File No. D210070866.

Tract 5:

Being a Non-Exclusive Easement Estate as set out in Access Easement by and between Texas Holdco LLC, a Texas limited liability company and Maguire Partners-Solana Limited Partnership, a Texas limited partnership dated as of 3/26/2010, filed 3/30/2010, Recorded under Clerk's File No. D210070863, Real Property Records, Tarrant County, Texas.

Tract 6:

Being a Non-Exclusive Easement Estate as set out in the Memorandum of Cost Sharing and Reciprocal Easement Agreement file 11/18/1988, Recorded in/under Volume 9437, Page 1127, Real Property Records, Tarrant County, Texas.

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: RES 25-27 **Agenda Date:** 7/15/2025 **Agenda #:** I.5.

TOWN STAFF REPORT RECOMMENDATIONS

Discuss, consider and act regarding Resolution 25-27 to award the bid for audit services and authorize the Director of Finance to execute the engagement letters under the terms (Cayce Lay Lamas, Director of Finance)

STAFF: Cayce Lay Lamas (Director of Finance)

BACKGROUND:

The Town and Academy are required, by Texas Local Government Code and Texas Education Agency, to engage an independent accounting firm to perform an audit of the Town and Academy's annual financials. The most recent audit engagement awarded in June of 2022 was for three years and two optional one-year terms. Due to staff turnover, issues with financial system conversions, and changes to management companies at the Texas Student Housing Authority, in addition to the unique configuration of Westlake and its component units, audits have been delayed during the three-year initial term. To ensure adequate resources are provided to meet statutory deadlines, Westlake opted not to continue the optional engagement terms.

Westlake advertised a request for proposal, with input from stakeholders, to solicit a new audit firm. After the requisite advertising period, staff evaluated the proposal received and recommends selecting Macias Gini & O'Connell (MGO).

DISCUSSION:

Westlake published an advertisement seeking proposals for audit firms in the Star Telegram on June 18, 2025, and June 25, 2025, as required by State law, and on our website. Additionally, the requested was submitted directly to fourteen firms. One auditing firm submitted a proposal, MGO. Upon review of their proposal, a phone interview, reference checks, and request for additional information, it was determined that MGO had the necessary qualifications and preferred experience with municipalities, public schools, housing authorities, non-profits, and component unit/group auditing. Acceptance of the proposal from MGO will allow Westlake, and all its entities, to meet all applicable statutory deadlines. Additionally, the engagement includes preparation of each entity's annual comprehensive financial report (ACFR), ongoing support to avoid potential issues, and weekly status updates.

The request was crafted to optionally include both the Texas Student Housing Authority and Westlake Academy Foundation (WAF), which are component units presented within the Town and Academy financials, respectively. MGO has experience communicating with component unit auditors and provided the option to those organizations to engage MGO or another firm. The WAF has indicated their intention to engage BrooksWatson for their FY2025 audit.

FISCAL IMPACT:

The fiscal impact for the Town and Academy, respectively, is $57,720 and $29,810 to be incurred during fiscal year 2026.

STAFF RECOMMENDATION:

Staff recommends acceptance of MGO's proposal for audit services, as presented.

ATTACHMENT(S):

Resolution 25-27 Awarding Bid for Audit Services

Proposal Submitted by MGO

TOWN COUNCIL ACTION/OPTIONS:

1) Motion to approve
2) Motion to amend with the following stipulations (please state stipulations in motion)
3) Motion to table
4) Motion to deny

TOWN OF WESTLAKE

RESOLUTION NO. 25-27

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS, AWARDING THE BID AND APPROVING THE FIRM OF MACIAS GINI & O'CONNELL LLP, PLLC TO PERFORM INDEPENDENT AUDITING SERVICES FOR A 3-YEAR PERIOD WITH THE OPTION OF 2 ADDITIONAL YEARS AND AUTHORIZING THE FINANCE DIRECTOR TO EXECUTE THE FY 2025 AND SUBSEQUENT YEARS' ENGAGEMENT LETTERS ON BEHALF OF THE TOWN OF WESTLAKE AND COMPONENT UNITS.

WHEREAS Section 103.001 of the Local Government Code requires that a municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit; and

WHEREAS Section 103.002 of the Local Government Code requires that a municipality shall employ at its own expense a certified public accountant who is licensed in this state or a public accountant who holds a permit to practice from the Texas State Board of Public Accountancy to conduct the audit and to prepare the annual financial statements, and

WHEREAS Section 44.008 of the Texas Education Code requires that a school district shall have its records and accounts audited annually by a certified public accountant holding a permit from the Texas State Board of Public Accountancy and that the financial information must be submitted to the Texas Education Agency, and

WHEREAS the Town Council is committed to the financial stability of the Town of Westlake and Westlake Academy and feels it is in the best interest of the citizens to award the bid after a proposal analysis was completed and obtain the services of this firm to perform the Town's audits as set forth above; and,

WHEREAS the funds to facilitate the audits will be included in the FY 2025-2026 municipal and academic budgets, and the subsequent year's budgets as necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: That all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: That the Town Council of the Town of Westlake does hereby award the recommended bid for auditing services and approves the firm of Macias Gini & O'Connell LLP to perform the independent audits of the Town of Westlake and Westlake Academy for FY2025-27, with a possible 2-year extension option, attached hereto as ***Exhibit "A"***; and further authorizes the Director of Finance to execute this agreement via engagement letter for FY2025, and noted subsequent years' letters, on behalf of the Town of Westlake and Westlake Academy. The component units will be responsible for executing their direct engagement letters.

SECTION 3: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 4: That this Resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS 15th DAY OF JULY 2025.

_____
Kim Greaves, Mayor

ATTEST:

_____
Dianna Buchannan, Town Secretary

APPROVED AS TO FORM:

_____
Matthew C. G. Boyle, Town Attorney



REQUEST FOR QUALIFICATIONS 25-03
INDEPENDENT AUDIT SERVICES
Town of Westlake, TX

Submitted by
Macias Gini & O'Connell LLP

David Bullock, CPA
Partner
+1 (925) 395-2808
DBullock@mgocpa.com

July 1, 2025

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July 1, 2025

Cayce Lay Lamas, Director of Finance
Town of Westlake, TX

VIA EMAIL: claylamas@westlaketx.gov

Dear Cayce Lay Lamas:

Macias Gini & O'Connell LLP (MGO) is excited about the opportunity to present our proposal to provide Independent Audit Services for the Town of Westlake and related entities (collectively referred to as the Town). With nearly 40 years of service to state and local governments, we are dedicated to supporting your mission with unwavering commitment. As we look ahead to the upcoming fiscal year and beyond, we are eager to leverage our experience and resources to help enhance Town's operational efficiency and financial accountability.

Experience and Knowledge

MGO was founded on serving state and local government entities. The Town requires a firm with trained governmental resources who proactively identify issues, solutions, and best practices in governmental accounting and financial reporting.

Knowing you and building trust

You are unique. You have your own specific story, values, and priorities. Everything we do begins by developing a clear understanding of your operating environment. From that foundation, we will develop a tailored strategy that considers the full spectrum of your financial and compliance matters. We are committed to providing the desired services identified in the RFP and completing all deliverables on a timely basis.

Thank you for reviewing our proposal and exploring our service capabilities, governmental and technical knowledge, qualifications, and most of all, our desire to exceed your expectations. Please give me a call at +1 (925) 395-2808 or email at DBullock@mgocpa.com with any comments or questions.

Sincerely yours,

David Bullock, CPA
Partner

Executive Summary

Why MGO?

We're committed to service excellence

At MGO, our core values are central to everything we do, and chief among them is the simple mandate to Go Beyond. But what does that mean for you?

It means that our commitment to your success goes far beyond fulfilling our responsibilities as an independent auditor. When you work with MGO, you will enjoy a collaborative relationship with highly skilled professionals who focus on exceeding your expectations through straight talk (another of our values), proactive problem solving, flexibility, and an unwavering dedication to meeting your deadlines — no excuses.

We're passionate about open communication

Effective listening, straight talk, and frequent status check-ins are the foundation of MGO's engagements. As experienced practitioners, we recognize that collaboration and two-way communication are vital to the success of our projects, so we prioritize ongoing conversations, gathering important information about your expectations and objectives, keeping the Town up to date on the status of our work, and adjusting our activities based on the feedback we receive.

Weekly status reports are a standard element of our project management methodology, and include details about work conducted to date, work to be conducted in the next two weeks, and issues that require stakeholders' attention. Additionally, your MGO project manager will bring any emerging issues to your immediate attention as they occur.

We are here to guide, support, and grow with you

We aim to be business advisors and look beyond audits to understand the broader mission and operational goals of your organization. Whether you are a government agency or a nonprofit, we help you navigate complex regulations, optimize funding strategies, and improve financial transparency. Our integrated approach means we're not just solving today's problems—we're helping you plan for long-term impact and sustainability. We bring insights that support better decision-making, stronger stakeholder trust, and more efficient use of resources.

As a global team of more than 500 financial service professionals, we stand ready to serve you through a wide range of professional services tailored to meet the diverse needs of our clients*. These include:

Assurance and Attestation	Governance, Risk, and Compliance	Management Consulting	Forensic Accounting and Litigation Support
• Audits and examinations • Performance audits • Agreed-upon procedures • Cost allocation	• Internal audit • Anti-money laundering • Entity-wide risk assessment • Construction audit	• Revenue optimization • Marketing assessment • Operational alignment analysis • Policies and procedures	• Fraud investigations • Vendor audits • Litigation support • Employee investigations

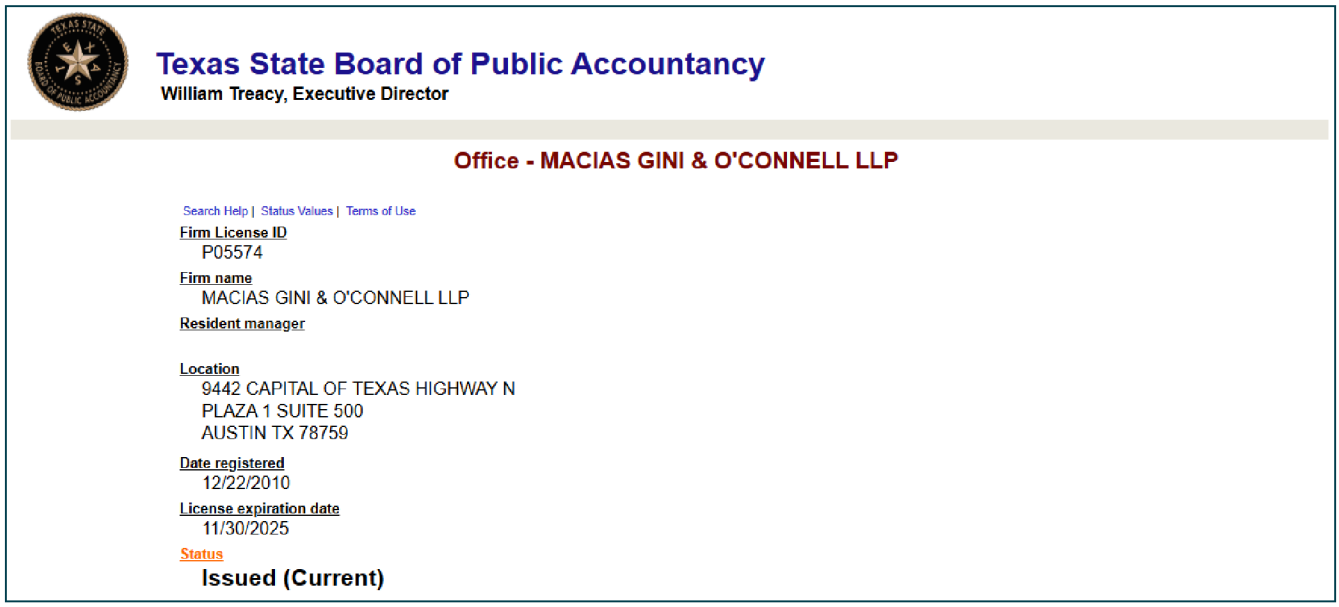
* subject to independence considerations

License to Practice in Texas

License to Practice in Texas

MGO and all key professional staff assigned to the engagement are properly licensed to practice in the state of Texas.

Our firm's license is presented below.



Texas State Board of Public Accountancy
William Treacy, Executive Director

Office - MACIAS GINI & O'CONNELL LLP

Search Help | Status Values | Terms of Use

Firm License ID
P05574

Firm name
MACIAS GINI & O'CONNELL LLP

Resident manager

Location
9442 CAPITAL OF TEXAS HIGHWAY N
PLAZA 1 SUITE 500
AUSTIN TX 78759

Date registered
12/22/2010

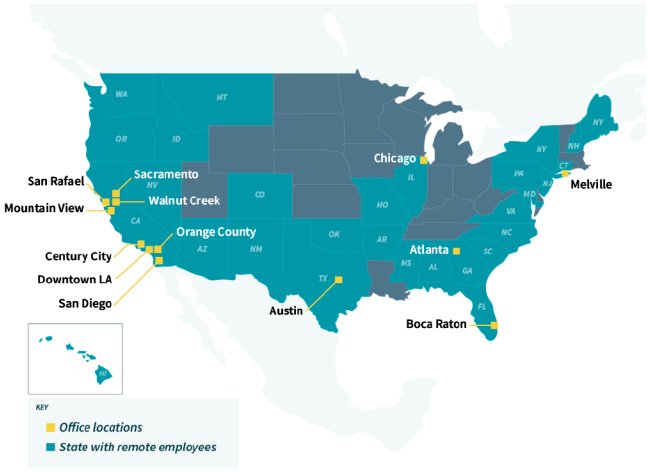
License expiration date
11/30/2025

Status
Issued (Current)

Qualifications and Experience of the Firm

Qualifications and Experience of the Firm

Founded in 1987, in Sacramento, California, Macias Gini & O'Connell LLP (MGO) is one of the fastest growing certified public accounting firms in the United States. MGO combines deep industry experience with well-established accounting and advisory solutions to deliver tangible results. Our clients range from global aerospace and technology leaders to innovative startups and nonprofit organizations — from the largest government entities in the country, to the biggest names in entertainment. MGO is a nationwide public accounting firm. We have a staff of more than 500 professionals. Our people are here to serve you, in real-time, around the clock, with 13 offices throughout the United States.



Our state and local government industry practice is one of the largest in the country, offering significant resources to serve this highly complex sector. As the professional service provider for numerous public agencies throughout the country, we take our commitment to "good government" seriously and work hard to establish collaborative relationships with our clients, deliver valuable insights and outcomes in every engagement, and implement innovative practices to improve service delivery. Our experience encompasses working with cities, counties, state agencies, special districts, private firms, and the world's largest public pension system. In addition to general-purpose units of government, we serve districts, authorities, boards, and finance divisions.

At MGO, we're committed to serving our clients and the profession through active engagement with national standards setters. Our participation in these groups helps us stay ahead of regulatory changes, keep our clients informed, and provide critical guidance and counsel on technical matters and other emerging issues.

MGO today

35+ years of experience	**500+** professionals ready to serve	**36+** languages spoken natively	**13** U.S. cities with offices	**55+** Partners

Assurance professionals represent one-third of our talent. Our State and Local Government practice includes 40 supervisory personnel (supervisors through partners) with an average tenure of 25 years for partners, 11 years for management personnel, and five years for supervisors.

Approximately 90 associates and senior associates comprise our staffing pool, wherein practitioners rotate through the various industries MGO serves. We believe exposure to a variety of industries and diverse experiences early in our team members' public accounting careers will further enable them to choose the career path that best aligns with their interests and become adept in helping our clients succeed. Our long-tenured team is a testament to this philosophy and strengthens MGO's ability to maintain project continuity.

Leading the way

MGO consistently ranks among the top 100 CPA firms in the nation and named one of the fastest growing accounting firms in the country. To achieve that recognition, we apply speed and focus when working with our clients to meet project deadlines and objectives. We are entrepreneurial and fast-moving, but we never lose our focus on serving you.

FAST FACTS

#53
Top 100 Firms
Accounting Today | 2025

#7
Firm in the West
Accounting Today | 2025

#50
Top 100 Firms
Inside Public Accounting | 2025

We have hundreds of U.S. employees and four offices in India allowing for time shifted work. As a result, our clients enjoy all the benefits of a mid-sized firm, including responsiveness to clients and the ability to move resources quickly, where they are needed most. Our firm's ability to be nimble allows MGO to complete the work on a timely basis. It's this extra mile that separates MGO from the rest of the pack.

We scale to meet you where you are. Our service professionals bring considerable experience to multistate and multinational enterprises — including those planning to become one. And because your focus is on growth and expansion, that's our emphasis too. Across more than 30 years of service, we've helped thousands of clients address their most challenging operational and governance needs.

Investment in your community

Our expansion into Texas marks a significant milestone in our firm's growth journey. As part of our long-term strategic vision, we have established a dedicated office in Austin and a team of two dozen professionals across the state. This reflects our deep commitment to serving Texas-based entities with the same level of excellence, insight, and integrity that has defined our work elsewhere. With our existing experience and proven track record, we are well-positioned to support the unique needs of Texas municipalities.

The Town will be primarily served by professionals from our Austin and San Francisco bay area offices. All professional staff assigned to the Town's engagement are employed full-time. Please refer to page 34 for staff levels and hours assigned to this engagement.

We look forward to becoming an integral part of the Texas business community and to building lasting relationships grounded in trust, collaboration, and results.

Thought leadership

MGO is proud to be listed as a top accounting firm by *Accounting Today*, *Inside Public Accounting*, and several other notable industry publications. Because of our long-term involvement and national and state liaisons, we are the firm positioned to keep you up to date on changing accounting and auditing standards — and we will.

As a thought leader in the government industry, MGO regularly speaks at and attends various professional associations and governmental agencies, including:

- Government Financial Officers Association of Texas
  - 2024 Fall Conference
    - *Tales from the Crypt: Lessons Learned from the Haunting of Leases and SBITA*
  - 2024 Spring Conference
  - 2023 Fall Conference
- California Society of Certified Public Accountants (CalCPA)
  - 2024 Annual Government & Accounting Conference
    - *Leases and SBITA*
- California Society of Municipal Finance Officers (CSMFO)
  - 2025 Conference in San Jose
    - *Single Audit Update*
  - 2024 Conference in Disneyland
    - *There's a Storm Brewin' in the Financial Reporting Landscape*
- California State Association of County Auditors
  - 2024 Fall Conference
  - 2024 Spring Conference
    - *GASB 100, 101, and 102 Practical Applications*
- MGO's Annual Client Training
  - Approximately 800-1,000 attendees each year
- Specific client trainings
  - Texas: City of Houston
  - California: City and County of San Francisco; City of San José; County of Santa Clara; Metropolitan Water District; Port of San Diego

NATIONAL AUDIT AND ACCOUNTING STANDARDS AND EMERGING ISSUES

MGO thought leaders who are helping shape national professional standards will lead your proposed engagement.



GASB

GASB 101 and Compensated Absences: What Your Government Needs to Know



COMPLIANCE

How Prioritizing Governance, Risk, and Compliance Builds Trust in Your Government



CASH MANAGEMENT

OMB's Temporary Pause on Federal Financial Assistance: Detailed Implications for CFOs

Articles

- Preparing Your Government for GASB 103 Compliance
- Planning Government's Energy Tax Credits for 2025+
- 4 Strategies to Keep Your Government Resilient in Uncertain Times
- How Transformation Improves Government Efficiency
- How to Build a Broader Risk View for Your Government
- Revolutionizing Your Risk Strategy: ERM for Modern Government
- How Your Government Internal Audit Team Can Prepare to Meet New Global Standards

Dedicated experience in state and local government practice

Our firm's state and local government industry practice offers unsurpassed resources in serving this complex sector, with professionals dedicated to year-round service. When it comes to auditing large, complex agencies, MGO's experience is among the best.

Our firm has extensive experience working with public agency clients on operational, performance, compliance, and financial engagements. Our clients choose us because we combine the skills, personality, attentiveness, and caring of a local firm with the breadth of services you expect from a national and international firm. We strive to exceed client expectations for timely communications.

City Governments			
• Albany • Antioch • Arvin • Barstow • Beaumont • Berkeley • Chico • Chowchilla • Compton • Covina • Cupertino • Elk Grove • Encinitas • Fort Bragg • Foster City • Fremont • Fresno • Galt	• Glendora • Hawaiian Gardens • Hesperia • Huntington Beach • Inglewood • Irvine • La Habra • Lake Forest • La Mesa • La Mirada • Lodi • Long Beach • Los Altos • Los Angeles • Modesto • Monrovia • Moorpark • Morgan Hill	• Mountain View • Needles • Oakland • Palo Alto • Pasadena • Pleasant Hill • Pleasanton • Riverside • Rohnert Park • Rolling Hills Estates • Roseville • Sacramento • San Carlos • San Diego • San Francisco • San José • Santa Ana • Santa Barbara	• Santa Monica • Santa Rosa • Sebastopol • Simi Valley • South El Monte • Stockton • Sunnyvale • Temple City • Tustin • Union City • Vacaville • Ventura • Vernon • West Sacramento • Winters • Woodland • Yorba Linda

County Governments			
• Alameda • Butte • Contra Costa • El Dorado • Fresno • Glenn	• Los Angeles • Merced • Napa • Orange • Placer • Riverside	• Sacramento • San Bernardino • San Diego • San Francisco • San Mateo • Santa Clara	• Sonoma • Stanislaus • Tulare • Tuolumne • Ventura • Yolo

QUALIFICATIONS AND EXPERIENCE OF THE FIRM

To further illustrate our background and experience auditing government entities with similar scope of services requested by Town, the table below summarizes a representative listing of our significant general purpose governmental clients.

Representative list of governmental agencies audited by MGO

Cities	Fiscal Year of Most Recent Audit	ACFR (GFOA Certificate)	Single Audit	Pension, OPEB and Other Benefit Plans	Successor Agencies	Hospitals	Airports/ Seaports	Water/ Sewer/ Power Utilities	LTF, TDA, or Other Grant Audits	Appropriations Limit AUP
Fremont	2024	✓	✓						✓	✓
Los Angeles	2024	✓	✓	*1	✓		*1	✓		✓
Mountain View	2023	✓	✓					✓	✓	✓
Oakland	2024	✓	✓	✓	✓		✓	✓	✓	✓
Palo Alto	2024	✓	✓				✓	✓	✓	✓
Sacramento	2024	✓	✓	✓				✓		
San Diego	2023	✓	✓	✓	✓			✓		✓
San Francisco	2024	✓	✓	✓	✓	✓	*2	✓	✓	✓
Pleasant Hill	2024	✓	✓						✓	✓
San José	2024	✓	✓	✓	✓		✓	✓	✓	✓
Santa Rosa	2024	✓	✓	✓	✓		✓	✓	✓	✓
Sunnyvale	2022	✓	✓					✓	✓	✓

Counties	Fiscal Year of Most Recent Audit	ACFR (GFOA Certificate)	Single Audit	Pension, OPEB and Other Benefit Plans	Successor Agencies	Hospitals	Airports/ Seaports	Water/ Sewer/ Power Utilities	LTF, TDA, or Other Grant Audits	Appropriations Limit AUP
Alameda	2024	✓	✓	*1	*1	*1			✓	
Contra Costa	2024	✓	✓	*1	✓	✓			✓	✓
Los Angeles	2024	✓	✓	*1		✓			✓	✓
Sacramento	2024	✓	✓	✓	✓		✓	✓	✓	✓
San Diego	2023	✓	✓	✓				✓	✓	✓
San Mateo	2024	✓	✓	*1		✓	✓		✓	✓
Santa Clara	2024	✓	✓			✓	✓		✓	✓
Tuolumne	2022	✓	✓				✓	✓	✓	✓

**1 – Audited by other auditors and included in the financial reporting entity.*

**2 – Airport was audited by other auditors and included in the financial reporting entity. Seaport was audited by MGO.*

Extensive public housing authority knowledge

MGO has audited numerous public housing authorities, including San Francisco Housing Authority, Housing Authority of Portland, Oakland Housing Authority, and Sacramento Housing and Redevelopment Agency. Over the years, we've provided support and guidance through some of the most challenging and exciting financial events at these authorities.

Our engagement team is familiar with the accounting of property disposition and have provided guidance to several authorities in this area. Furthermore, we have audited many of the component units of the public housing authorities, including partnerships and nonprofit public benefit corporations.

MGO has worked closely with HUD's analyst to discuss and resolve any HUD REAC submission comments. MGO has audited and prepared the electronic attestation to the HUD Real Estate Assessment Center on the Financial Data Schedules as to its fair presentation in relation to audited basic financial statements for the following governmental engagements:

- Benicia Housing Authority
- County of San Diego Housing Authority
- Garden Grove Housing Authority
- Home Forward (Housing Authority of Portland)
- Housing Authority of the City of Encinitas
- Housing Authority of the City of Los Angeles
- Housing Authority of the County of Santa Clara
- Oakland Housing Authority
- Orange County Housing Authority
- Pleasanton Housing Authority
- Sacramento Housing and Redevelopment Agency
- San Diego County Housing and Community Development
- San Francisco Housing Authority
- Santa Rosa Housing Authority

MGO's extensive experience in auditing public housing authorities will provide unique insight into the more complex financial accounting and reporting issues that Texas Student Housing may encounter – not to mention our depth of knowledge with federal compliance audits and HUD programs.

Helping organizations build ideas, people, and communities

Executives face a variety of unique challenges including escalating costs, rapidly evolving regulatory requirements and growing pressures for transparency and sustainability. But, rapid change can also signal unexpected opportunities.

When you work with MGO, your mission is our mission

Since our inception, MGO has served nonprofit organizations by providing assurance and advisory services to support compliance, operational effectiveness, and fiscal transparency. Our professionals combine industry experience with clear, straightforward advice that helps our clients navigate their toughest financial and operational challenges. We'll keep you and your team apprised of new developments and evolving compliance standards so you can spend less time worrying about regulatory requirements and more time focusing on your mission.

Our in-depth experience in single audits, financial statement audits, and a wide range of consultative support services helps organizations like the Westlake Academy Foundation identify opportunities for improvement while addressing their most pressing operational and compliance challenges — on time and within budget. The case study below highlights one example of our work with a nonprofit organization.

Financial Reporting and Accounting Support for a Nonprofit	
Background	One of the nation's largest nonprofit organizations failed to close their books for more than a year following a change in their accounting system in July 2022. After the departure of key financial personnel, including the controller and CFO, the organization was left without complete financial statements and was at risk of losing critical funding.
Challenge	The organization needed immediate intervention to close their books, complete their FY2023 audit, and maintain compliance with regulatory requirements — including single audit compliance standards. With no trial balance available and basic accounting processes like bank reconciliations left undone, MGO was engaged to help restore order to their financial operations.
Approach	MGO's team developed a comprehensive roadmap to address the crisis. The team began by creating detailed account-by-account action plans with specific deadlines to guide the recovery process. Working systematically, the team reconstructed financial records while establishing new accounting procedures and controls. Throughout the engagement, MGO's professionals served as audit liaison while simultaneously closing the books, providing technical support and documentation for auditors. The team also assisted in interviewing and hiring a new accounting team to support long-term stability.
Value to our client	The team successfully closed FY2023 books and secured an unqualified audit opinion with no adjusting entries – a remarkable achievement given the complexity of the situation. By meeting regulatory reporting requirements, the organization maintained its essential funding and preserved crucial relationships. The establishment of proper accounting procedures and a qualified accounting team positioned the organization for future success. With MGO providing continued consulting support, the organization now has a strong foundation for sustainable financial management.

Providing our most recent peer review report

External quality control reviews

MGO's commitment to performing quality assurance work has been recognized by our clients and national standards setters. Under AICPA and *Government Auditing Standards*, public accounting firms are required to undergo a peer review of their accounting and auditing practice every three years by an independent firm.

The quality of our State and Local Government industry practice is evident from the results of our most recent peer review, which assessed the firm's system of quality control for accounting and auditing. The engagements selected for review included those performed under *Government Auditing Standards* (GAS), encompassing compliance audits under the Single Audit Act.

Firms can receive a rating of pass, pass with deficiency(ies), or fail. MGO received the highest-level rating of ***pass***. The results of this and prior peer reviews provide independent validation of our commitment to providing quality assurance services. Please refer to our 2024 Peer Review Report presented on the following page.

The results of this and prior peer reviews provide independent validation of our commitment to providing quality assurance services.

Disciplinary action

There have been no disciplinary actions taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

Results of federal and state quality control field and desk reviews

The State Controller's Office of the state of California routinely conducts desk reviews of single audit reports submitted as part of its role as the pass-through grantor agency of federal awards to local governments. Most of the firm's reports are accepted without further action. A small number of reports may require clarification or resubmission to correct minor items identified during the reviews. However, none of these instances required any additional audit procedures or resulted in the rejection of audit reports.

Haynie & Company
Certified Public Accountants & Management Consultants

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120
303-734-4800
303-795-3356
www.HaynieCPAs.com

Report on the Firm's System of Quality Control

September 17, 2024

To the Partners of Macias, Gini & O'Connell LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Macias, Gini & O'Connell LLP (the firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended March 31, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Macias, Gini & O'Connell LLP, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended March 31, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Macias, Gini & O'Connell LLP has received a peer review rating of *pass*.

Haynie & Company

Qualifications and Experience of Partners and Auditing Staff

Principal supervisory and management staff assigned to the engagements

We have assembled a group of key professionals who possess a firm grasp of Towns's operations as well as the maturity, experience, and confidence required for this engagement. The engagement team represents a strong, balanced blend of talent, professional skills, and industry experience that are most critical to working effectively with you. Each of our key engagement team members possesses experience in the following:

- Generally Accepted Auditing Standards (AICPA)
- Generally Accepted *Government Auditing Standards* (GAGAS)
- Governmental Accounting Standards Board (GASB)
- Office of Management and Budget Uniform Guidance (UG)

All team members are experienced in government accounting and auditing, conducting single audits, and preparing or assisting in the preparation of the basic financial statements and award-winning ACFRs. The team was designed with the most complementary skill sets and experience in providing state and local government assurance services as well as experience performing compliance audits. The continual involvement and immediate access to partners, directors, and the engagement team always provides the Town access to the decision makers and utilizes the full range of our resources. We are committed to conducting the audits and meeting all the Town's requirements.

Engagement leadership

As the lead partner, **David Bullock** will be responsible for maintaining overall audit quality and delivery of client service. He will coordinate with the audit team and monitor the progress of individual audits to maintain the timely and successful completion of the Town's audits.

Technical review and quality control team

MGO's quality control process includes a technical reviewer who will consult regularly with the engagement team and the Town management to meet the highest level of technical and professional standards. **Annie Louie** will serve as the technical review partner and be responsible for confirming our audits are performed in accordance with firm quality control policies and professional auditing standards.

KEY TEAM MEMBERS

David Bullock, CPA
ENAGEMENT PARTNER

Annie Louie, CPA, CGMA, CISA
TECHNICAL REVIEW PARTNER

Corbitt Nixon, CPA
SENIOR MANAGER

Kylie Perez, CPA
SUPERVISOR

Availability of key personnel

MGO understands engagement partners, directors, managers, other supervisory staff, and professionals may change due to personnel leaving the firm, promotions, or reassignments to other offices. We have a track record with our clients, demonstrating significant MGO partner participation to facilitate seamless transitions.

Our firm's policy is to have our leadership team and subject matter professionals very involved during your audits. This approach provides you with continuous access to individuals who are very knowledgeable about your operations throughout the duration of our professional contract. Clients are often impressed by the depth of knowledge our staff demonstrates and the level of assistance they provide in keeping them updated on changes in the government finance area.

Continuing Professional Education (CPE)

Be Relentless About Improvement. It's one of our Fundamentals, and it's well-aligned with the accounting profession's CPE requirements.

We expect our staff to maintain an up-to-date awareness and understanding of the ever-changing criteria and related applications affecting complex organizations. In compliance with auditing standards generally accepted in the United States of America, our firm administers a program to confirm all professional staff meet or exceed the profession's CPE requirements. Since governmental entities constitute a large portion of MGO's client base, we are also well-aware of the strict educational guidelines required by *Government Auditing Standards*. All members of the audit team have satisfied these requirements, having at least 80 hours of continuing professional education every two years, of which 24 must directly relate to the government environment and to government accounting and auditing standards.

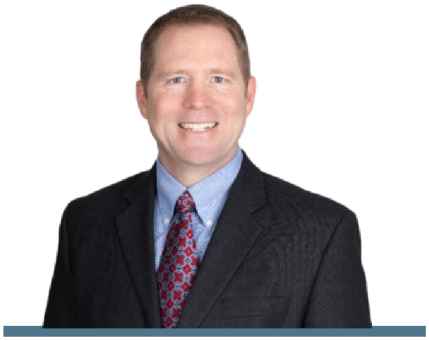
Our audit team receives their CPE from both in-house and commercially certified CPE training courses. Over the years, our staff has attended numerous qualifying CPE classes for governmental training related to the Government Finance Officers Association (GFOA), governmental accounting, auditing, and financial reporting, governmental internal control, GASB updates, single audit updates, and self-study coursework.

We know consistency matters

Staffing continuity is important in delivering efficient, effective services to our clients, and we work hard to attract and retain high-caliber professionals with the experience, skills, and passion to help you achieve your goals. Our firm keeps human care at the center of everything we do, providing everyone with the opportunity to thrive and defining a culture based on trust and mutual respect.

That said, while we work very hard to minimize staff turnover, sometimes it's unavoidable. If changes need to be made to your engagement team, we'll inform you right away. Then we'll hold internal meetings to support a smooth transfer of knowledge and responsibilities and meet with your management and stakeholders as necessary. You won't be billed for any additional training time required to transition new engagement team members.

Resumes of the engagement team are presented on the following pages.



David G. Bullock, CPA

Leader Engagement Partner

DBullock@mgocpa.com

+1 (925) 395-2808

Education and certifications

- California State University, San Jose, B.S. in Business Administration with a concentration in Accounting
- Certified Public Accountant, California

Associations

- American Institute of Certified Public Accountants
- California Society of CPAs
- Association of Government Accountants, Silicon Valley Chapter
- GASB Sales and Pledges Task Force
- GFOA Special Review Committee

Proposed role and responsibilities

- Manage project timeline and client expectations
- Lead and coordinate the overall delivery of the audit and technical assistance
- Lead project strategy and planning efforts
- Work closely with management team
- Available throughout the year to proactively identify issues

How I deliver value to you

As the head of our State and Local Government practice, I offer financial services to some of the largest governmental organizations across the country. I stay at the forefront of our field through active thought leadership, regularly speaking and conducting training on specialized government accounting topics and working closely with the Governmental Accounting Standards Board (GASB).

My experience

As an MGO team member since 1996, I have experience providing highly technical accounting and financial advisory services to both private and public sector clients. My current engagements include leading the federal compliance audit for several large state agencies, counties, cities, and special districts; and my experience also extends to consulting and attestation engagements, such as GASB implementation, contract and grant compliance, and forensic examination projects.

In addition to client service, I serve on various technical committees, offer training to MGO personnel and clients, and conduct annual lectures on a variety of accounting and audit related topics for associations and organizations. Drawing on my extensive experience, in-depth understanding of government accounting, and commitment to staying ahead of industry trends, I deliver tailored solutions to help your organization achieve its financial management and compliance objectives.

Representative client experience:

City governments and related entities

- Fremont
- Mountain View
- Oakland
- Los Angeles
- Palo Alto
- Pleasant Hill
- Rohnert Park
- San Diego
- San Francisco
- San José
- Santa Rosa
- Sunnyvale

County governments and related entities

- Alameda
- Contra Costa
- Los Angeles
- Sacramento
- San Diego
- San Francisco
- San Mateo
- Santa Clara
- Sonoma

Other governmental agencies

- Burbank-Pasadena-Glendale Airport Authority
- California Public Employees' Retirement System (CalPERS)
- El Paso Metropolitan Planning Organization
- Metropolitan Water District of Southern California
- Port of Oakland (including the Oakland International Airport)
- San Francisco Bay Area Rapid Transit District (BART)
- San José Mineta International Airport
- State of California, federal compliance audits

Relevant continuing professional education:

Government-specific courses

- Testing Fund Balance & Net Position for Governmental Entities
- Government Audit Workpaper Documentation/Best Practices
- Planning for Governmental Audits
- Overview of Governmental Accounting and Auditing
- Single Audit Completion
- The New GASBs and You
- Review of SLG Engagement Materiality Documentation & Orb Planning Q&A Office Hour
- MGO State and Local Government Training Session 3 of 3: IT and Cybersecurity
- MGO State and Local Government Training Session 2 of 3: Implementation of New Standards
- MGO State and Local Government Training Session 1 of 3: Technical Update
- IT Audit - Overview
- 2023 OMB Compliance Supplement and Single Audit Update
- June 2023 GAAC Meeting
- 2023 Annual Required GAQC Webcast
- Governmental Accounting & Auditing Virtual Conference
- LeaseQuery GASB Summit
- RSM Orb CaseWare Training
- February 2023 GAAC Meeting
- 2023 CSMFO Annual Conference
- 2023 CSMFO Annual Conference
- Government Audit and Accounting Committee - various technical topics
- Accounting & Reporting Managers Conference - Speaker: GASB Update
- Accounting & Reporting Managers Conference - Fall 2022
- EQCR Update
- 116th Annual Conference - Austin, TX
- Government Audit and Accounting Committee - various technical topics
- 2022 MGO SLG Client Training Session 2: Looking Ahead at GASB
- Accounting & Reporting Managers Conference - Speaker: GASB River Run
- Accounting & Reporting Managers Conference - Spring 2022
- 2022 Annual Required GAQC Webcast
- 2022 SACA Conference
- Reporting Improvements
- GASB 87/Lease implementation
- SAS 134/140
- Government Audit and Accounting Committee - various technical topics
- GASB's Lease Standard: Are You Ready?
- Government Audit and Accounting Committee - various technical topics
- QM1 and IAASB1 Overview Training
- MGO 2021 Single Audit Training - Updates and Current Developments
- 2021 MGO Client Training Day
- Government Audit and Accounting Committee - various technical topics
- MGO Presents: American Rescue Plan Act
- Preparing for Lease Accounting Under GASB 87
- Preparing for Lease Accounting Under GASB 87
- 2022 CSMFO Annual Conference - Speaker: Insights from Lease Implementation
- 2022 CSMFO Annual Conference
- Government Audit and Accounting Committee - various technical topics
- 2020 Compliance Supplement and COVID-19 Single Audit Implications
- MGO 2020 Sacramento Client Training
- CSMFO Conference 1/29 - 1/30/2020

Other relevant courses

- Internal Inspections & Peer Review 2024
- 2024 Annual Partner Summit
- 2024 SLG University Annual Client Training
- CaseWare TB Imports
- Engagement Letter and Terms of Condition Training
- MGO 2023 Annual Quality Control Monitoring & QMS Update
- MGO Annual Independence Training Firmwide
- CPA Ethics - California
- IT Considerations in a Financial Statement Audit Part 6
- 2022 QMS Review, Annual Inspection and Monitoring Review
- Internal Control Review Part 3
- Internal Control Review Parts 1 and 2
- 116th Annual Conference - Austin, TX - Fraud Prevention in Treasury Operations
- 2022 SACA Conference - Cybersecurity and Fraud Protection
- MGO's ESG Introduction and Overview - Day 2
- MGO's ESG Introduction and Overview - Day 1
- New SAS 134/141 Updates
- Peer review and monitoring update
- SLG Industry Update
- 2022 CSMFO Annual Conference - Cyber Security: Growing Risks and Preventing Attacks Against Your Organization
- Accountancy Laws, Ethics, Taxes and Financial Reporting Review: Ethics
- Accountancy Laws, Ethics, Taxes and Financial Reporting: Regulatory Review
- The CalCPA Capitol Beat: An Insider View of the 2020 California Ballow Webcast
- Governmental Accounting and Auditing Committee Meeting
- GAAP Update
- MGO 2020 Firmwide Independence Training
- Governmental Accounting and Auditing Committee Meeting
- Firmwide Remote Support Training: Webex
- Governmental Accounting and Auditing Conference
- Governmental Accounting and Auditing Committee Meeting



Annie Louie, CPA, CGMA, CISA

Technical Review Partner

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Education and certifications

- University of California, Berkeley, B.A., Economics; Minor in Business Administration
- Certified Public Accountant, California
- Chartered Global Management Accountant
- Certified Information Systems Auditor®

Associations

- American Institute of Certified Public Accountants
- California Society of CPAs
- AGA (San Francisco Chapter, past director of communications)
- Information Systems Audit and Control Association
- Government Finance Officers Association's Special Review Committee for Annual Comprehensive Financial Report Awards (former member)
- Golden Gate University School of Accounting Advisory Board

Proposed role and responsibilities

- Consult with the engagement partner on technical accounting and auditing issues, including audit risk assessments
- Responsible for staying current on the engagement process
- Participate in client discussions about complex technical issues
- Review selected audit workpapers and reports for compliance with financial reporting, compliance, and auditing standards
- Available throughout the year to consult on technical accounting and reporting

How I deliver value to you

Drawing on my broad experience in the public sector to customize each engagement to your specific requirements, I adeptly lead the planning and fieldwork for all your projects — whether it's financial and compliance audits, reviews of government entities, or pension plans.

My experience

Leveraging more than 20 years of experience providing assurance and consulting services to the public sector, I specialize in value-added audit engagements that deliver confidence to regulators and constituencies and provide practical recommendations to improve your operational efficiencies. From monitoring the engagement budget and due dates, reviewing engagement documentation, and applying all engagement standards, I am with you every step of the way.

Passionate about growth in the state and local government industry, I conduct training programs on a variety of accounting, audit, and financial reporting topics for cities and counties. Throughout my career, I have developed a unique curriculum and trained project managers on the Single Audit Act requirements.

I began my career at MGO as an intern and am proud to be with the firm today. My passion is for working with you to find the best, most efficient solutions to your problems.

Representative client experience:

City governments and related entities

- Oakland
- San Francisco
- San José

County governments and related entities

- Alameda
- Contra Costa
- San Francisco
- San Mateo
- Santa Clara
- Tuolumne

Other governmental agencies

- Contra Costa Transportation Authority
- Housing Authority of the City and County of San Francisco
- Metropolitan Transportation Commission
- Oakland - Alameda County Coliseum Authority
- Port of Oakland
- Port of Stockton
- San Francisco Bay Restoration Authority
- San Francisco County Transportation Authority
- San Mateo County Flood and Sea Level Rise Resiliency District
- San Mateo County Inmate Welfare Trust Fund
- San Mateo County Joint Powers Financing Authority
- State of California federal compliance audit

Relevant continuing professional education:

Government-specific courses

- 2022 Compliance Supplement and Single Audit Update
- 2022 MGO SLG Client Training Session 1: The Digital Enemy
- 2022 MGO SLG Client Training Session 2: Looking Ahead at GASB
- 2022 MGO SLG Client Training Session 3: Embracing Emerging Technology
- 2022 MGO SLG Client Training Session 4: ESG & SLG
- 2023 MGO Single Audit Training
- 2024 Compliance Supplement Update
- 2024 SLG University Annual Client Training
- BDO Quarterly Government Accounting and Auditing Update Q2 - 2023
- BDO Quarterly Government Accounting and Auditing Update Q4
- EQCR Update
- Ethics And Conduct Requirements for State and Local Governments Accountants and Auditors
- GASB 2023: Grant Revenue for Governments - Audit Approach & Documentation Considerations
- GASB 2024: State of the Government Industry Update
- GASB 87/Lease Implementation
- Government Audit Workpaper Documentation/Best Practices
- Governmental Financial Reporting – Anatomy of the ACFR
- MGO State and Local Government Training Session 1 of 3: Technical Update
- MGO State and Local Government Training Session 2 of 3: Implementation of New Standards
- MGO State and Local Government Training Session 3 of 3: IT and Cybersecurity
- New GSA Federal Audit Clearinghouse and Related Auditor Tips
- NFP 2022: Group Audit Considerations for Governments
- Planning for Governmental Audits
- Quarterly Government Accounting and Auditing Update Q4
- Review of SLG Engagement Materiality Documentation & Orb Planning Q&A Office Hour
- Single Audit – Compliance Considerations
- Single Audit – Planning Considerations and Documentation
- Single Audit Documentation Training 2024
- Single Audit Planning Training 2023
- State Controller's Conference with County Auditors
- Testing Fund Balance & Net Position for Governmental Entities

Other relevant courses

- 2024 Annual Partner Summit
- 2024 Compliance Supplement Update
- 2024 Encore: Overcoming Change Leadership Obstacles
- 2025 Open Enrollment
- 4015H: California Ethics - Regulatory Review Course
- Addressing Multi-Cloud Security Compliance Puzzle Using Shared Tooling
- AI Strategy for Accounting Firms - Navigating the Future
- AI Summit: AI in Tax Strategy - Current Trends and Future Directions
- AI Summit: Cyber Security and Risk Management + AI
- AI Summit: Driving Innovation and Transformation at BDO
- Annual Independence Training
- Audit Risk Assessment: The Do's and Don'ts, Part 1
- Bridging the Gap between Understanding and Applying Data Analytics
- CaseWare TB Imports
- CISO & CIO Metrics for the Board & Changes to EU Cybersecurity Requirements
- Cloud Enablement & Maintaining FedRAMP Compliance with Continuous Monitoring
- Cloud Native Security and Transforming Security Operations Center by Deploying an MDR Solution

Relevant continuing professional education (continued):

- Cloud Perimeters and Continuous Security
- Coaching Form in Quantum
- Coffee and Conversations with Scharrell Jackson
- Competencies at MGO
- Compliance Training
- Controlling Privacy and the Use of Data Assets
- Cyber Insurance & Managing Supply Chain Risk
- Cybersecurity
- Digital Trust and How to Reduce Software, Hardware & Cloud Costs
- Document Excellence with DataSnipper
- Engagement Letter and Terms of Condition Training
- Engagement Management Part I
- Ethics and Conduct Requirements for State and Local Governments Accountants and Auditors Day 2
- Everything about Document Matching
- Financial Statement Fraud
- From Green & Sustainable IT to Net Zero - What IT/IS Professionals Should Know and Contribute
- How to Reduce Turnover by Getting Ahead of Staff Burnout
- IDEA Overview Series - 2021 Idea Overview Session 1: Populating Data into IDEA
- Impact of AI
- Impacts of SAS 145
- ISACA Research Survey 11/28/2023
- IT Audit - Overview
- IT Audit - SOC Report Evaluations
- IT General Controls and Application Controls
- Jurisdictions Training
- Keeping a Safe Workplace: Violence Awareness and Prevention, Part 1 & 2
- LGBTQ+ Inclusion & Affirmation in the Workplace
- Lunch & Learn: CaseWare Analytics Review
- Managing Performance Through Roundtables - Session 1 & 2
- MGO 2023 Annual Quality Control Monitoring & QMS Update
- MGO 2023 Retreat: Day 1 – The MGO Digital Strategy ThinkTank
- MGO Annual Independence Training Firmwide
- MGO Approach for Journal Entry Testing
- New Insights for Cybersecurity from a Statistical Model that Can Forecast Data Breach
- Performance Management at MGO
- Preparing for the AI Future at MGO
- Preventing Discrimination & Harassment: CA Managers V4.1
- Privacy Laws and Compliance Essentials
- Reliable Cybersecurity and Modernizing Security Goals
- Risky Relationships: A Holistic View of Third-Party Risk Management
- RSM Orb CaseWare Training
- SAS 134/140
- Security Tools Are Out, The Security Stack Is In & Blockchain Audit
- SOX & IT Audit Readiness
- Systemic Risk Trends and Cloud Security Challenges
- Thanks for the Feedback: Lessons in Giving and Receiving Feedback
- What's Your Firm's WoW Factor?



Corbitt Nixon, CPA

Senior Manager

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Education and certifications

- University of Houston – Clear Lake – Master of Science, Accounting
- University of Central Florida - Bachelor of Science, Interdisciplinary Studies, Economics, Legal Studes, and Political Science
- Certified Public Accountant, Texas

Associations

- American Institute of Certified Public Accountants

Proposed role and responsibilities

- Assist engagement partner in planning, controlling, reviewing, and evaluating fieldwork
- Consult with audit team on issues and progress of fieldwork
- Manage the day-to-day execution of the audit activities and direct task accomplishments and monitor progress
- Report to the partners regarding audit and technical matters
- Review audit documentation for significant audit areas
- Communicate with executive management regarding audit progress

How I deliver value to you

With a strong track record in delivering thorough, efficient audit and assurance services, I am committed to consistently exceeding client expectations while driving measurable value across engagements. I provide forward-thinking oversight for audit teams and work closely with stakeholders to uncover operational efficiencies, proactively manage financial risk, and capitalize on strategic insights that enhance decision-making. My focus is on building and leading strong, agile teams and helping clients achieve their financial reporting objectives by strengthening internal controls to support long-term organizational success.

My experience

I have more than eight years of experience in auditing that includes roles in both public sector organizations and professional services firms — so I understand my clients' point of view. As a senior manager, I provide leadership and guidance for team members performing various auditing and financial reporting tasks for governmental clients. In previous roles, my work included performing single audits, assisting clients in the implementation of new accounting standards, preparing complex financial reports, and leading audit engagements from start to finish.

At MGO, I focus on reviewing audit work and deliverables, preparing workpapers, performing tests of details and analytical reviews, and providing training and coaching to enhance the team's professional capabilities. By proactively engaging with clients throughout the year to understand their business goals and challenges, I demonstrate MGO's dedication to service excellence and deliver business insights through thoughtful review, analysis, and discussion.

Representative client experience:

City governments and related entities

- Friendswood, TX*
- Galveston, TX*
- Sugar Land, TX*
- Albany, CA*
- Del Rey Oaks, CA*
- Suisun, CA*

Other governmental agencies

- Chico Area Recreation and Park District*
- City of San Francisco Japan Center Garage Corporation
- Gulf Coast Water Authority*
- West Valley Sanitation District*

*Prior to joining MGO

Relevant continuing professional education:

Government-specific courses

- 2025 SLG University
- 2024 Uniform Guidance Revisions and Template Updates
- 2023 Compliance Audit Update
- 2022 Annual Independence Training
- 2022 Compliance Audit Update
- Common audit deficiencies: Governmental audits
- Fraud in the Public Sector
- Accounting for Revenues in Government (Emphasis on Non-Exchange Transactions)
- GASB 101: Compensated Absences
- Latest Developments in Governmental Accounting and Auditing (GVAA)
- GFM 2.0 Template Case Study Accounts Receivable
- Yellow Book Independence
- Major Program: Assessing Direct and Material Compliance Requirements
- Not-for-profit Accounting and Tax Updates 2023
- Higher Education Technical Update 2023
- Evaluating the Effectiveness of Not-For-Profit Entities

Other relevant courses

- Keeping a Safe Workplace: Violence Awareness and Prevention, Part 1
- Keeping a Safe Workplace: Violence Awareness and Prevention, Part 2
- The MGO Way
- Performance Management at MGO
- Competencies at MGO
- General Ethics: Meeting Your Texas Requirement (ETTX)
- Enterprise risk management: Building an effective ERM governance structure
- The Essence of the Value Architect
- Accounting and Auditing Revenue
- Accounting for and Auditing Complex Investments
- Assurance Town Hall – December
- Assurance Town Hall - July
- Advanced Assurance Academy Required
- Advanced Assurance Academy Elective: Problem Solving
- Advanced Assurance Academy Elective: Emotional Intelligence
- The Value Chat Process
- Preventing Workplace Harassment 2024 - U.S.
- A CPA's Guidebook to Ethical Behavior: A CPE Ethics Course for Texas CPAs
- Value Architect Summit 2022
- Advanced Assurance Academy-General Session 1
- Advanced Assurance Academy-General Session 2
- Advanced Assurance Academy-General Session 3



Kylie Perez, CPA

Supervisor

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Education and certifications

- Auburn University, Auburn, Alabama, Master of Accountancy
- Texas Tech University, Lubbock, Texas, B.B.A. Accounting
- Certified Public Accountant, Texas

Associations

- American Institute of Certified Public Accountants
- Texas Society of Certified Public Accountants

Proposed role and responsibilities

- Plan and coordinate logistics of audit work, such as status meetings and document requests with client contacts
- Communicate with clients throughout the engagement
- Prepare, review, and update audit plan with engagement partner
- Supervise staff performing audit work, assist with questions that arise during the audit work and review staff work
- Perform substantive and analytical procedures and document the results for complex financial statement areas
- Review financial statements
- Research issues as directed by the team or engagement partner

How I deliver value to you

I have the ability to hit the ground running for your organization, providing the insights you need to navigate the complexities of public sector audits.

My experience

With more than five years of public sector accounting experience including state and local government, independent school districts, and nonprofit organizations, I have conducted direct examinations and audits under the requirements of federal single audit requirements and Texas state audit regulations. I understand the unique challenges you face and am here to help you reach your assurance and attestation goals.

Prior to joining the MGO team in 2023, I served as an audit supervisor at a regional Texas firm.

Representative client experience:

Cities governments and related entities

- Duncanville *
- Houston *

County governments and related entities

- King County*
- Lubbock County*
- Santa Clara
- San Mateo

Other governmental agencies

- Big Spring Independent School District *
- El Paso Metropolitan Planning Organization
- Lubbock Independent School District*
- Oakland Housing Authority
- Port of Oakland

Non-profit organizations

- Economic Opportunity Advancement Corporation
- Southwest Minority Supplier Development Council

**Prior to joining MGO*

Relevant continuing professional education:

Government-specific courses

- 2023 OMB Compliance Supplement and Single Audit Update
- 2024 SLG University Annual Client Training
- Auditing Internal Controls Over UG Compliance
- Evaluating Findings and Reporting in a Single Audit
- GAQC 2023 Auditing State and Local Governments Lightning Round
- Government Audit Workpaper Documentation/Best Practices
- Governmental Financial Reporting – Anatomy of the ACFR
- Hot Topics in Auditing Pandemic Funding
- Planning for Governmental Audits
- Single Audit – Compliance Considerations
- Single Audit – Planning Considerations and Documentation
- Single Audit Completion
- Single Audit Fundamentals Part 1: What is a Single Audit?
- Single Audit Fundamentals Part 2: Major Program Determination
- Single Audit Fundamentals Part 3: Compliance Requirements and Internal Control over Compliance
- Single Audit Planning Training 2023
- Testing Fund Balance & Net Position for Governmental Entities
- The Ins and Outs of Major Program Determination
- The New GASBs and You
- What Federal Agencies Are Finding in Single Audit QCRs

Other relevant courses

- 2024 MGO CORE Assurance Training Level 4
- 2025 Open Enrollment
- Accounting Update 2025
- Annual Independence Training
- Ask the A&A Experts
- Audit Risk Assessment: The Do's and Don'ts, Parts 1 and 2
- Audit Sampling, Part 1: Introduction to Basic Sampling Concepts and Terms
- Auditing Update 2025
- CaseWare TB Imports
- Coaching Form in Quantum
- Competencies at MGO
- Engagement Economics
- Engagement Management Part I and II
- Ethics - With a Dash of Courage
- How to Make the Most of Your Audit?
- Internal Inspections & Peer Review 2024
- Leases (Topic 842) - Parts 1 and 2
- Lessons in Giving and Receiving Feedback [FutureReady Core Curriculum]
- Managing Performance Through Roundtables - Sessions 1 and 2
- AuditWatch University Level 3 & 4: Custom Training
- AuditWatch University: Beyond In-Charge - Taking the Next Steps
- MGO Approach for Journal Entry Testing
- Not-for-Profit Industry Developments for 2023
- Performance Management at MGO
- Preparing for the AI Future at MGO
- SOC Report Evaluations

Similar Engagements with Other Entities

Similar Engagements with Other Entities

The following is a list of significant engagements performed in the last three years that are similar to the engagements described in this request for proposal. All the Annual Comprehensive Financial Reports were awarded the GFOA Certificate of Achievement and were prepared in conformance with GAAP requirements.

Client Name	CITY OF PALO ALTO
Point of Contact	Kiely Nose, Director of Administrative Services Department / CFO +1 (650) 838-2801 kiely.nose@cityofpaloalto.org
Scope of Services	Financial and compliance audit and attestation services, including the Annual Comprehensive Financial Report, Single Audits, Appropriations Limit Agreed-Upon Procedures, State Controller's Office Annual Financial Transactions Reports, Transportation Development Act Funds, Cable Television Franchise Receipts and Disbursements Report, Palo Alto Library Bond Fund, Palo Alto Public Improvement Corporation (including federal and state tax returns) and the Regional Water Quality Control Plant.
Dates of Service	Fiscal year 2010 to current
Total hours	1,000+
Engagement Partner(s)	David Bullock, Benjamin Lau

Client Name	CITY OF FREMONT
Point of Contact	David Persselin, Finance Director +1 (510) 494-4631 | dpersselin@fremont.gov
Scope of Services	Financial and compliance audit and attestation services, including the Annual Comprehensive Financial Report, Single Audits, Transportation Development Act Funds , Measures B, BB, F Funds and Appropriations Limit Agreed-Upon Procedures.
Dates of Service	Fiscal year 2012 to current
Total hours	750+
Engagement Partner(s)	Annie Louie, David Bullock

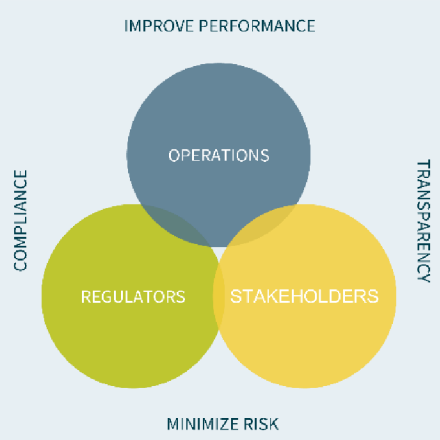
Client Name	CITY OF OAKLAND
Point of Contact	Stephen Walsh, Controller (510) 238-4906 | swalsh@oaklandca.gov
Scope of Services	Financial and compliance audit and attestation services, including the Annual Comprehensive Financial Report, Single Audits, retirement plan, various audits of local measures (e.g., sales tax, bond funds) and state or local grants, Successor Agency to Redevelopment Agency, Seaport, and international airport (including Passenger Facility Charges and Customer Facility Charges).
Dates of Service	Fiscal year 2003 to present
Total hours	2,000+ (excluding participation of local business enterprises)
Engagement Partner(s)	Annie Louie, David Bullock, Benjamin Lau

Scope and Audit Approach

Our holistic approach on assurance services

In today's marketplace, organizations face a wide range of unprecedented challenges and opportunities — from rapidly evolving business models and competitive pressures to increasingly complex regulatory demands. Stake-holders and investors demand access to clear information on operational performance, transactions, markets, and inherent risks. Ultimately, objective, dependable assurance and audit services fuel clarity and confidence.

The MGO Difference



MGO has developed a holistic approach to assurance services, tailored to the unique needs of each client. Our process begins by developing a clear understanding of your distinct objectives, requirements, and the scope of your operating environment. From there, we combine extensive industry knowledge with optimized tools and methodologies to develop a program plan that meets the diverse needs of regulators, stakeholders, and your management team.

In the next five to 10 years, assurance and audit services will bear little resemblance to what has historically been defined as audit. Data analytics, artificial intelligence, and massive databases of detailed industry information will play an important role in the formation of a dramatically different approach to assurance and audit services. Private and public enterprises are re-thinking traditional notions of risk management and financial controls. MGO is at the forefront of driving change as we deliver meaningful insights and practical tools that help minimize risk and drive growth.

You will directly benefit from:

- Effective project management that focuses on clear communication to ensure milestones are met and expectations are aligned.
- Scalable and efficient approach that optimizes resources to focus on areas of concern.
- ISO 27001 certification that validates we have the necessary security systems, controls, and procedures in place when handling the County's information.

Delivering service excellence through partnership with you

Our philosophy for a successful audit engagement is based on planning, organization, communication, and coordination between the two parties responsible for the completion of the audit: MGO and the Town. We will meet with the appropriate management personnel on a regular basis to report on the progress of our audit and on any preliminary findings. We ask that the Town communicate any foreseeable delays in the delivery of accounting records, draft financial statements, or other documents needed to complete the audit as soon as possible.

To eliminate surprises, we will address up front all key accounting and reporting issues which could affect our audit opinion. We are confident that proper planning, timely communication, and the prompt resolution of reporting issues will lead to an efficient audit and timely reporting.

Project management and communication

Our audit methodology is built on our extensive understanding of governmental agencies.



Structured approach

Designing an efficient and effective audit is dependent on an early and accurate risk assessment. Every entity we audit is unique, and obtaining a strong understanding of your operations is essential to tailoring our services to your entity's unique risks and needs, to avoid a "one-size-fits-all" approach. Our approach focuses on significant hands-on involvement of experienced professionals to promote a strong understanding of the relevant financial statement and control risks. Our audit methodology has been specifically designed to be flexible and scalable so that your engagement team can incorporate its understanding of your entity into the audit approach to appropriately size our efforts to your entity.

Our engagement management is driven by the development of our audit work plan and timeline, which establishes critical audit objectives and completion dates. Our management team guides the execution of our audits, providing accountability against key milestones established based on the audit work plan and timeline. We have a structured approach, which prioritizes procedures in the most effective and efficient manner, focusing on predictability of the timing of completion. In the event of any changes in the overall audit work plan or timeline, we will openly communicate with Town management throughout the course of our audits.

Effective communication

At MGO, we believe that frequent communication is paramount to the success of the audit engagement. We frequently communicate with key management personnel through our long-standing practice of weekly status meetings in which we report on the progress of our audit and any preliminary findings. Our status meetings have set agendas focusing on accountability to timelines, open audit issues/questions, potential audit adjustments, and preliminary findings and observations.

These meetings are scheduled in advance with appropriate members of management and staff and are effective in monitoring expectations and avoiding last-minute surprises. Furthermore, we view auditing as a continuous process and are available year-round to provide feedback and assist management with any questions and concerns.

Proposed segmentation of the engagement

At MGO, we recognize how critically important it is to honor our commitments and complete all audit tasks and deliverables correctly and on time. Toward that end, we will coordinate the timing of our audit procedures with management to minimize disruption to your operations and meet our agreed-upon reporting deadlines.

Collaboration and frequent communication are central to our engagement philosophy, and a critical factor in fostering a strong relationship, so we welcome your involvement in the planning process and throughout our work for the Town. Once the engagement is underway, we will monitor our team's progress closely to support timely financial reporting.

Our audit approach consists of the following phases:

Audit Phases
Planning
Meet with representatives of governing bodies and management of the Town and related entities
Gather information and perform risk assessment procedures
Develop audit strategies
Prepared-by-client list provided to Town management
Interim Fieldwork
Gain and document understanding of significant transaction cycles and internal controls
Perform risk assessment on financial and compliance audits
Obtain and review SOC 2 Type 2 reports for significant service organization activities, where applicable
Test operating effectiveness of selected controls over significant transaction cycles
Conduct preliminary compliance testing, with a focus on non-financial areas (e.g., eligibility testing)
Conduct IT-specific audit procedures
Evaluate interim results and refine audit plans
Final Fieldwork
Conduct substantive procedures on financial statements and disclosures
Complete compliance testing
Evaluate audit evidence and review draft reports
Discuss results with management
Completion
Report issuances
Presentation of audit results to the governing body

Level of staff efforts

MGO's risk-based audit approach provides significant flexibility in our audit plans. We understand the resources required to perform the PHA's audits and have estimated the hours of participation for the scope of services requested:

	Town ACFR	Academy AFR	Foundation AFR	Texas Student Housing	Grand Total
Planning and Interim Fieldwork					
Partners	12	4	2	2	20
Senior Managers	16	6	3	3	28
Supervisors and Senior Associates	24	10	6	6	46
Staff Associates	40	20	9	9	78
Subtotal	92	40	20	20	172
Year-End Fieldwork					
Partners	12	4	2	2	20
Senior Managers	16	12	6	6	40
Supervisors and Senior Associates	40	25	12	12	89
Staff Associates	80	55	35	35	205
Subtotal	148	96	55	55	354
Completion					
Partners	12	4	4	4	24
Senior Managers	8	4	3	3	18
Supervisors and Senior Associates	16	6	3	3	28
Staff Associates	8	8	4	4	24
Administrative Support	2	1	1	1	5
Subtotal	46	23	15	15	99
Total Estimated Hours					
Partners	36	12	8	8	64
Senior Managers	40	22	12	12	86
Supervisors and Senior Associates	80	41	21	21	163
Staff Associates	128	83	48	48	307
Administrative Support	2	1	1	1	5
Grand Total	**286**	**159**	**90**	**90**	**625**

Our general audit methodology

Our audit approach is built upon our extensive experience serving governmental entities and focuses our efforts on the areas of greatest audit risk, minimizing the burden on your staff. Professionals with direct experience auditing port authorities and retirement funds lead all phases of our audit. This section further describes our approach to the services we will provide to Town and details of our framework for planning and performing the audit, illustrated below.



01

Terms of engagement

We will audit Town's financial statements and related notes, and conduct an audit of the schedules of employer allocations and pension amounts by employer. Our audits will be performed in accordance with generally accepted auditing standards and *Government Auditing Standards*.

To accomplish this goal with minimal disruption to you, it is imperative that communications are continuous and timely, especially if obstacles occur or if any issues arise. We need to work as a team to accomplish our mutual goal, and we will co-develop a work plan that takes needs, timing, and expectations from both perspectives into account.

02

Information gathering

The key element in effective audit planning is a thorough understanding of Town's operations. This includes the operating environment, internal accounting control structure, organizational structure, and governing legislation. Our experience with entities like Town supports our understanding of these elements and our ability to quickly identify the nature of significant account balances and transaction classes, assess risk, and design audit tests. Information gathering to support this understanding includes the following procedures:

Documenting Town's organizational structure, including areas of operational significance and any recent changes.

- Identifying relevant laws, regulations, and/or accounting and financial reporting requirements.
- Identifying noteworthy investments and transactions.
- Reviewing the minutes of governing bodies and supporting committees.
- Evaluating 's accounting controls over critical transaction streams.
- Meeting with representatives of oversight bodies, as appropriate, to acquire additional knowledge about governance activities and areas of risk.

03

Strategy and planning

Based on gathered information, the engagement team will develop audit plans that align with and respond to the areas we have identified as areas of risk as it relates to the financial reporting processes. During this process, we will:

- Assess the risk of improper financial statement presentation by evaluating the financial reporting process and related internal controls (please refer to the next section for a detailed discussion of risk assessment and controls testing activities).
- Continually reassess Town's processes as we become aware of additional risk areas.
- Develop audit procedures to address our risk assessments.

04

Audit execution

Based on the information gathered in the risk assessment process, we will:

- Perform tests on the general internal controls.
- Utilize analytical procedures to identify unusual or unique transactions and balances, and to determine if those amounts are properly recorded in the financial statements.
- Implement audit procedures that govern key financial transaction streams. As exceptions become known, we will verify that our understanding is correct and upon concurrence and communicate the information to appropriate auditee personnel.

Discuss our observations and findings

At regular intervals throughout the execution of the audit, we will meet with stakeholders to discuss our observations, explore their validity, and collaborate to identify the root cause of confirmed deficiencies. When observations are not substantiated, we will fall back to the information gathering phase, expand our perspective on the facts, and retest controls and/or applicable audit areas.

05

Form our opinion

At the conclusion of the audit effort and considering all relevant factors and discussion, the engagement partners and senior manager will review and verify that Town's financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

- The engagement's technical reviewer will also examine the reports to confirm that our assessment is accurate, unbiased, objective and thoroughly documented.
- MGO will issue our opinions upon completion of our reporting process, including receipt of the management representation letter.

Our approach on IT audits

With technology playing a vital role in the day-to-day operations, it is essential to review the systems that have significant impact over the financial reporting process to rely on the output from the system.

Information technology general controls (ITGC) considerations are divided into the following subsections:

- **Organization and operation** — Identification and evaluation of the operational structure to determine whether there is adequate segregation of duties and functions. Additionally, our tools will assist in verifying whether personnel qualifications and controls confirm an effective functioning of the Town's information technology resources. This includes reviewing backup procedures for all critical files.
- **Systems development maintenance and documentation** — Determination and evaluation on whether there are procedures to confirm the development of new systems, as well as maintenance and changes to existing systems, are appropriately authorized, tested, and implemented. Also, a determination of whether appropriate documentation exists for the applications.
- **Access to systems and information** — Assessment of the Town's internal controls to verify the database, application, and client layers are only accessed by authorized personnel. Additionally, an assessment is made of the financial management applications to verify they electronically enforce proper segregation of duties and maintain the accuracy and integrity of the financial information.
- **Hardware and systems software** — Determination of whether hardware controls provided by the equipment vendor are used appropriately and whether systems software is subjected to the same control procedures as those applied to changing, testing, and implementing applications.
- **Communications** — Determination and evaluation of the communications hardware, software, and related controls to confirm all data are authorized, accurately transmitted, reviewed, and sufficiently protected.

As part of the audit, we consider the Town's ITGC and design audit procedures to assess our level of reliance on the systems integral to the Town's financial reporting process. Areas of review may include:

- Main systems interfacing with separate systems have a significant impact on financial reporting.
- Consistently applied predefined business rules that perform complex calculations in processing large volumes of transactions or data.
- Reporting IT events to management.
- Risk assessment for IT resources.
- Access controls and other security measures.
- Controls over the acquisition, implementation, and use of computer programs and data files.
- Controls over the operation of computer programs.
- Controls to protect the equipment from environmental hazards and/or unauthorized persons.
- Backup and disaster recovery methods.

ITGC approach

To conduct our ITGC assessment, MGO will perform the following:

- Determine whether sufficient controls are in place to protect the integrity and reliability of financial data.
- Determine the capability of the core financial management system in carrying out financial data processing.
- Conduct a walk-through evaluation of the physical security of the information systems.
- Test the general user access control and backup policy for the core financial management information system.

Application controls approach

Application controls confirm the integrity and availability of the application's associated data. Proper application controls can significantly reduce the risks and threats to the information underlying financial statements. To perform the most effective and efficient financial statements audits, it is necessary to understand the control environment over existing application controls, which help reduce the risk of material misstatements in financial reporting, whether caused by errors or fraud.

Our audit approach will involve assessing the internal controls of the Town's significant financial applications to identify key risks and the corresponding controls, and where appropriate, testing those controls. This approach will enhance the coverage of financial data and typically reduce the need for you to provide supporting documents.

Examples of application controls include completeness, and validity checks as well as identification, authentication, authorization, input controls, and forensic controls, among others.

Areas for consideration

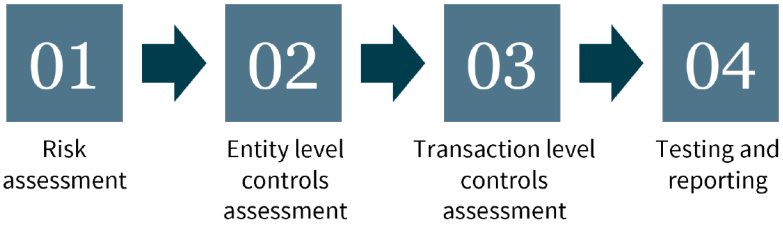
Potential areas for consideration of evaluation and testing of application controls include:

- General ledger
- Cash receipts
- Procurement and the master vendor file
- Payroll and human resources
- Cash disbursement
- Financial reporting model

The decision on which applications to evaluate and the scope of testing of controls will be based on our preliminary evaluation of the Town's risk assessments and existing controls.

Assessing control risk

During the strategy and planning phase of the audit, we will consider the Town's internal controls over financial reporting and compliance to determine the audit procedures that are appropriate for our objectives.



01

Risk Assessment

In Step 1, we will perform a financial statement risk assessment and refine our audit plan, roles and responsibilities, and communication protocols collectively with the engagement team members and the Town's stakeholders.

Activities

- Identify financial reporting risks (including fraud) via brainstorming sessions and interviews.
- Determine financial statement account risks by analyzing quantitative and qualitative factors, including the review of interim financial statements (as available) and budget documents.
- Identify relevant assertions and related risks.
- Review and evaluate the Town's internal control system and risk assessment process to determine the level of risk and effectiveness of mitigating controls.
- Establish status reporting and communication protocols.
- Develop audit plans.

02

Entity-Level Controls Assessment

The objective of Step 2 is to evaluate the Town's entity-level control environment and information technology general controls (ITGCs) using the widely accepted COSO evaluation framework. Although not directly involved in the processing of transactions, these pervasive controls can have a significant impact on the financial reporting process.

Activities

Identify elements of COSO that are appropriate for the Town's internal control system

- Perform a comprehensive review of relevant ITGCs.
- Document and test entity-level controls via walkthroughs, interviews, and detailed testing.
- Identify and test general controls over information technology systems upon which other significant application controls are dependent.
- Prepare summary of entity-level controls (including IT).
- Report key findings and discuss remediation steps.

03

Transaction-Level Control Assessment

During Step 3, the engagement team will identify significant financial reporting and compliance controls for higher risk areas, assess whether controls are appropriately designed to mitigate the identified risks, and evaluate whether controls are operating effectively.

Activities

- Identify key financial reporting controls
- Perform walkthroughs to assess design effectiveness and document results
- Evaluate the risk of control failure, considering factors such as:
- Complexity of organizational structures
- Frequency of changes in processes or regulations
- Staff turnover rates
- Segregation of duties
- Reliance on manual processes
- Effectiveness of monitoring and review mechanisms
- Develop and evaluate risk and control matrices for all key risks related to control points
- Assess the design of controls

04

Testing and Reporting

The final stage of our internal controls approach involves developing and executing a test plan for transaction-level key controls. The nature, timing, and extent of testing is correlated with the risk of control failure as determined in Step 3.

Activities

- Develop testing strategy and plan for key controls, including the nature, timing, and extent of testing
- Execute testing and summarize results
- Evaluate whether controls are operating effectively
- Investigate root cause(s) of control weaknesses
- Design substantive tests for account balances based on control testing results

Sampling approach

Audit sampling involves applying an audit procedure to less than 100% of the items in an account balance or class of transactions to evaluate the overall value or accuracy of the balance or class.

Attribute sampling is a statistical sampling method that is used to test the effectiveness of internal controls. A sample of transactions or items is selected and evaluated to determine whether a specific attribute, such as compliance with policies, is present or absent.

Substantive test sampling is a technique for estimating the extent of monetary misstatement in a class of transactions or balances. Sometimes called variable sampling, it can also be used to estimate the value of a population. This method is typically used to determine if a balance is materially misstated.

MGO follows the AICPA's audit standards and guidance for audit sampling, and our teams typically utilize sampling techniques in the following areas, among others:

- Testing acquisition and disposal of capital assets
- Testing an accrual of disbursements and receipts after year-end for proper cut-off
- Tests of controls over selected significant transaction streams
- Testing the accuracy of workers' compensation claims files
- Testing the accuracy of census data files related to pension and other post-employment benefits

Appropriate use of sampling requires significant auditor judgment. For example, auditors should:

- Consider alternative audit approaches in addition to sampling
- Carefully define the population and the sampling item
- Assess the overall risk level for related control, analytical procedures, and risk assessment activities
- Determine materiality as a basis for calculating the tolerable misstatement (error)
- Select items for 100% examination
- Carefully determine the sample size, considering factors such as:
- Expected misstatements (errors) to be found
- The effect of other tests on the account being tested

MGO encourages the use of statistical sampling whenever practical, especially for substantive tests. We use the statistical sampling technique called Stratified Random Sampling (SRS) and typically begin by removing all individually significant items from the population for 100% examination before selecting a sample.

In summary, our sampling procedures include the following steps:

- Define the objective
- Define the population and the sampling unit
- Define tolerable misstatement
- Remove items for 100% examination
- Specify the desired level of sampling assurance and the acceptable risk of over auditing
- Estimate the expected (anticipated) misstatement
- Determine the sample size
- Select the sample
- Examine the sample items and evaluate the sample results

Analytical procedures

Auditing standards require the use of analytical procedures during the planning and overall review stages. Analytical procedures are typically used during the planning, execution, and final review stages, to help auditors determine whether the financial information in scope is reasonable in the context of other financial and non-financial information. For example, analytical procedures can be helpful in:

Substantive Analytical Procedures (SAPs)

SAPs essentially involve comparing an amount in the financial statements with what we would expect it to be, based on our knowledge of the organization and other audit evidence.

- Surfacing amounts that appear unusual, indicating the possibility of a material misstatement. This might cause the audit team to plan for more rigorous and extensive audit procedures in the area where unusual amounts were noted.
- Identifying important evidence during audit execution, to support observations, findings and ultimately, the audit opinion.
- Assessing the reasonableness of financial statements.
- Driving the final review and highlighting changes to financial statements that were made due to adjustments during the audit

Preliminary analytical reviews assist us in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidence related to specific account balances or classes of transactions. To accomplish this, we focus on enhancing our understanding of the client's business and the transactions and events that have occurred since the last audit date, and identifying areas that may represent specific or higher risks.

Our work will normally cover a comparison of:

- Actual expenditures to budget for administrative expenses.
- Current year operating results and financial position with the prior year.
- Key financial and operating ratios with the prior year, the industry, and with each other (for example, investment returns with benchmarks, average benefit per retiree, etc.).
- Relationships among elements of financial information within the period.
- Relevant non-financial information (for example, number of employees, square footage, etc.). (for example, numbers of active and retired members, etc.).

Substantive analytical procedures (SAPs) involve comparing financial amounts with our expectations based on our knowledge of the organization and other audit evidence.

- Using data mining software such as IDEA Data Analysis Software (IDEA) to extract data and prepare analyses on which we will concentrate.
- Determining whether there is a valid relationship between the items being compared (for example, between interest and interest-bearing balances).
- Disaggregating information to compute ratios, percentages, and amounts for different funds/plans, membership, and/or benefit types separately.
- Using pivot tables to identify unusual or unexpected trends.

Using IDEA enables the audit team to summarize and stratify data to help identify the risk of fraud in financial statements. The following are just a few examples of fraud tests that can be performed with IDEA:

- Summarizing 100% of general ledger detail (as opposed to a sample) to identify unusual balances (for example, a high number of debits to sales or revenues, or a high number of credits to expense accounts)(for example, a high number of debits to contributions, or a high number of credits to benefit payment accounts).
- Stratifying samples among high- and low-dollar value populations for better audit coverage using IDEA scripts.
- Performing analytical procedures using disaggregated data (for example, revenue by month and by function during the current and prior reporting periods)(for example, contributions by month and by employer during the current and prior reporting periods).
- Extracting information to uncover possible fraud (for examples, searching a vendor list for similar names but different addresses could uncover potential fraud by an employee who has access to cash disbursements and maintains the vendor list for check payments)(for example, the ability to search a member list to find similar names, but different addresses could uncover potential fraud by an employee who has access to benefit disbursements and maintains the member list for payments).
- Isolating debits and credits in an account or group of accounts to help facilitate a more detailed analysis.

Obtaining audit evidence is a cumulative process, and we recognize that a single SAP may not provide sufficient assurance that an amount is fairly stated. However, when we apply a series of SAPs to an amount stated in the financial statements, and in each case our conclusion indicates that the procedure provides evidence consistent with our expectations, we obtain a degree of assurance that the amount is validly stated.

Overall analytical review helps us assess the conclusions reached and evaluate the overall financial statement presentation. We use a wide variety of analytical procedures for this purpose. This review generally includes reading the financial statements and notes, considering the adequacy of evidence gathered in response to unusual or unexpected balances identified during the planning of the audit or throughout the audit, and examining any unusual or unexpected balances or relationships that were not previously identified.

Results of an overall review may indicate that additional evidence may be needed, and in that event, we will conduct additional analyses and/or testing to further inform our observations, findings, and opinions.

Data analytics

For years, most firms' audit approach has remained the same, with little to no focus on innovative techniques that might make the process more effective, timely, accurate or efficient. But over the past 15 years, MGO has been actively involved in reviewing and developing enhanced approaches to drive the future of auditing. These activities have allowed us to enhance our own processes and techniques to produce more efficient and cost-effective audits.

Intelligent automation

Intelligent automation solutions such as DataSnipper simplify processes, improve operational efficiencies, and enhance the accuracy of our audits. Our audit teams leverage DataSnipper's features, such as table snips, document matching, form extraction, and comparison of financial reports to automate menial tasks at scale, which means our professionals can spend more time examining discrepancies and less time reviewing documents and files.

Applying data science

With the application of data science, we can consider potential financial scenarios and develop expectations that allow us to accurately pinpoint exceptions in [Client Short Name]'s financial environment - thus providing a higher level of reliance that audit objectives are being accomplished.

Instead of just comparing preliminary financial data with prior year information during the audit planning stage, we delve into operational activities at the transaction level. By applying substantive data mining procedures, we summarize information to identify patterns, trends, and anomalies. This analytical approach helps develop tailored audit procedures focused on high-risk areas, enhancing the audit process's effectiveness and efficiency.

Using data mining software such as IDEA allows us to evaluate large subsets of data for reasonableness and quickly identify outliers. To illustrate, the following are just two of the many significant audit areas where we apply data mining and analytical procedures on 100% of the population:

To illustrate, the following are just two of the many significant audit areas where we apply data mining and analytical procedures on 100% of the population:

Key Areas for the Use of Data Analytics	
Payroll • Examine payment frequency for transactions occurring prior to or after the fiscal period, transaction volume by day of the week, pay periods, and month. • Examine top paid employees by department. • Review weekend transactions for anomalies. • Identify ghost employees by comparing actual payments with HR records. • Perform trend analysis of overtime by departments. • Examine large or unusual transactions exceeding planning norms.	Vendor payments • Examine vendors with large or unusual amounts disbursed during the year. • Identify potential conflict of interest by matching employee master file with vendor master file using common fields (such as address or name). • Identify new vendors added to the master file and examine any unusually large payments. • Identify payments to inactive or seldom used vendors. • Perform fraud risk assessment through Benford's Law Analysis. • Identify checks issued on holidays or weekends.

Laws and regulations approach

When planning and performing audit procedures, as well as evaluating and reporting the results, we must recognize the potential for an illegal act to materially impact the financial statements.

Laws and regulations vary considerably in their relationship to the financial statements:

- **Direct and material effect on financial statements** — We consider laws and regulations that directly and materially impact the determination of financial statement amounts. For example, escheat or unclaimed property laws may affect recorded liabilities and revenues, and applicable laws and regulations may influence the amount of revenue accrued under government contracts. However, we assess such laws or regulations based on their known relationship to audit objectives tied to financial statement assertions, rather than from a legal standpoint.
- **Indirect effect on financial statements** — The Town may be affected by numerous other laws and regulations, such as those related to occupational safety and health, equal employment, and other violations. These laws and regulations pertain more to operational aspects than to financial and accounting aspects, and their impact on financial statements is indirect. We typically do not have a sufficient basis to recognize potential violations of these laws. Their indirect financial effect usually arises from the need to disclose a contingent liability due to allegations or findings of illegality.

Normally, our audit does not include procedures specifically designed to detect illegal acts that indirectly affect the financial statements. However, the following procedures, performed for the purpose of forming an opinion on the financial statements, may bring possible illegal acts to our attention:

- Familiarity with the legal operational framework applicable to the Town and its operations.
- Inquiring with management and the Town's legal counsel about the accounting for and disclosure of loss contingencies.
- Asking management about laws and regulations that could have a significant impact on the Town's operations.
- Discussing with management the policies and procedures in place for identifying, evaluating, and accounting for litigation, claims, and assessments.
- Inspecting relevant documentation and correspondence with licensing or regulatory authorities.
- Obtaining written confirmation from management confirming they have disclosed all known events involving possible illegal acts, along with any actual or potential consequences which may arise.

Approach to be taken in drawing audit samples for compliance testing

Our sampling considerations for tests of compliance are similar to those used for tests of financial amounts, except the population and resulting sample sizes may be primarily driven by the size of the population being tested.

The AICPA's *Government Auditing Standards and Single Audits – Audit Guide* provides interpretative guidance for designing an audit approach that incorporates audit sampling to achieve audit objectives related to both compliance and internal control over compliance in a compliance audit or program-specific audit conducted in accordance with the Uniform Guidance.

Identification of anticipated potential audit problems

We will assist management in identifying and resolving audit issues early in the annual audit process for matters affecting given fiscal years. Our relationships with government agencies like the Town and standards setting bodies such as GASB and the AICPA, provides MGO direct access to decisions makers that can and will provide perspective to the Town as management navigates paths to resolution. We believe these relationships will benefit the Town as another tool and resource to provide timely financial reporting.

Our approach on resolving potential issues

We provide service that emphasizes responsive and year-round attention. We will work closely with you, placing special emphasis on staying actively involved in understanding all significant financial and reporting matters.

Through collaborative planning, we seek the Town's input on relevant business risks, service expectations, timing, and communication preferences. The Town will receive periodic status reports and timely updates on audit progress, including any potential issues. Our approach to resolving issues begins with verifying that all facts and circumstances are thoroughly considered by involving management from the finance department (audit liaison) and other relevant departments. Our partners and directors will be actively engaged, providing direct access to decision-makers, and collaborating with you to resolve any issues. Additionally, as we identify opportunities for the Town to improve controls, operational, or reporting, we will bring them to your attention with meaningful observations and recommendations.

Our clients choose us for our professional culture, distinctive style, and values which set us apart from competitors. MGO blends the skills, personality, and attentiveness of a local firm with the breadth of services offered by a national firm. This means you get national firm experience while enjoying the personalized service of a regional firm.

Audit and other resource tools

Automated e-audit and workpaper management software Engagement resource tools, utilized to document work results and facilitate our in-depth quality control review, are integral to a successful audit. MGO uses an automated electronic audit (e-audit) tool specifically designed for government financial statement and federal compliance audits, in conjunction with our secure document management system. It is a powerful trial balance and engagement workflow tool that not only automates assessment of financial statements and workpapers but also provides a means of managing and performing audit engagements in a completely paperless environment, while maintaining the highest levels of quality. It automates the dissemination of data from trial balance to workpapers, confirming accuracy throughout each engagement, and facilitates trend and ratio analyses to focus audit efforts.



Benefits include:

- **Efficient and effective workflow** — With powerful document management, real-time collaboration, direct scanning, online review, efficient clean-up, sophisticated lockdown, and advanced roll-forward, our e-audit tools enable us to work smarter and faster.
- **Engagement standardization** — Integrated knowledge coach modules and tools provide built-in industry-specific checklists, audit programs, and practice aids. These tools tailor workpapers based on gathered information, accumulate identified risks, and automatically flow information between workpapers.
- **Enhanced review and audit processes** — With history tracking, milestone creation, issue/review notes, diagnostics, a full annotation system, and online signoffs, the review and audit process are achieved entirely on-screen, with little need for paper.

Data collection and workflow management

To provide the most cost effective and efficient audit for our clients, MGO has made a significant commitment to utilizing leading-edge technology in the audit process, including in-house cloud servers which allow our teams and our clients to access shared documents in real-time throughout the engagement. We will work together using a Citrix ShareFile® portal that permits secure content collaboration and file sharing to support all document-centric tasks and workflow needs.

Citrix ShareFile is SSAE 16 certified and utilizes SSL/TLS 256-bit encryption, so data is maintained with a very high level of security. In accordance with our data retention policy, ShareFile information will be retained for 60 days after the engagement is completed. Upon reaching the time limit, the data is removed, and information is not recoverable.

Data extraction and analysis

In addition to performing data analysis in Excel, we also utilize interactive data extraction and analysis (IDEA)—a statistical data analysis tool that quickly analyzes 100% of your data and accelerates performing data analytics to enable faster and more effective audits. It can combine and compare related data sets; statistically sample and stratify data sets; identify gaps or duplicate records; and identify anomalies using various built-in techniques, such as Benford's Law.

Quality control process

MGO's mission is to enable us to provide outstanding service to our clients, be responsive to our community, and succeed on our pillar of quality and integrity. Our professionals are the most important component of the quality service we provide, and it is essential that we support them with a system of quality controls to help foster their success.

MGO's quality control requires a systematic review of all work, with increasing levels of scrutiny based on our assessment of risk. Our quality control system also mandates a concurring review of the reports prior to issuance. As indicated in our proposal, our firm specializes in auditing state and local government agencies. Only qualified, experienced professionals will be assigned to the Town's engagement. They will provide you with personalized, professional, and timely service. Our firm's policy is to have our management personnel very involved during the Town's audit. This policy will provide you with a professional team experienced in government operations throughout the duration of our professional contracts with the Town.

Our internal quality control system involves ongoing review throughout the engagement to determine conceptual soundness and the technical accuracy of working papers. This continuous quality control system helps confirm that deliverables are provided to the client as scheduled. Additionally, we participate in an external quality control review program by an unaffiliated firm at least once every three years.

Proposed Schedule

Proposed engagement timeline

At MGO, we recognize how critically important it is to honor our commitments and complete all audit tasks and deliverables correctly and on time. Toward that end, we will coordinate the timing of our audit procedures with management to minimize disruption to your operations and meet our agreed-upon reporting deadlines.

We are committed to delivering the Town's various reports in accordance with the Town's timeline as presented in the Entity Schedules section of the RFP.

Collaboration and frequent communication are central to our engagement philosophy, and a critical factor in fostering a strong relationship, so we welcome your involvement in the planning process and throughout our work for the Town. Once the engagement is underway, we will monitor our team's progress closely to support timely financial reporting. Our detailed oversight plan to monitor and communicate progress throughout the audit process incorporate the following considerations.

Personnel – All personnel are evaluated prior to assignment to an engagement to determine they have the proper skills, knowledge, training, and capacity to serve the client. Personnel are assigned and reserved through a central scheduling module, and engagement budgets are compared to scheduling to confirm proper resources have been identified.

Timelines – In conjunction with personnel scheduling, engagement timelines and milestones are developed, and calendar appointments are set with critical dates, including weekly client status meetings, draft, and deliverable due dates, expected review dates, and client meetings/presentations. The engagement manager/supervisor manages timelines and milestones.

Monthly billing – Contract terms and status are monitored by MGO leadership (CEO, CFO, service line leaders) and the engagement partner monthly as part of the month-end billing, closing, and financial reporting process. For fixed fee contracts, the percentage of completion is compared to the billing to confirm proper progress is being made on the engagements to meet expected timelines. If concerns are identified, an internal team meeting is called immediately, and solutions are discussed and executed.

Weekly internal management meetings – Engagement managers review employee time reports and compare results to the budget and adjust scheduling needs, as necessary.

Daily status checks – Supervisors communicate regularly with staff to determine assigned tasks are being completed and questions are answered in a timely manner. Status is measured against the project plan and budget. Issues are escalated as necessary to the engagement leadership.

Leadership presence – Partners and managers will dedicate a portion of their time to staff supervision, including providing appropriate on-site guidance during the audit. This hands-on approach facilitates immediate decision-making, fosters direct communication, and addresses any issues promptly.

Other Information and Concluding Remarks

Information technology (IT) team

Managing emerging risks in information systems and the IT environment will become increasingly important to the Town's risk management processes. You will benefit from audit professionals who possess the knowledge and experience to help assess vulnerabilities, recommend best practices, and institute controls within the enterprise. As such, our team includes CISA-certified auditors who will examine the integrity and reliability of the financial system from different angles. In addition, we have direct access to internal IT professionals with in-depth knowledge on various IT-related issues such as cybersecurity and controls affecting the IT environment.

The IT team will assist the audit team in identifying and addressing information risks that could result in significant misstatements or noncompliance. The team may also assist in identifying and testing general and application-level controls for information systems that are critical to financial reporting as well as the administration of and compliance with federal and state award programs.

Technical assistance and recommendations

We provide services that stress responsive, year-round attention. Close communication with our clients is one of our top service qualities. We will collaborate with you as business advisors, and we will place special emphasis on being actively involved in understanding all significant financial and reporting matters.

Through planning together, we will seek the Town's perspective on relevant business risks, service expectations, timing, and communication preferences. Senior leadership is actively involved in our services providing direct access to decision-makers and will work with you to resolve any issues. Furthermore, as we become aware of opportunities for the Town to improve controls, operational, or reporting matters, we will bring them to your attention and provide meaningful observations and recommendations.

Implementation of GASB pronouncements

Accounting standards are becoming increasingly complex. Our partners are thought leaders that actively participate in professional standard-setting organizations such as the AICPA and the Governmental Accounting Standards Board (GASB). Our roles in these standard-setting bodies provide us with insights into the objectives of new accounting standards and allow us to be involved in the discussion of practical matters during the implementation period.

We routinely provide trainings on GASB pronouncements to prepare our clients for implementation, including organizing panel presentations with representatives from standard-setting bodies and our clients to provide insights and practical advice on how new accounting pronouncements may impact the operational processes as well as financial reporting. In addition, we may offer additional services beyond advising on financial reporting to assist our clients in adopting new standards.

GASB 103

Statement No. 103 – *Financial Reporting Model Improvements*
The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Town will need to evaluate its presentation of Management's Discussion and Analysis, the proprietary fund statement of revenues, expenses, and changes in fund net position, presentation of major component units, and budgetary comparison information – MGO can help you evaluate their impact.

We will meet with you regularly to stay abreast of your service needs and special concerns; you can call upon us as a resource at any time. The Town is encouraged to contact us for professional accounting advice and to consult on unusual financial events throughout the year. You will not be charged for routine inquiries.

GFOA Certificate of Achievement Program experience

As outlined in this proposal, partners and staff assigned to your engagement are seasoned government auditors. Our reputation for quality is well established among governmental entities ranging from small municipalities and counties to some of the largest government organizations with budgets more than $26 billion.

MGO is committed to excellence in financial reporting in our daily work as well as the industry level. In fact, members of the SLG practice and your engagement team have assisted in the Special Review Committee in reviewing Annual Comprehensive Financial Reports for the GFOA's Certificate of Achievement for Excellence in Financial Reporting program.

To assist the Town in applying for the prestigious GFOA award, we will work with the Town throughout the audit to address any accounting and financial reporting issues, with the focus on new GASB pronouncements.

Considerations of program requirements take place throughout the audit. As comments on the prior year ACFR becomes available, we will review the comments and discuss any necessary changes with the Town in the current year ACFR. Upon receipt of the draft ACFR from the Town, we will utilize GFOA's Comprehensive General-Purpose Checklist to determine compliance with both generally accepted accounting principles and program policy as established by GFOA's Special Review Executive Committee and the GFOA Executive Board.

Please refer to the following links for the latest audited financial statements of a government entity audited by MGO:

- City and County of San Francisco – CCSF ACFR FY2024
- City of Los Angeles – City of LA ACFR FY2024
- City of Oakland – City of Oakland ACFR FY2024
- City of San José – City of San Jose ACFR FY2024
- City of Pleasant Hill – City of Pleasant Hill ACFR FY2024
- City of Fremont – City of Fremont ACFR FY2024
- City of Palo Alto – City of Palo Alto ACFR FY2024
- County of Los Angeles – County of LA ACFR FY2024

Protecting client data

MGO will abide by all of the Town's policies and expectations with respect to protecting the Town's information. Our teams follow the provisions of the AICPA Code of Professional Conduct, SOC2, ISO 27001, and applicable privacy regulations such as the General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and the New York SHIELD Act to protect the confidentiality of client information throughout the performance of our audit work. Further, we have adopted appropriate internal policy documents and implemented security and privacy safeguards to protect any personal health information we gather and use in the performance of compliance audits, such as those involving covered entities as defined by the United States Department of Health and Human Services (HHS) under the Health Insurance Portability and Accountability Act of 2006 (HIPAA).

Whenever possible, we avoid obtaining and retaining personal identifiable information, or PII, such as social security numbers, birth dates and home addresses. During the planning stage of each engagement, we work with our clients and/or audit subjects to determine whether unique identifiers related to employees and program participants will be involved, and we take great care in protecting that information using a secure file share system and access controls. Further, MGO identifies and applies specific security requirements for protecting data backups based on different types of data: sensitive, confidential, and public. We also use secure transfer methods for off-site backup media and perform data backups at a defined frequency consistent with our recovery time objectives.

ISO 27001 certification

The ISO 27001 standard defines an information security management system (ISMS). It is the only auditable standard that addresses not just technical controls, but also the management of information security as a whole.

The management framework for implementing an ISMS is designed to protect all corporate data, including financial information, intellectual properties, employee details, and third-party information.

The ISO 27001 framework is part of the ISO 27000 family. This code of practice for information security management is based on 114 controls included in Annex A and expanded in ISO 27001.These controls serve as a guide for identifying, treating, and managing information security risks.
Below is a summary of the ISO/IEC 27001 controls:

- A.5 Information security policies
- A.6 Organization of information security
- A.7 Human resources security
- A.8 Asset management
- A.9 Access control
- A.10 Cryptography
- A.11 Physical and environmental security
- A.12 Operational security
- A.13 Communications security
- A.14 System acquisition, development, and maintenance
- A.15 Supplier relationships
- A.16 Information security incident management
- A.17 Information security aspects of business continuity management
- A.18 Compliance

All MGO systems, including network traffic, access control, and regulated change management, are monitored 24x7. In addition, periodic risk analysis, access review, and penetration testing are required to be conducted at least once a year. MGO staff are also required to attend security awareness training each quarter.

Cost of Services Schedule

Professional fee philosophy

At MGO, we foster long-term client relationships by offering quality service at fair and competitive rates. Our not-to-exceed fee proposal is based on our understanding of the Town's business, its operations, and its challenges.

We based our estimate on the assumptions detailed below. Should any of these change during the engagement, we will meet with the responsible officials to discuss a potential fee adjustment and address problems encountered before any additional work is undertaken. Assumptions include:

- Adequate support, preparedness, and cooperation from management during each phase of the audit.
- No significant changes in key finance and/or the management personnel.
- No significant changes to existing GASB pronouncements, including the implementation of GASB Statements through number 104. If new pronouncements beyond GASB Statement No. 104 require significant implementation or additional audit procedures during our contract period, or if there is significant management turnover, our fees may require revision.
- Accounting records are in order and that all accrual adjustments necessary to present the financial statements in accordance with accounting principles generally accepted in the United States of America are completed by Town management.
- Requested information is provided in a timely manner, preferably in editable formats (Excel for financials, Word for other documents) and significant modification or manipulation is not required.

While we used the assumptions above to develop an estimate, we look forward to discussing alternative approaches that may better fit your intended scope and priorities.

MGO may, in its discretion, draw on resources of its subsidiaries, in each case within or outside the United States, in connection with the provision of its services. MGO has internal policies, procedures, and safeguards to protect the security and confidentiality of the client's information. MGO will be solely responsible for the provision of the services.

Our proposed billing rates and all-inclusive fees are summarized on the following page.

Total all-inclusive maximum price

The Town will have access to a high level of experience and specialized skills that cross multiple disciplines. Our professionals have a well-established reputation for their uncompromising dedication to responsive, value-added service. We believe our proposed fees accurately reflect the experience of the MGO team.

Please note, our ultimate acceptance of an agreement to perform the services described in this proposal is contingent upon the satisfactory completion of our investigatory client acceptance procedures.

Our proposed all-inclusive fees and billing rates are summarized in the following tables.

Town of Westlake					
Deliverables	2024/25	2025/26	2026/27	2027/28	2028/29
Town ACFR	$ 57,720	$ 59,450	$ 61,235	$ 63,070	$ 64,960
Academy AFR	$ 29,810	$ 30,705	$ 31,625	$ 32,575	$ 33,550
Foundation AFR	$ 16,940	$ 17,450	$ 17,975	$ 18,515	$ 19,070
Foundation Form 990	$ 3,000	$ 3,090	$ 3,185	$ 3,280	$ 3,380
Texas Student Housing	$ 16,940	$ 17,450	$ 17,975	$ 18,515	$ 19,070
Total All-Inclusive Fees	**$ 124,410**	**$ 128,145**	**$ 131,995**	**$ 135,955**	**$ 140,030**

Classification	Rate per Hour				
	2024/25	2025/26	2026/27	2027/28	2028/29
Partners	$ 380	$ 390	$ 400	$ 410	$ 420
Directors	$ 315	$ 325	$ 335	$ 345	$ 355
Senior Managers	$ 280	$ 290	$ 300	$ 310	$ 320
Managers	$ 250	$ 260	$ 270	$ 280	$ 290
Supervisors and Senior Associates	$ 200	$ 205	$ 210	$ 215	$ 220
Experienced Associates	$ 160	$ 165	$ 170	$ 175	$ 180
Staff Associates	$ 130	$ 135	$ 140	$ 145	$ 150
Administrative Assistants	$ 100	$ 105	$ 110	$ 115	$ 120

Final word on fees

At MGO, we genuinely care about serving our clients and delivering an extraordinary experience. If you are currently weighing your options and have concerns about fees, we are happy to discuss the scope of our services with you. Our team goes above and beyond to achieve exceptional results, believing that success is about more than just completing a job. Let's talk about how we can work together to reach your financial goals.

MGO & You

We're excited to explore the opportunities.

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mgo.

While MGO has direct experience auditing school districts in the state of California two of our proposed engagement team members (Corbitt Nixon, Senior Manager and Kylie Perez, Supervisor) are based in Texas and have significant experience auditing school districts within the state of Texas (State), at previous firms. They are familiar with the prescribed guidelines and State requirements for financial accounting and reporting as detailed in the *Financial Accountability System Resource Guide* (FASRG) published by the Texas Education Agency. They are experienced in auditing compliance with the State statutory requirements in the Texas Education Code and the State regulatory requirements in the Texas Administrative Code. They also have experience in designing, performing, and supervising audit procedures on the school districts' fiscal data submitted via Texas Student Data System (TSDS) Public Education Information Management System (PEIMS).

We are confident that the direct Texas school district audit experience of these team members, paired with the robust experience and flexibility MGO prides itself upon, provide us with the proper knowledge, skills, and experience to perform the audit of the Westlake Academy in accordance with applicable State provisions in an effective and efficient manner.

Please see below for the engagement team members' Texas school district experience:

Corbitt Nixon, Senior Manager

- Deer Park ISD
- Fort Bend ISD
- Friendswood ISD
- Humble ISD
- Pasadena ISD
- City of Stafford – it is the only Texas city with a municipal school district with similar impact to the City ACFR as Westlake Academy on the Town

Kylie Perez, Supervisor

- Waco Charter School (for the liquidation year)
- Big Spring ISD
- Brownfield ISD
- Floydada ISD
- Kermitt ISD
- Lubbock ISD
- Motley County ISD
- Patton Springs ISD
- Shallowater ISD

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Building 7, Suite 7100
Westlake, TX 76262

File #: 25-199 **Agenda Date:** 7/15/2025 **Agenda #:** I.6.

TOWN STAFF REPORT RECOMMENDATIONS

Discuss and act to schedule any special meeting(s) as needed.

1500 Solana Blvd
Building 7, Suite 7100
Westlake, TX 76262

File #: 25-191 **Agenda Date:** 7/15/2025 **Agenda #:** J.1.

TOWN STAFF REPORT RECOMMENDATIONS

Section 551.087: Deliberation Regarding Economic Development Negotiations - to deliberate the offer of a financial or other incentive to business prospects:
a. Project 2025-06

1500 Solana Blvd
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Westlake, TX 76262

File #: 25-200 **Agenda Date:** 7/15/2025 **Agenda #:** J.2.

TOWN STAFF REPORT RECOMMENDATIONS

Section 551.072: Deliberation regarding the Purchase, Exchange, Lease or Value of Real Property:
a) 48 and 52 Girona and 34 Cortez, Westlake Entrada