

CITY OF TEXAS CITY
REGULAR CALLED CITY COMMISSION MEETING

AGENDA

WEDNESDAY, APRIL 15, 2026 - 5:00 P.M.
DOYLE CONVENTION CENTER
2010 5th Ave. N.
Texas City, TX 77590

PLEASE NOTE: Public comments are limited to posted agenda items only and are generally limited to 3 minutes in length. If you would like to request to speak, please do so in advance of the meeting by filling out a Request To Address Commission form. All in attendance are required to remove hats and/or sunglasses (dark glasses) during meetings and to also silence all cell phones and electronic devices.

(1) ROLL CALL

(2) INVOCATION

(3) PLEDGE OF ALLEGIANCE

(4) PROCLAMATIONS AND PRESENTATIONS

(a) Proclaiming April as Child Abuse Awareness Month

(b)

Service Awards	Departments	Hire Date	Milestone
Johnnie Arnett	Sanitation	04/20/2016	10 years
Randle Burrows	Bayou Golf	04/07/2016	10 years
David Heckard	Police	04/28/2006	20 years
Ryan Gerhardt	Public Works	04/10/2006	20 years

(5) REPORTS

(a) Recreation Programs (Parks, Rec & Tourism)

(b) Texas City's Annual Comprehensive Financial Report for FY 2023-2024

(6) PUBLIC HEARING

- (a) Public Hearing for comments on the zoning change of 6.29 acres from District “F” (Light Industrial) to District “SP” Site Plan for the development of a proposed electric power generating station utilizing lithium ion battery energy storage system (BESS).

(7) PRELIMINARY ZONING APPROVAL

- (a) Consider and take action on the zoning change request from Alpha Omega Power, LLC to rezone from District "F" (Light Industrial) to District "S-P" (Site Plan) for development of an electric power generating station utilizing lithium-ion battery energy storage system (BESS).

(8) PUBLIC COMMENTS

(9) CONSENT AGENDA

- (a) Approve City Commission Minutes for April 1, 2026 meeting. (City Secretary)
- (b) Consider and take action on Resolution No. 2026-037, authorizing the allocation of funds to Accurate Meter and Supply for yearly ongoing maintenance and expansion of the existing smart meter system on an as-needed basis. (Public Works - Utilities)
- (d) Consider and take action on Resolution No. 2026-038, authorizing a change order due to price increases to purchase the required pumps for the Moses Lake Pump Station Project. (Public Works)
- (e) Consider and take action on Resolution No. 2026-039, approving Municipal Technologies to install Ammonia Monochloramine Analyzers at Goddard and Orchid elevated storage tanks, utilizing Contract No. RFP 2025-479. (Public Works- Utilities)
- (f) Consider and take action on Resolution No. 2026-041, approving the submission of the 2027 Motor Vehicle Crime Prevention Authority Catalytic Converter Theft Prevention Grant on behalf of the Texas City Police Department. (Community Development-Grants Administration)
- (g) Consider and take action on Resolution No. 2026-042, authorizing the purchase of medical supplies and pharmaceuticals from Life-Assist through an annual blanket purchase order in an amount not to exceed \$260,000. (Fire)
- (h) Consider and take action on Resolution No. 2026-043, authorizing the purchase of an auto-load stretcher, LifePak 35 monitor, LUCAS device, and associated equipment for the new Medic 50 ambulance from Stryker, a sole source vendor. (Fire)
- (i) Consider and take action on Resolution No. 2026-044, authorizing a Change Order to approve PGAL Architects to provide IT, Security, and Audio/Visual design services required for the Municipal Complex. (Public Works)

- (10) REGULAR ITEMS
 - (a) Consider and take action on Resolution No. 2026-040, ratifying approval of an Amendment to the Interlocal Collection Agreement and/or Resolution for Tax Assessment and Collection Services.
 - (b) Consider and take action on the first reading of Ordinance No. 2026-08, setting speed zones for SH 3 and FM 1764 as recommended by TxDOT on the basis of an engineering and traffic investigation. (Engineering)
- (11) COMMISSIONERS' COMMENTS
- (12) MAYOR'S COMMENTS
- (13) STAFF ANNOUNCEMENTS
- (14) ADJOURNMENT

NOTICE OF ANY SUBJECT APPEARING ON THIS AGENDA REGARDLESS OF HOW THE MATTER IS STATED MAY BE ACTED UPON BY THE CITY COMMISSION.

NOTICE: The City of Texas City will furnish free transportation to handicapped individuals via a 4-door sedan for anyone wishing to attend the City Commission meetings. Call 948-3111, City Secretary's Office before noon on Monday preceding the meeting to make arrangements.

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE BULLETIN BOARDS AT INTERIM CITY HALL, 2000 TEXAS AVENUE, TEXAS CITY, TEXAS, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AND ON THE CITY'S WEBSITE ON APRIL 9, 2026, PRIOR TO 5:00 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

RHOMARI LEIGH
CITY SECRETARY

CITY COMMISSION REGULAR MTG

(4) (a)

Meeting Date: 04/15/2026

Submitted By: Rhomari Leigh, City Secretary

Department: City Secretary

Information

ACTION REQUEST

Proclaiming April as Child Abuse Awareness Month

BACKGROUND (Brief Summary)

National Child Abuse Prevention Month recognizes the importance of families and communities working together to prevent child abuse and neglect. Prevention services and supports developed by this collaboration can help parents, other caregivers, and communities protect children and strengthen families. Bikers Against Child Abuse (B.A.C.A.) empowers abuse children to not feel afraid of the world in which they live. This past year, our chapter rode 76,629 miles to support children both locally and across the State. We also stood by our B.A.C.A. kids in court 57 times, ensuring they never faced their journey alone. April is National Child Abuse Prevention Month, a time to recognize the vital role families and communities play in protecting children. Childhood well-being is a shared responsibility, and each year, thousands of cases of child abuse and neglect are reported in our community. But there's hope, child abuse is 100% preventable! By working together to build strong, safe, and healthy families, we can create a brighter future for our children and our entire community. When we prevent abuse, we empower generations to thrive. Independent evaluations conducted by professionals in the field have shown that children who receive B.A.C.A. support experience meaningful, measurable benefits, including:

- Increased feelings of safety
- Improved self-confidence
- Empowerment to testify- Reduced feelings of guilt
- Better communication- Diminished regressive behaviors
- Decreased negative behaviors
- A sense of belonging and acceptance

These outcomes are why we do this work: B.A.C.A. makes a difference.

RECOMMENDATION

Fiscal Impact

CITY COMMISSION REGULAR MTG

(4) (b)

Meeting Date: 04/15/2026

April 2026 Service Awards

Submitted For: Jennifer Price, Human Resources

Submitted By: Susan Sensat, Human Resources

Department: Human Resources

Information

ACTION REQUEST

Service Awards

Johnnie Arnett	Sanitation	04/20/2016	10 years
Randle Burrows	Bayou Golf	04/07/2016	10 years
David Heckard	Police	04/28/2006	20 years
Ryan Gerhardt	Public Works	04/10/2006	20 years

BACKGROUND (Brief Summary)

Service Award(s) for the following individual(s) for the month of April is based on their years of service with the City.

RECOMMENDATION

Human Resources recommend approval of the April service awards.

Fiscal Impact

Funds Available Y/N: Y

Amount Requested: \$300.00

Source of Funds: Employee Service Program in HR Budget

Account #: 101-106-52715

Fiscal Impact:

CITY COMMISSION REGULAR MTG

(5) (a)

Meeting Date: 04/15/2026

Recreation Programs (Parks, Rec & Tourism)

Submitted By: Rhomari Leigh, City Secretary

Department: City Secretary

Information

ACTION REQUEST

Recreation Programs (Parks, Rec & Tourism)

BACKGROUND (Brief Summary)

RECOMMENDATION

Fiscal Impact

Attachments

Staff Report

Parks, Rec. & Tourism
DEPARTMENT



CITY OF TEXAS CITY

**2026
RECREATION
PROGRAMS**

CITY COMMISSION MEETING
APRIL 15, 2026



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SPRING SPECIAL EVENTS (MARCH-MAY)

St. Patrick's Day Little League & Youth Softball Parade

- Saturday before St. Patrick's Day

Spring Break Camp

- Week of TCISD Spring Break Camp

Art Festival

- Juried Youth & Adult Show held in March

Easter Egg Hunt

- Wednesday before Easter

Cinco De Mayo Parade & Festival

- Saturday before May 5th



Spring Break Camp



Texas City Art Festival

SUMMER SPECIAL EVENTS (JUNE-AUGUST)

Kid Fish at Carver Park

- February 21st
- June 6th

Juneteenth Celebrations

- Gospel Festival, June 12th
- Paint & Sip, June 13th
- Golf Tournament, June 16th
- Poetry Slam, June 19th
- Parade & Celebration in the Park, June 20th

Friday Family Movie Night at Rotary Pavilion

- June 26th
- July 3rd
- July 10th
- July 25th



SUMMER SPECIAL EVENTS (JUNE-AUGUST)

2026 Independence Day Celebrations

Friday, July 3rd:

- Yoga in the Park at 8 am
- Texas City Museum Free Day at 10 am
- Movie in the Park at Dusk

Saturday, July 4th:

- Independence Day Parade at 10 am
- Freedom Fest from 11 am to 2 pm
- Band Concert from 7- 9 pm
- Fireworks at Dusk

Red White & Bayou Golf Classic

- 2-Day Tournament: July 3-4
- Bayou Golf Course
- Shotgun Times:
 - July 3rd: 7:30 am and 1:00 pm
 - July 4th: 7:30 am



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ADAPTIVE RECREATION

ADAPTIVE SPORTS DAY

Saturday,
February 7th



ADAPTIVE EASTER

Tuesday,
March 31st



ADAPTIVE TENNIS

Saturday,
June 27th



ADAPTIVE DANCE

Saturday,
August 15th



ADAPTIVE HALLOWEEN DANCE

Tuesday,
October 27th





SUMMER CAMP

SANDERS/ VINCENT CENTER

SUMMER RECREATION PROGRAMS

Locations

- Nessler Civic Center (Ages 6 - 8)
- Carver Center (Ages 6 - 12)
- Lowry Fitness Center (Ages 9 - 12)

Parent's Open House

- Information on summer programs and meet summer staff

- Summer Food Program
- Activity Room
- Open Gym
- Structured Recreation program Young Adults (Ages 13 - 18)
- Parent's Night Out (Ages 6 - 12)

- Tennis Camp
- Summer Track
- Cheer Camp
- Jr. Golf Camp
- MAKOS Swim Team
- Summer Swim Lessons



NESSLER FAMILY AQUATICS

Operating Hours

10 am - 6 pm

Weekends Only:

May 4th - May 24th

Weekdays (Tues.-Sun.)

May 25th - August 7th

Weekends Only

August 8th - September 7th

Holiday Operating Schedule:

May 25th - Memorial Day (10 am - 6pm)

June 19th - Juneteenth (10 am - 6 pm)

July 4th - Independence Day (10 am - 4 pm)

September 7th - Labor Day (10 am - 6 pm)

(Last Day of Season)

Private Pool Party Reservations

6:30 pm - 8:30 pm

(Thur. - Sun)

AUTUMN/WINTER SPECIAL EVENTS

BREAST CANCER WALK

Saturday,
October 3rd



HALLOWEEN FESTIVAL

Saturday,
October 31st



MAYOR'S TREE LIGHTING

Saturday,
November 28th



CHRISTMAS PARADE

Saturday,
November 28th



SNOW SPECTACULAR

Saturday,
December 12th



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Thank You

CITY COMMISSION REGULAR MTG

(5) (b)

Meeting Date: 04/15/2026

Texas City's Annual Comprehensive Financial Report for FY 2023-2024

Submitted For: Cynthia Rushing, Finance

Submitted By: Cynthia Rushing, Finance

Department: Finance

Information

ACTION REQUEST

Report on Texas City's Annual Financial Report for fiscal year 2023-2024.

BACKGROUND (Brief Summary)

External auditors from accounting firm, Whitley Penn, performed the annual audit and review of the City's finances for fiscal year ending September 30, 2024.

RECOMMENDATION

Report on Texas City's Annual Financial Report for fiscal year 2023-2024.

Fiscal Impact

Funds Available Y/N: N/A

Amount Requested:

Source of Funds:

Account #:

Fiscal Impact:

Attachments

FY24 ACFR

FY24 SINGLE AUDIT DRAFT

TEXAS CITY ANNUAL COMPREHENSIVE FINANCIAL REPORT

2023-2024



OCTOBER 1, 2023 - SEPTEMBER 30, 2024

Draft 03.25.26

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

CITY OF TEXAS CITY, TEXAS

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2024

**PREPARED BY
THE DEPARTMENT OF FINANCE
CITY OF TEXAS CITY, TEXAS**

CITY OF TEXAS CITY, TEXAS

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Texas City
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INTRODUCTORY SECTION



Texas City
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Chief Financial Officer
Cynthia Rushing, CPA, MBA

OFFICE OF THE CFO * Office Phone: 409-643-5907/ email: finance@texascitytx.gov

Mayor Pro-Tem
Thelma Bowie

Commissioners:
Abel Garza, Jr.
DeAndre' Knoxson
Keith Love
Chris Sharp
Jami Clark

To the Honorable Dedrick D. Johnson, Mayor and
Members of the City Commission and
Citizens of the City of Texas City, Texas:

The Annual Comprehensive Financial Report (ACFR) of the City of Texas City, Texas, for the fiscal year ended September 30, 2024, is hereby submitted. Responsibility for the accuracy, completeness, and fairness of this report rests with the City. We have prepared the accompanying financial statements to present fairly the financial position and results of operations of the City's funds, and to include all disclosures necessary for readers to gain a full understanding of the City's financial activities.

A Year of Transition and Operational Challenges

Fiscal Year 2024 was a year of significant transition for the Finance Department. The City experienced prolonged vacancies and turnover in several key finance positions, including roles essential to year-end closing, reconciliation, and audit preparation. These staffing challenges resulted in a longer-than-normal audit timeline and delayed completion of the ACFR. Despite these obstacles, staff worked diligently to strengthen internal processes, rebuild institutional knowledge, and ensure the accuracy and integrity of the financial statements. The City remains committed to continuous improvement and to restoring timely financial reporting in future years.

Report Structure

This ACFR follows the financial reporting requirements established by the Governmental Accounting Standards Board (GASB). The report includes:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Management's Discussion and Analysis (MD&A), which provides an objective and readable overview of the City's financial activities
- Required Supplementary Information (RSI), including budgetary comparison schedules for the General Fund

As stated in the prior year report, the MD&A "gives an objective and easily readable analysis of the City's financial activities based on currently known facts, decisions, or conditions."

Profile of the Government

Texas City is the third-largest city in Galveston County, encompassing 132 square miles with an estimated population of 58,000. The City operates under a strong mayor form of government and provides a full range of municipal services, including police and fire protection, emergency medical services, water and wastewater utilities, street maintenance, planning and zoning, and parks and recreation. Several component units, such as the Texas City Economic Development Corporation and the Texas City Industrial Development Corporation, support economic development and community investment.

Economic Condition and Outlook

Texas City continues to benefit from a strong industrial base anchored by major petrochemical facilities and one of the nation's largest deep-water ports. As noted in the prior report, these facilities contribute "nearly \$400 million in payroll annually" and more than \$75 million in local property and sales taxes. Residential and commercial development remains active, with major projects such as Lago Mar, Central Park Square, and the 6th Street Revitalization District continuing to expand the City's economic footprint.

Financial Management and Internal Controls

The City maintains a system of internal controls designed to safeguard assets and ensure the reliability of financial reporting. As described in the prior year report, internal controls provide "reasonable, but not absolute assurance" that financial statements are free from material misstatement. Despite staffing shortages in FY24, the City continued to uphold these standards and implemented process improvements to strengthen financial oversight.

Independent Audit

The FY24 financial statements were audited by Whitley Penn, LLP, independent certified public accountants. Their audit provides reasonable assurance that the financial statements are presented fairly in accordance with generally accepted accounting principles (GAAP). The independent auditor's report appears at the beginning of the financial section of this ACFR.

Acknowledgments

The completion of this report, despite significant staffing challenges, reflects the dedication and perseverance of the Finance Department and supporting staff across the organization. We extend our appreciation to all employees who contributed to this effort. We also thank the Mayor and City Commission for their continued leadership and support of responsible financial stewardship.

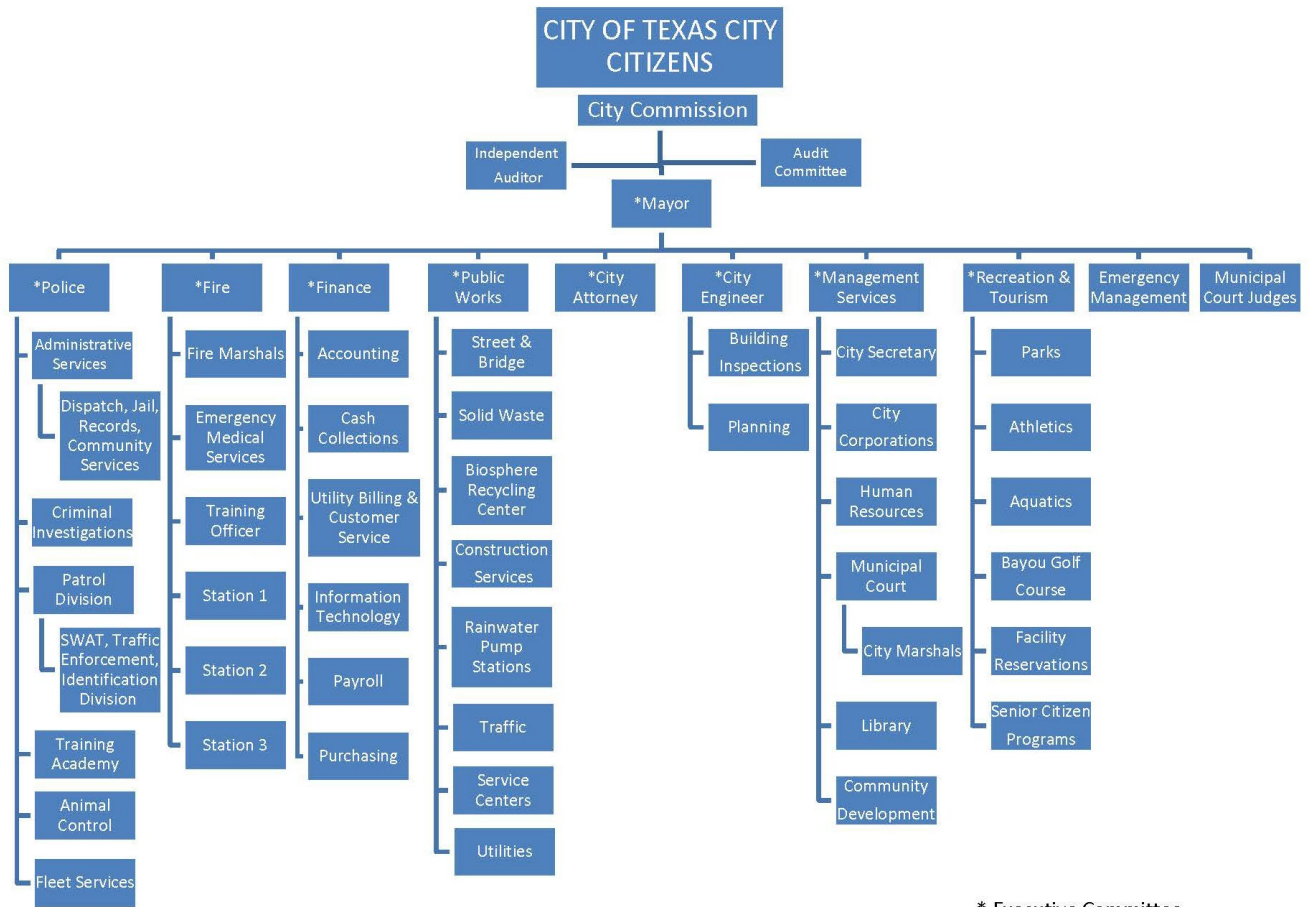
Respectfully submitted,



Cynthia Rushing, CPA, MBA

Chief Financial Officer

CITY OF TEXAS CITY, TEXAS
ORGANIZATIONAL CHART



* Executive Committee

CITY OF TEXAS CITY, TEXAS

PRINCIPAL OFFICIALS

AS OF REPORT DATE

The City of Texas City is governed by a mayor, mayor pro-tem and city commissioners



Mayor

Dedrick D. Johnson, Sr.

Commissioners At-Large



Thelma Bowie
Mayor Pro-Tem



Abel Garza, Jr.



District 1

DeAndre' Knoxson

District 2



Keith Love

District 3



Chris Sharp

District 4



Jami Clark

FINANCIAL SECTION



Texas City
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Texas City, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Texas City, Texas (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Honorable Mayor and
Members of the City Commission
City of Texas City, Texas

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis, general fund budgetary comparison schedule, American Rescue Plan Act fund budgetary comparison schedule, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor and
Members of the City Commission
City of Texas City, Texas

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

Houston, Texas



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CITY OF TEXAS CITY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Comprehensive Financial Report, we present a narrative overview and analysis of the financial activities of the City of Texas City (the "City") for the fiscal year ended September 30, 2024. Please read it in conjunction with the independent auditors' report, our letter of transmittal and the City's Basic Financial Statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$263.2 million (*net position*). Of this amount \$29.2 million (*unrestricted net position*) is available to be used to meet the government's ongoing obligations to citizens and creditors. The City's total net position increased by \$29.6 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$51.4 million, an increase of \$8.0 million in comparison with the prior fiscal year's ending balance. Approximately, \$35.3 million, or 69% of the total fund balance amount is available for spending at the government's discretion (unassigned).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$35.4 million, or 49% of total general fund expenditures. Unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$35.9 million, or 50% approximately of total general fund expenditures.
- The City's fund balance policy resolution requires a minimum total fund balance of 25% of the City general fund annual operating expenditures. If the fund balance drops below this amount, it shall be recovered at a rate of 1% minimally, each year. The City's general fund was in compliance with the resolution.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Texas City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, unused vacation leave). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used in governmental funds.

CITY OF TEXAS CITY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

In the Statement of Net Position and the Statement of Activities, the City's operations, (known as the *primary government*), are separated into two types of activities:

- Governmental activities - Most of the City's basic services are reported here, including the activities of public safety, culture and recreation, public works, health and welfare, community development, and general government. Property taxes, sales taxes, and franchise fees finance most of these activities.
- Business-type activities – For this type of activity, the City charges a fee to customers to cover all or most of the cost of services provided including the recovery of costs of capital assets used in the delivery of such services. The City's utility revenue fund is reported here.

The government-wide financial statements include not only the primary government, but also legally separate entities for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The City's seven component units consist of the following:

- Texas City Economic Development Corporation (4A)
- Texas City Public Facilities Development Corporation
- Texas City Industrial Development Corporation
- Texas City Harbour Foreign Trade Zone Corporation
- Texas City Cultural Arts Foundation
- Texas City Historical Preservation Corporation
- Lago Mar Development Authority

The government-wide financial statements can be found beginning on page 19 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Texas City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds - The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances available for appropriation at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Statements of governmental funds provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available for appropriation in the near future to finance City programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The City maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and American Rescue Plan Act fund, which are considered to be a major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found beginning on page 22 of this report.

CITY OF TEXAS CITY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- Proprietary funds - The objective of proprietary funds is to charge customers, both internal and external, for services provided in an amount sufficient to cover virtually all costs including the replacement of assets used in the delivery of such services. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are almost identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as the statement of cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the City's capital equipment replacement program, employee health/dental insurance, and windstorm insurance. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included in both the governmental activities in the government-wide financial statements. The City maintains one enterprise fund, which it uses to account for the Utility System operations. This fund also includes a long-term liability for contract revenue bonds issued by Gulf Coast Water Authority to be repaid by the City. Conversely, all three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found beginning on page 26 of this report.
- Fiduciary funds - Used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Texas City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found beginning on page 30 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 37 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's pension systems and other post-employment benefit information for employees. The City adopts an annual appropriated budget for its general, debt service, special revenue, construction, utility, internal service, fiduciary funds, and component units. A budgetary comparison statement has been provided for the general fund and American rescue plan ("ARPA") fund to demonstrate compliance with this budget. The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and component unit funds are presented immediately following the required supplementary information on budgetary comparisons, and pensions and OPEB. Combining and individual fund statements and schedules can be found beginning on page 97 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$263.2 million at the close of the most recent fiscal year.

CITY OF TEXAS CITY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statement of Net Position - The largest portion of the City's net position (83.1%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and intangible right-to-use assets); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Texas City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table presents the condensed government-wide statement of net position as of September 30, 2024 and 2023.

Net Position

Amounts shown in thousands (\$000's)
As of September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 64,225	\$ 69,353	\$ 41,727	\$ 36,027	\$ 105,952	\$ 105,380
Capital assets	166,138	161,253	64,817	57,750	230,955	219,003
Total Assets	230,363	230,606	106,544	93,777	336,907	324,383
Total Deferred Outflows of Resources	14,006	21,014	1,230	1,935	15,236	22,949
Long-term liabilities	58,076	74,139	11,436	12,448	69,512	86,587
Other Liabilities	8,837	18,943	5,144	4,013	13,981	22,956
Total Liabilities	66,913	93,082	16,580	16,461	83,493	109,543
Total Deferred Inflows of Resources	5,132	4,067	295	104	5,427	4,171
Net Position						
Net Investment in capital assets	161,883	148,440	56,845	49,356	218,728	197,796
Restricted	14,012	13,262	1,268	184	15,280	13,446
Unrestricted	(3,571)	(7,231)	32,786	29,607	29,215	22,376
Total Net Position	\$ 172,324	\$ 154,471	\$ 90,899	\$ 79,147	\$ 263,223	\$ 233,618

An additional portion of the City of Texas City's net position \$15.3 million represents resources that are subject to external restrictions on how they may be used. The *unrestricted net position* has a balance of \$29.2 million.

CITY OF TEXAS CITY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statement of Activities – Governmental activities increased the City’s net position by \$17.9 million in fiscal year 2024 and business-type activities increased net position by \$11.8 million. The following table presents the condensed government-wide statement of activities for the years ended September 30, 2024 and 2023.

Changes in Net Position
Amounts shown in thousands (\$000's)
Year Ended September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for services	\$ 13,589	\$ 13,243	\$ 28,924	\$ 27,118	\$ 42,513	\$ 40,361
Operating grants and contributions	10,001	6,613	1,268	-	11,269	6,613
General Revenues:						
Property Taxes	35,929	33,156	-	-	35,929	33,156
Other Taxes	33,696	30,449	-	-	33,696	30,449
Other	8,243	5,892	530	590	8,773	6,482
Total Revenues	101,458	89,353	30,722	27,708	132,180	117,061
Expenses						
General government	12,054	9,563	-	-	12,054	9,563
Public Safety	34,757	36,270	-	-	34,757	36,270
Public Works	21,097	17,781	-	-	21,097	17,781
Health and Welfare	550	562	-	-	550	562
Culture and Recreation	13,683	13,991	-	-	13,683	13,991
Community Development	1,181	708	-	-	1,181	708
Interest on long-term debt	117	299	-	-	117	299
Water and Sewer Activity	-	-	19,136	18,283	19,136	18,283
Total Expenses	83,439	79,174	19,136	18,283	102,575	97,457
Increase (decrease) in net position before transfers	18,019	10,179	11,586	9,425	29,605	19,604
Transfers	(166)	(31)	166	31	-	-
Change in net position	17,853	10,148	11,752	9,456	29,605	19,604
Net position - beginning	154,471	144,323	79,147	69,691	233,618	214,014
Net Position - Ending	\$ 172,324	\$ 154,471	\$ 90,899	\$ 79,147	\$ 263,223	\$ 233,618

Governmental activities

The City had an increase in tax revenues of \$6.0 million during 2024. Property tax revenue increased by \$2.8 million due to an increase taxable property values of 12%. Additionally, sales tax revenue increased \$3.1 million due to increased growth.

Operating grants and contributions increased by \$3.4 million, or 51%, in fiscal year 2024. This was mainly due to increased usage of CDBG and ARPA funds.

CITY OF TEXAS CITY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

In comparison to fiscal year 2023, the governmental activities saw a total increase of \$4.3 million in expenses. General government and public works saw the biggest increases of \$2.5 million and \$3.3 million, respectively. This is mainly due to an increase in salaries and the drainage improvement project.

Business-type activities

Charges for services for the Business-type activities of the City increased by \$1.8 million or 7% in comparison to fiscal year 2023. This is due to more development, specifically the Lago Mar Crystal Lagoon, resulting in an increase of user charges for utilities in fiscal year 2024.

Expenses for the Business-type activities of the City increased by \$0.9 million or 4.7% due to additional maintenance on pipes and lift stations.

Financial Analysis of the Government's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City of Texas City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City's Commissioners itself, or the designated individual delegated the authority to assign resources for use for particular purposes (Commissioner Designated).

At September 30, 2024, the City's governmental funds reported combined ending fund balances of \$51.4 million, an increase of \$8.0 million from the prior fiscal year. Unassigned fund balance, which is available for spending at the government's discretion, totaled \$35.3 million. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form, \$1.7 million for inventory and \$0.47 million for prepaid items, 2) legally required to be maintained intact or to be used for a particular purpose, \$2.6 million for debt service, \$7.3 for culture and recreation, \$0.9 for public safety, and \$0.2 in development activities, or 3) assigned for street improvements of \$0.5 million.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, *unassigned fund balance* amounted to \$35.4 million, an increase of \$8.7 million from the prior fiscal year while total fund balance amounted to \$38.1 million. This increase was due to a significant increase in property and sales tax revenue. As a measure of the general fund's liquidity, it may be useful to compare both fund balance unassigned for future expenditures and total fund balance, to total fund expenditures. Unassigned fund balance represents 49% of total general fund expenditures, while total fund balance represents 53% of that same amount.

The capital projects fund had a decrease in fund balance of (\$1.0) million due to expenditure of funds on construction projects. This resulted in an ending deficit fund balance of (\$108) thousand.

The ARPA fund has \$4.6 million of unearned revenue that will be expended in fiscal year 2025.

CITY OF TEXAS CITY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary funds

The City of Texas City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

Unrestricted net position at the end of the year for the Utility Fund was \$32.8 million and total net position was \$89.6 million. Net position increased by \$11.8 million, or 15%, primarily due to continue development across the City which resulted in higher demand for utility services. At the end of the year, internal service funds had a deficit unrestricted net position of (\$1.1) million and a total net position of \$6.7 million. Internal service fund net position decreased by \$4.2 million, or 39%39%.

General Fund Budgetary Highlights

During the year there was an increase of \$4.5 million in appropriations between the original and final amended budget. Following are some components of the budgetary increase:

- Increase in public safety's' budget of \$1.2 million
- Increase in public work's of \$1.0 million
- Increase in culture and recreation's budget of \$560,000
- Increase in capital outlay of \$1.4 million

Capital Assets and Debt Administration

Capital assets

The City of Texas City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$231.0 million (net of accumulated depreciation/amortization). This investment in capital assets includes infrastructure, land, historical treasures and works of art, buildings, improvements, vehicles, machinery and equipment, furniture and office equipment, construction in progress, right-to-use SBITA assets, and investment in future water rights. The total in the City of Texas City's investment in capital assets for the current fiscal year was \$218.7 million, or 83.1% of total net position.

Capital Assets
(net of Accumulated Depreciation/Amortization)
Amounts shown in thousands (000's)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 3,999	\$ 3,999	\$ 3,294	\$ 3,294	\$ 7,293	\$ 7,293
Historical treasures & works of art	869	869	-	-	869	869
Construction in progress	28,515	19,042	15,157	5,167	43,672	24,209
Infrastructure	68,989	70,239	39,396	42,140	108,385	112,379
Buildings	46,342	48,712	6,043	6,324	52,385	55,036
Equipment and furniture	8,617	10,226	927	825	9,544	11,051
Right-to-use SBITA asset	104	138	-	-	104	138
Improvements other than buildings	8,703	8,028	-	-	8,703	8,028
Total Assets	\$ 166,138	\$ 161,253	\$ 64,817	\$ 57,750	\$ 230,955	\$ 219,003

Additional information on the City of Texas City capital assets can be found beginning in Note 4 of this report.

CITY OF TEXAS CITY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Long-term debt

At the end of the current fiscal year, the City of Texas City had a total bonded debt outstanding of million. Of this amount, \$11.7 million comprises debt backed by the full faith and credit of the government.

Long-Term Debt
Outstanding Debt

Amounts shown in thousands (000's)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 2,765	\$ 3,985	\$ 7,740	\$ 8,145	\$ 10,505	\$ 12,130
Certificates of obligation	1,060	8,210	-	-	1,060	8,210
Financing agreement	70	120	-	-	70	120
SBITA payable	94	120	-	-	94	120
	<u>\$ 3,989</u>	<u>\$ 12,435</u>	<u>\$ 7,740</u>	<u>\$ 8,145</u>	<u>\$ 11,729</u>	<u>\$ 20,580</u>

The City of Texas City's total bonded debt decreased by \$8.9 million, or 43.0% during the current fiscal year due to annual scheduled principal payments on the debt.

All of the City's bond issues have been successful in qualifying for bond insurance resulting in ratings of AA, and AA- from Moody's and Standard & Poor's (S&P).

Additional information on the City of Texas City's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City of Texas City's industrial base continues to contribute to the economic growth in Texas City. Contributions in the form of local employment for residents, economic funding in the areas of sales and property taxes, and in-kind contributions, help keep Texas City an economically viable community.
- The 2023-24 Budget was prepared assuming a total tax rate of \$0.49 per \$100 valuation, which is the same as the previous fiscal year. The tax rate provides sufficient funds for general fund operations and debt service requirements. The 2023 tax rate is comprised of the following components:

General Fund	\$0.387350
Debt Service	\$0.102650

- The General Fund has budgeted revenues and other sources of \$74.3 million, compared to last year's amended budgeted revenues and other sources of \$68.1 million. This represents an increase, mainly due to expected increases in the sales and use tax as well as payments in lieu of taxes.
- The General Fund has budgeted expenditures of \$76.2 million, compared to the previous year's amended budgeted expenditures of \$78.5 million. The prior year appropriation included a one-time transfer of \$3.5 million to the Construction Fund to cover additional costs related to the new fire station.

CITY OF TEXAS CITY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- The 2023-24 Budget is expected to result in an unassigned fund balance of approximately 32.9% of budgeted expenditures, compared to 31.0% in 2022-23.
- The Water Revenue Fund and Sewer Revenue Fund have been combined into one fund. The combined fund has budgeted revenues of \$22.1 million and budgeted expenditures of \$19.7 million.
- The 2023-24 Total Budget includes \$65.9 million in capital outlay, which includes construction projects, equipment replacement, land purchases, and the ongoing water and sewer line replacement projects.

Requests for Information

This financial report is designed to provide a general overview of the City of Texas City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, 1801 9th Avenue North, Texas City, Texas 77590.



Texas City
EST. 1911

BASIC FINANCIAL STATEMENTS



Texas City
EST. 1911

CITY OF TEXAS CITY, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

Exhibit A-1

	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 15,820,571	\$ 26,756,713	\$ 42,577,284	\$ 20,310,787
Investments	32,750,956	12,678,731	45,429,687	9,640,472
Receivables, net of allowance	6,381,848	1,660,050	8,041,898	602,598
Lease receivables	2,949,211	-	2,949,211	-
Due from other governmental agencies	4,100,797	-	4,100,797	1,181,926
Prepays	488,934	-	488,934	-
Inventories	1,732,225	632,094	2,364,319	-
Restricted cash	-	-	-	1,285,399
Capital Assets:				
Capital assets, not being depreciated/amortized	33,382,586	18,450,998	51,833,584	6,323,916
Capital assets subject to depreciation/amortization	132,755,351	46,365,659	179,121,010	2,044,355
Total Assets	230,362,479	106,544,245	336,906,724	41,389,453
Deferred Outflows of Resources				
Deferred charge on refunding	27,225	-	27,225	-
Deferred outflows - pension	13,635,131	1,187,256	14,822,387	-
Deferred outflows - OPEB	343,997	42,300	386,297	-
Total Deferred Outflows of Resources	14,006,353	1,229,556	15,235,909	-
Liabilities				
Accounts payable and accrued expenses	3,804,796	5,108,460	8,913,256	565,452
Accrued interest payable	17,131	35,683	52,814	168,472
Due to other governmental agencies	316	-	316	-
Unearned revenues	5,015,007	-	5,015,007	-
Long-term liabilities:				
Due within one year:				
Bonds and leases	2,020,723	425,000	2,445,723	25,000
Compensated absences	563,384	18,628	582,012	-
Due in more than one year:				
Bonds and leases	2,261,074	7,546,630	9,807,704	14,092,434
Net pension liability	46,136,904	2,897,053	49,033,957	-
Net OPEB liability	2,586,738	318,000	2,904,738	-
Compensated absences	4,507,261	230,309	4,737,570	-
Total Liabilities	66,913,334	16,579,763	83,493,097	14,851,358
Deferred Inflows of Resources				
Deferred inflows - pension	1,038,618	127,232	1,165,850	-
Deferred inflows - OPEB	1,364,711	167,800	1,532,511	-
Deferred inflows - leases	2,729,135	-	2,729,135	84,044
Total Deferred Inflows of Resources	5,132,464	295,032	5,427,496	84,044
Net Position				
Net investment in capital assets	161,883,365	56,845,027	218,728,392	8,368,271
Restricted for:				
Debt service	2,840,475	-	2,840,475	1,116,927
Culture & recreation	7,284,119	-	7,284,119	942,935
Public safety	937,148	-	937,148	-
Tourism	2,501,271	-	2,501,271	-
Development activities	449,149	-	449,149	26,091,325
Capital projects	-	-	-	6,518
Impact fees	-	1,267,980	1,267,980	-
Unrestricted	(3,572,493)	32,785,999	29,213,506	(10,071,925)
Total Net Position	\$ 172,323,034	\$ 90,899,006	\$ 263,222,040	\$ 26,454,051

CITY OF TEXAS CITY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Exhibit A-2
Page 1 of 2

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities:				
General government	\$ 12,054,097	\$ -	\$ -	\$ -
Public safety	34,756,879	5,617,485	3,982,286	-
Public works	21,097,209	5,302,722	767,427	-
Health and welfare	550,173	56,193	-	-
Culture and recreation	13,683,038	2,613,082	4,710,752	-
Community development	1,181,206	-	540,285	-
Interest and fiscal charges	117,083	-	-	-
Total Governmental Activities	83,439,685	13,589,482	10,000,750	-
Business-type Activities:				
Utility operations	19,136,228	28,924,341	1,267,980	-
Total Business-type Activities	19,136,228	28,924,341	1,267,980	-
Total Primary Government	\$ 102,575,913	\$ 42,513,823	\$ 11,268,730	\$ -
Component Units				
Discretely presented component units	\$ 5,517,001	\$ 414,686	\$ 47,500	\$ -
Total Component Units	\$ 5,517,001	\$ 414,686	\$ 47,500	\$ -

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Functions/Programs	Governmental Activities	Business-type Activities	Total	Component Units
Primary government				
Governmental Activities:				
General government	\$ (12,054,097)	\$ -	\$ (12,054,097)	\$ -
Public safety	(25,157,108)	-	(25,157,108)	-
Public works	(15,027,060)	-	(15,027,060)	-
Health and welfare	(493,980)	-	(493,980)	-
Culture and recreation	(6,359,204)	-	(6,359,204)	-
Community development	(640,921)	-	(640,921)	-
Interest and fiscal charges	(117,083)	-	(117,083)	-
Total Governmental Activities	(59,849,453)	-	(59,849,453)	-
Business-type Activities:				
Utility operations	-	11,056,093	11,056,093	-
Total Business-type Activities	-	11,056,093	11,056,093	-
Total Primary Government	(59,849,453)	11,056,093	(48,793,360)	-
Component Units				
Discretely presented component units	-	-	-	(5,054,815)
Total Component Units	-	-	-	(5,054,815)
General revenues:				
Taxes:				
Property taxes, levied for general purposes	28,004,605	-	28,004,605	4,745,202
Property taxes, levied for debt service	7,923,836	-	7,923,836	-
Franchise and other taxes	8,078,491	-	8,078,491	-
Sales taxes	25,617,227	-	25,617,227	8,544,625
Unrestricted investment earnings	4,575,971	527,733	5,103,704	485,367
Gain on sale of capital assets	72,308	-	72,308	-
Miscellaneous	3,594,654	2,500	3,597,154	49,136
Transfers	(165,640)	165,640	-	-
Total General Revenues	77,701,452	695,873	78,397,325	13,824,330
Change in net position	17,851,999	11,751,966	29,603,965	8,769,515
Net Position - beginning	154,471,035	79,147,040	233,618,075	17,684,536
Net Position - ending	\$ 172,323,034	\$ 90,899,006	\$ 263,222,040	\$ 26,454,051

CITY OF TEXAS CITY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

Exhibit B-1

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>American Rescue Plan</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 5,042,480	\$ -	\$ 4,695,935	\$ 4,784,721	\$ 14,523,136
Investments	13,732,729	7,299,470	-	9,183,348	30,215,547
Taxes receivable, net	1,371,313	-	-	275,221	1,646,534
Lease receivables	2,949,211	-	-	-	2,949,211
Due from other funds	11,136,588	-	-	-	11,136,588
Due from other governments	3,564,268	-	-	536,529	4,100,797
Other receivables, net	4,489,932	-	-	243,672	4,733,604
Inventories	1,732,225	-	-	-	1,732,225
Prepaid items	465,624	-	-	-	465,624
Total Assets	\$ 44,484,370	\$ 7,299,470	\$ 4,695,935	\$ 15,023,491	\$ 71,503,266
Liabilities					
Accounts payable	\$ 909,921	\$ 269,044	\$ 85,805	\$ 538,991	\$ 1,803,761
Due to other funds	-	7,138,523	-	226,023	7,364,546
Due to other governments	459,309	-	-	316	459,625
Due to others	-	-	-	-	-
Other payables	35,854	-	-	-	35,854
Accrued wages payable	338,693	-	-	-	338,693
Unearned revenues	-	-	4,610,130	515,851	5,125,981
Total Liabilities	1,743,777	7,407,567	4,695,935	1,281,181	15,128,460
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,371,313	-	-	275,221	1,646,534
Unavailable revenue - court	579,701	-	-	-	579,701
Unavailable revenue - leases	2,729,135	-	-	-	2,729,135
Total Deferred Inflows	4,680,149	-	-	275,221	4,955,370
Fund Balances					
Nonspendable:					
Inventories	1,732,225	-	-	-	1,732,225
Prepaid items	465,624	-	-	-	465,624
Restricted:					
Debt service	-	-	-	2,582,385	2,582,385
Culture & Recreation	-	-	-	7,284,119	7,284,119
Public safety	-	-	-	937,148	937,148
Tourism	-	-	-	2,501,271	2,501,271
Development activities	-	-	-	160,166	160,166
Committed:					
Development activities	-	-	-	2,000	2,000
Assigned:					
Street improvements	500,000	-	-	-	500,000
Unassigned	35,362,595	(108,097)	-	-	35,254,498
Total Fund Balances	38,060,444	(108,097)	-	13,467,089	51,419,436
Total Liabilities, Deferred Inflows and Fund Balances	\$ 44,484,370	\$ 7,299,470	\$ 4,695,935	\$ 15,023,491	\$ 71,503,266

CITY OF TEXAS CITY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2024

Exhibit B-2

Total Fund Balance, Governmental Funds	\$ 51,419,436
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	158,345,948
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	2,337,209
Deferred charge on refunding amortized over the shorter of the life of the refunded or refunding debt, therefore, are not reported in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	27,225
Long-term liabilities including bonds payable, tax refund payables, capital lease payables, compensated absences, accrued interest payable, net pension, and net OPEB payables are not due in the current period and, therefore, are not reported as liabilities in the fund financial statements. Liabilities at year end related to these payables consists of:	
Bonds and certificates of obligation payable	(3,825,000)
Unamortized premium on bonds	(293,161)
Financing agreement	(69,983)
SBITA payable	(93,653)
Compensated absences	(5,070,645)
Accrued interest payable	(17,131)
Net pension liability	(46,136,904)
Net OPEB liability	(2,586,738)
Deferred outflows and deferred inflows relating to pension activities are amortized over the expected remaining service lives of all employees that are provided with pensions through the pension plan, therefore, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	12,596,513
Deferred outflows and deferred inflows relating to OPEB activities are amortized over the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan, therefore, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	(1,020,714)
The assets and liabilities of certain internal service funds are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.	6,710,632
Net Position of Governmental Activities in the Statement of Net Position	\$ 172,323,034

CITY OF TEXAS CITY, TEXAS

Exhibit B-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

	General Fund	Capital Projects Fund	American Rescue Plan	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 27,947,015	\$ -	\$ -	\$ 7,923,836	\$ 35,870,851
General sales tax	25,617,227	-	-	-	25,617,227
Miscellaneous taxes	6,820,164	-	-	1,217,805	8,037,969
Licenses and permits	1,752,402	-	-	-	1,752,402
Intergovernmental	446,582	-	767,427	8,786,741	10,000,750
Charges for services	8,564,307	-	-	-	8,564,307
Fine and fees	1,692,355	-	-	134,196	1,826,551
Investment income (loss)	3,972,254	112,376	-	359,586	4,444,216
Miscellaneous revenue	4,106,780	-	-	1,044,775	5,151,555
Total Revenues	80,919,086	112,376	767,427	19,466,939	101,265,828
Expenditures					
Current:					
General government	7,450,105	-	-	144,917	7,595,022
Public safety	33,086,333	-	-	197,640	33,283,973
Public works	17,200,326	-	165,639	4,769,031	22,134,996
Health and Welfare	536,987	-	-	-	536,987
Culture and recreation	11,116,060	-	-	941,527	12,057,587
Community development	256,690	-	601,788	320,957	1,179,435
Capital outlay	2,585,932	1,082,296	-	4,140,354	7,808,582
Debt service:					
Principal retirement	76,253	-	-	8,370,000	8,446,253
Interest and fiscal charges	3,917	-	-	254,764	258,681
Total Expenditures	72,312,603	1,082,296	767,427	19,139,190	93,301,516
Excess (deficiency) of revenues over expenditures	8,606,483	(969,920)	-	327,749	7,964,312
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	72,308	-	-	-	72,308
Total Other Financing Sources (Uses)	72,308	-	-	-	72,308
Net change in fund balances	8,678,791	(969,920)	-	327,749	8,036,620
Fund Balances - beginning as originally presented	29,419,285	861,823	-	13,101,708	43,382,816
Restatement	(37,632)	-	-	37,632	-
Fund Balance - beginning (as restated)	29,381,653	861,823	-	13,139,340	43,382,816
Fund Balances - ending	\$ 38,060,444	\$ (108,097)	\$ -	\$ 13,467,089	\$ 51,419,436

CITY OF TEXAS CITY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Exhibit B-4

Net Change in Fund Balances - Total Governmental Funds: \$ 8,036,620

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation/amortization expense for the period.

This is the amount by which depreciation/amortization (\$4,537,868) is exceeded by capital outlays (\$10,906,976) in the current period. 6,369,108

Capital assets contributed to enterprise funds are not presented in the governmental funds, but are included as a transfer to Business-Type Activities in the Statement of Activities. (165,640)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

Unavailable property taxes 57,590

Unavailable court revenue (70,157)

Contributions are treated as expenditures in the fund based financial statements, but are treated as reductions in the City's net pension/OPEB liability in the statement of net position. This amount is the difference between contributions and net pension/OPEB expense (revenue) for the current fiscal year.

Pension (772,917)

OPEB 184,047

Governmental funds report repayment of principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceed proceeds.

Debt service principal 8,446,253

Deferred charges on bond refunding, and other debt charges which are treated as expenditures or other sources/uses in the fund basis financial statements are set up as assets and amortized in the Statement of Net Position. The net change for each represents an increase/(decrease) in net position.

Bond premiums/discounts 140,468

Deferred charge on refunding (28,300)

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

Changes in accrued interest 29,430

Changes in accrued compensated absences (137,109)

Internal service funds are used by management to charge the cost of group insurance, capital equipment replacement, and windstorm insurance to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net position. (4,237,394)

Change in Net Position of Governmental Activities \$ 17,851,999

CITY OF TEXAS CITY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-type Activities - Enterprise Fund	Governmental Activities
	Utility Fund	Total Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 26,756,713	\$ 1,297,435
Investments	12,678,731	2,535,409
Accounts receivables, net	1,644,711	-
Other receivables	15,339	1,710
Inventories	632,094	-
Prepaid items	-	23,310
Total current assets	41,727,588	3,857,864
Non-current assets		
Capital assets:		
Land and improvements	3,294,373	-
Infrastructure	132,479,690	-
Buildings	8,874,142	-
Equipment and furniture	8,537,663	31,707,133
Construction in progress	15,156,625	-
Less accumulated depreciation	(103,525,836)	(23,915,144)
Total capital assets	64,816,657	7,791,989
Total non-current assets	64,816,657	7,791,989
Total Assets	106,544,245	11,649,853
Deferred Outflows of Resources		
Deferred outflows of resources - pension	1,187,256	-
Deferred outflows of resources - OPEB	42,300	-
Total Deferred Outflows of Resources	1,229,556	-

CITY OF TEXAS CITY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

Exhibit C-1
Page 2 of 2

	Business-type Activities - Enterprise Fund	Governmental Activities
	Utility Fund	Total Internal Service Funds
Liabilities		
Current Liabilities		
Accounts payable	\$ 2,029,439	\$ 718,900
Accrued wages payable	76,930	-
Due to other funds	-	3,772,042
Customer deposits payable	3,002,091	-
Bonds payable, due within one year	425,000	-
Accrued interest payable	35,683	-
Compensated absences, due within one year	3,683	-
Claims and judgments, due within one year	-	448,279
Total Current Liabilities	5,572,826	4,939,221
Non-current Liabilities		
Bonds payable	7,546,630	-
Net pension liability	2,897,053	-
Net OPEB liability	318,000	-
Compensated absences	245,254	-
Total Non-current Liabilities	11,006,937	-
Total Liabilities	16,579,763	4,939,221
Deferred Inflows of Resources		
Deferred inflows of resources - pension	127,232	-
Deferred inflows of resources - OPEB	167,800	-
Total Deferred Inflows of Resources	295,032	-
Net Position		
Net investment in capital assets	56,845,027	7,791,989
Restricted for impact fees	1,267,980	-
Unrestricted	32,785,999	(1,081,357)
Total Net Position	\$ 90,899,006	\$ 6,710,632

CITY OF TEXAS CITY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

Exhibit C-2

	Business-type Activities - Enterprise Fund	Governmental Activities
	Utility Fund	Total Internal Service Funds
Operating Revenues		
Charges for services	\$ 28,924,341	\$ 7,438,460
Miscellaneous	2,500	-
Total Operating Revenues	<u>28,926,841</u>	<u>7,438,460</u>
Operating Expenses		
Personnel services	4,814,309	-
Contractual and professional services	1,082,752	1,908,391
Other supplies and expenses	6,377,976	-
Repairs and maintenance	1,858,771	1,687,974
Utilities	850,106	-
Insurance claims and expenses	-	5,846,902
Depreciation	3,873,321	2,364,342
Total Operating Expenses	<u>18,857,235</u>	<u>11,807,609</u>
Operating income (loss)	<u>10,069,606</u>	<u>(4,369,149)</u>
Non-Operating Revenues		
(Expenses)		
Interest and investment revenue	527,733	131,755
Interest payments on capital debt	(278,993)	-
Contributions	1,433,620	-
Total Non-Operating Revenues	<u>1,682,360</u>	<u>131,755</u>
(Expenses)		
Change in net position	11,751,966	(4,237,394)
Total Net Position - Beginning	<u>79,147,040</u>	<u>10,948,026</u>
Total Net Position - Ending	<u>\$ 90,899,006</u>	<u>\$ 6,710,632</u>

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

Exhibit C-3

	Business-type Activities - Enterprise Funds	Governmental Activities
	Utility Fund	Total Internal Service Funds
Cash Flows from Operating Activities		
Cash received from customers	\$ 31,485,351	\$ 1,813,340
Receipts from interfund charges for health insurance	-	5,632,125
Receipts from interfund charges for equipment lease fees	-	1,316,084
Cash paid to employees	(4,529,989)	-
Cash paid to suppliers	(9,350,496)	(3,115,135)
Cash paid for claims	-	(5,691,883)
Net Cash Provided by Operating Activities	17,604,866	(45,469)
Cash Flows from Capital and Related Financing Activities		
Principal on capital debt	(405,000)	-
Interest expense	(298,813)	-
Capital Contributions	165,640	-
Contribution from CU for capital projects	1,267,980	-
Acquisition, construction and disposal of capital assets	(10,940,123)	(1,046,161)
Net Cash (Used) by Capital and Related Financing Activities	(10,210,316)	(1,046,161)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	1,457,025	1,060,757
Net Cash (Used) by Investing Activities	1,457,025	1,060,757
Net change in cash and cash equivalents	8,851,575	(30,873)
Cash and Cash Equivalents, Beginning	17,905,138	1,328,308
Cash and Cash Equivalents, Ending	\$ 26,756,713	\$ 1,297,435
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 10,069,606	\$ (4,369,149)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	3,873,321	2,364,342
(Increase) decrease in receivables	2,340,656	-
(Increase) decrease in prepaid items	-	7,005
(Increase) decrease in due from other funds	-	-
(Increase) decrease in inventories	(119,115)	-
(Increase) decrease in pension deferred outflows	736,690	-
(Increase) decrease in OPEB deferred outflows	(31,300)	-
Increase (decrease) in accounts payable	938,224	481,230
Increase (decrease) in accrued wages payable	(22,215)	-
Increase (decrease) in due to other funds	-	1,316,084
Increase (decrease) in customer deposits payable	217,854	-
Increase (decrease) in compensated absences	155,189	-
Increase (decrease) in pension deferred inflows	127,232	-
Increase (decrease) in OPEB deferred inflows	64,300	-
Increase (decrease) in net pension liability	(823,876)	-
Increase (decrease) in OPEB liability	78,300	-
Increase (decrease) in accrued claims payable	-	155,019
Total Adjustments	7,535,260	4,323,680
Net Cash Provided (Used) by Operating Activities	\$ 17,604,866	\$ (45,469)

CITY OF TEXAS CITY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2024

Exhibit D-1

	Pension Trust	Private Purpose Trust	
	Firemen's Relief and Retirement Fund	Life & Disability Fund	Custodial Funds
Assets			
Cash and cash equivalents	\$ 143,241	\$ 70,437	\$ 59,053
Investments:			
Government bonds	-	187,933	-
Domestic equity mutual funds	8,359,277	-	-
Exchange traded funds	4,418,603	-	-
Other investments	3,168,619	-	-
Total Investments	15,946,499	187,933	-
Receivables:			
Interest and Dividends	1,512	-	-
Total receivables	1,512	-	-
Total Assets	\$ 16,091,252	\$ 258,370	\$ 59,053
Liabilities			
Accounts payable	\$ 15,270	\$ -	\$ -
Total Liabilities	15,270	-	-
Net Position			
Restricted for:			
Pensions	16,075,982	-	-
Held in trust for benefits and other purposes	-	258,370	-
Amounts held for others	-	-	59,053
Total Net Position	\$ 16,075,982	\$ 258,370	\$ 59,053

CITY OF TEXAS CITY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2024

Exhibit D-2

	Private		
	Pension Trust Firemen's Relief and Retirement Fund	Purpose Trust Life & Disability Fund	Custodial Funds
Additions			
Contributions:			
Employer	\$ 1,281,115	\$ -	\$ -
Plan Members	1,146,261	-	-
Seizure acquisition	-	-	9,131
Municipal court bond receipts	-	-	108,276
Miscellaneous	-	-	200,295
Total Contributions	<u>2,427,376</u>	<u>-</u>	<u>317,702</u>
Investment Earnings:			
Net change in fair value of investments	1,782,359	-	-
Interest	-	8,165	26
Dividends	455,016	-	-
Investment activity expense	(59,553)	-	-
Total Net Investment Earnings	<u>2,177,822</u>	<u>8,165</u>	<u>26</u>
Total Additions	<u>4,605,198</u>	<u>8,165</u>	<u>317,728</u>
Deductions			
Benefits	3,249,734	-	-
Administrative	35,682	-	-
Seizure distribution	-	-	739
Municipal court bond payments	-	-	308,572
Total Deductions	<u>3,285,416</u>	<u>-</u>	<u>309,311</u>
Change in net position	1,319,782	8,165	8,417
Net Position - Beginning	<u>14,756,200</u>	<u>250,205</u>	<u>50,636</u>
Net Position - Ending	<u>\$ 16,075,982</u>	<u>\$ 258,370</u>	<u>\$ 59,053</u>

The data presented in this schedule for the pension trust fund represents activity as of December 31, 2023.

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS - GOVERNMENTAL ACTIVITIES
September 30, 2024

Exhibit E-1
Page 1 of 2

	Texas City Economic Development Corp.	Public Facilities Development Fund	Texas City Industrial Development Corp.	Texas City Harbour Foreign Trade Zone
Assets				
Cash and cash equivalents	\$ 15,854,555	\$ 58,470	\$ 16,104	\$ 43,344
Investments	8,688,428	136,807	110,680	23,677
Due from other governments	1,181,926	-	-	-
Other receivables	590,598	-	-	-
Restricted cash	-	-	-	-
Capital assets, net	8,026,717	239,071	-	-
Total Assets	34,342,224	434,348	126,784	67,021
Liabilities				
Accounts payable	527,220	-	-	-
Customer deposits	2,000	-	-	-
Accrued wages payable	3,156	-	-	186
Accrued interest	-	-	-	-
Long-term liabilities:				
Bonds due within one year	-	-	-	-
Bonds due in more than one year	-	-	-	-
Total Liabilities	532,376	-	-	186
Deferred Inflows of Resources				
Deferred inflows - leases	84,044	-	-	-
Total Deferred Inflows of Resources	84,044	-	-	-
Net Position				
Investment in capital assets	8,026,717	239,071	-	-
Restricted:				
Capital projects	-	-	-	-
Culture & recreation	-	-	-	-
Development activities	25,699,087	195,277	126,784	66,835
Debt service	-	-	-	-
Unrestricted	-	-	-	-
Total Net Position	\$ 33,725,804	\$ 434,348	\$ 126,784	\$ 66,835

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS - GOVERNMENTAL ACTIVITIES
September 30, 2024

Exhibit E-1
Page 2 of 2

	Texas City Cultural Arts Foundation	Texas City Historical Preservation Corp.	Lago Mar Development Authority	Totals
Assets				
Cash and cash equivalents	\$ 170,220	\$ 84,846	\$ 4,083,248	\$ 20,310,787
Investments	514,404	166,476	-	9,640,472
Due from other governments	-	-	-	1,181,926
Other receivables	12,000	-	-	602,598
Restricted cash	-	-	1,285,399	1,285,399
Capital assets, net	-	102,483	-	8,368,271
Total Assets	696,624	353,805	5,368,647	41,389,453
Liabilities				
Accounts payable	1,452	3,559	27,879	560,110
Customer deposits	-	-	-	2,000
Accrued wages payable	-	-	-	3,342
Accrued interest	-	-	168,472	168,472
Long-term liabilities:				
Bonds due within one year	-	-	25,000	25,000
Bonds due in more than one year	-	-	14,092,434	14,092,434
Total Liabilities	1,452	3,559	14,313,785	14,851,358
Deferred Inflows of Resources				
Deferred inflows - leases	-	-	-	84,044
Total Deferred Inflows of Resources	-	-	-	84,044
Net Position				
Investment in capital assets	-	102,483	-	8,368,271
Restricted:				
Capital projects	-	-	6,518	6,518
Culture & recreation	695,172	247,763	-	942,935
Development activities	-	-	-	26,087,983
Debt service	-	-	1,116,927	1,116,927
Unrestricted	-	-	(10,068,583)	(10,068,583)
Total Net Position	\$ 695,172	\$ 350,246	\$ (8,945,138)	\$ 26,454,051

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS - GOVERNMENTAL ACTIVITIES
For the year ended September 30, 2024

Exhibit E-2
Page 1 of 3

Functions/Programs	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Component Units			
Governmental Activities			
Texas City Economic Development Corp.	\$ 2,568,554	\$ 117,245	\$ -
Public Facilities Development Fund	265,590	263,090	-
Texas City Industrial Development Corp.	-	-	-
Texas City Foreign Trade Zone	170,045	-	-
Texas City Cultural Arts Foundation	212,184	122,712	37,500
Texas City Historical Preservation Corp.	97,417	15,179	10,000
Lago Mar Development Authority	2,306,751	-	-
Total Component Units	\$ 5,620,541	\$ 518,226	\$ 47,500

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS - GOVERNMENTAL ACTIVITIES
For the year ended September 30, 2024

Exhibit E-2
Page 2 of 3

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Texas City Economic Development Corp.	Public Facilities Development Fund	Texas City Industrial Development Corp.	Texas City Harbour Foreign Trade Zone
Component Units				
Governmental Activities				
Texas City Economic Development Corp.	\$ (2,451,309)	\$ -	\$ -	\$ -
Public Facilities Development Fund	-	(2,500)	-	-
Texas City Industrial Development Corp.	-	-	-	-
Texas City Foreign Trade Zone	-	-	-	(170,045)
Texas City Cultural Arts Foundation	-	-	-	-
Texas City Historical Preservation Corp.	-	-	-	-
Lago Mar Development Authority	-	-	-	-
Total Component Units	(2,451,309)	(2,500)	-	(170,045)
General Revenues				
Taxes:				
Property taxes	-	-	-	-
Sales taxes	8,544,625	-	-	-
Unrestricted investment earnings	275,169	5,162	4,232	2,727
Miscellaneous	49,136	-	-	-
Total General Revenues	8,868,930	5,162	4,232	2,727
Change in net position	6,417,621	2,662	4,232	(167,318)
Net Position - Beginning	27,308,183	431,686	122,552	234,153
Net Position - Ending	\$ 33,725,804	\$ 434,348	\$ 126,784	\$ 66,835

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS - GOVERNMENTAL ACTIVITIES
For the year ended September 30, 2024

Exhibit E-2
Page 3 of 3

<u>Net (Expense) Revenue and Changes in Net Position</u>				
<u>Functions/Programs</u>	<u>Texas City Cultural Arts Foundation</u>	<u>Texas City Historical Preservation Corp.</u>	<u>Lago Mar Development Authority</u>	<u>Totals</u>
Component Units				
Governmental Activities				
Texas City Economic Development Corp.	\$ -	\$ -	\$ -	\$ (2,451,309)
Public Facilities Development Fund	-	-	-	(2,500)
Texas City Industrial Development Corp.	-	-	-	-
Texas City Foreign Trade Zone	-	-	-	(170,045)
Texas City Cultural Arts Foundation	(51,972)	-	-	(51,972)
Texas City Historical Preservation Corp.	-	(72,238)	-	(72,238)
Lago Mar Development Authority	-	-	(2,306,751)	(2,306,751)
Total Component Units	<u>(51,972)</u>	<u>(72,238)</u>	<u>(2,306,751)</u>	<u>(5,054,815)</u>
General Revenues				
Taxes:				
Property taxes	-	-	4,745,202	4,745,202
Sales taxes	-	-	-	8,544,625
Unrestricted investment earnings	19,215	8,261	170,601	485,367
Miscellaneous	-	-	-	49,136
Total General Revenues	<u>19,215</u>	<u>8,261</u>	<u>4,915,803</u>	<u>13,824,330</u>
Change in net position	(32,757)	(63,977)	2,609,052	8,769,515
Net Position - Beginning	<u>727,929</u>	<u>414,223</u>	<u>(11,554,190)</u>	<u>17,684,536</u>
Net Position - Ending	<u>\$ 695,172</u>	<u>\$ 350,246</u>	<u>\$ (8,945,138)</u>	<u>\$ 26,454,051</u>

Note 1 - Summary of Significant Accounting Policies

The City of Texas City, Texas was incorporated in September 1911, and is a home rule City under statutes of the State of Texas. It is governed by an elected mayor and six-member commission. The current City charter was amended November 7, 1995. The City provides the full range of municipal services contemplated by statute or character. This includes public safety (police and fire), highway and streets, sanitation, health, culture-recreation, education, planning and zoning, and general administrative services.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

These financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. The aggregate governmental and business-type discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Units Reported with the Primary Government

Blended component units provide services exclusively or almost exclusively for the City, or their board of directors are substantially the same as the City Council. The Firemen's Relief and Retirement Fund, an entity legally separate from the City, is governed by a seven member board. For financial reporting purposes, the Firemen's Relief and Retirement Fund is reported as if it were part of the City's operations because its purpose is to provide benefits to employees of the City. The fund is reported as a Pension Trust Fund in the Fiduciary Fund Types.

Discretely Presented Component Units

Discretely presented component units are legally separate entities whose governing body is appointed by City Council and, in management's opinion, whose exclusion would render the reporting entity's financial statements incomplete or misleading.

Following are the City's discretely presented component units:

Texas City Economic Development Corporation The Texas City Economic Development Corporation is a non-profit corporation created for the purpose of promotion and development of new and expanded businesses within the City of Texas City and any other activity allowed by the enabling statutes. The administration of the Economic Development Corporation is vested in a board of directors and a general manager. The City appoints the board of directors and the Economic Development Corporation Board appoints the general manager. However, the corporation is fiscally dependent on the City because their operational and capital budgets are approved by the City Commission.

Lago Mar Development Authority The Lago Mar Development Authority is a non-profit corporation created to aid, assist and act on behalf of the City in the performance of the City's obligation with respect to Reinvestment Zone Number One. The affairs of the authority are managed by a board of directors, which are appointed by the Mayor and approved by the City Commission. However, none of the directors is a member of the City Commission. Besides appointing Board members, the City Commission must also approve any debt issuances done on behalf of the Development Authority.

Note 1 - Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

Discretely Presented Component Units (continued)

Public Facilities Development Corporation The Public Facilities Development Corporation is a non-profit corporation created to enhance the welfare and/or prosperity of the citizens of the City and the State of Texas through the acquisition, financing, construction, equipping, operation, and/or leasing, on behalf of the City, facilities that promote or encourage economic, civic, social, and/or educational development or expansion. The administration of the corporation is vested with the board of directors, which are appointed by the City Commission. Although the Public Facilities Development Corporation has the authority to operate and lease the facilities, the operational and capital budgets are approved by the City Commission.

Texas City Industrial Development Corporation The City of Texas City Industrial Development Corporation was created to issue industrial development revenue bonds for the purpose of paying all or part of the costs of constructing and acquiring one or more commercial, industrial or manufacturing facilities within the City, or for the purpose of loaning the proceeds to one or more corporations duly authorized to do business in the State of Texas, in order to provide temporary or permanent financing of all or part of the cost of constructing and acquiring a commercial, industrial, or manufacturing facility. The board of directors is appointed by the City; however, none of the directors is a member of the City Commission. The corporation's operational budget is subject to approval by the City Commission.

Texas City Harbour Foreign Trade Zone Corporation The Texas City Foreign Trade Zone Corporation was created to operate and maintain a foreign trade zone and subsequent subzones in Galveston, Brazoria, and Chambers County areas for the promotion of international trade. The administration of the Texas City Foreign Trade Zone Corporation is conducted by a board of directors and a general manager. The City Commission appoints the board of directors, and the board of directors of the corporation appoints the general manager. Although the Foreign Trade Zone Corporation has the authority to set user fees, its operational and capital budgets must be approved by the City Commission.

Texas City Cultural Arts Foundation The Texas City Cultural Arts Foundation is a non-profit corporation created to promote the Arts. The administration of the Corporation is conducted by a board of directors. The Corporation's operational and capital budgets are subject to approval by the City Commission. The Board of Directors is appointed by the City; however, none of the Directors is a member of the City Commission.

Texas City Historical Preservation Corporation The Texas City Historical Preservation Corporation is a non-profit corporation created to protect, preserve and enhance historical structures and articles in the City of Texas City and the surrounding communities. The administration of the Corporation is conducted by a board of directors. The Corporation's operational and capital budgets are subject to approval by the City Commission. The Board of Directors is appointed by the City; however, none of the Directors is a member of the City Commission.

Complete financial statements for each of the individual component units may be obtained at the City's administrative offices: City of Texas City, 1801 Ninth Avenue North, Texas City, Texas 77590.

B. Government-Wide and Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and subscription-based information technology arrangements (SBITA) liabilities are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

The *American Rescue Plan Act Fund* is used to account for federal funds related to the fiscal recovery of Coronavirus.

The City reports the following major enterprise fund:

The *Utility Fund* accounts for the rendering of water and sewer services to the residents of the City. The Gulf Coast Water Authority holds debt in the City's name and those amounts are reported in this fund. The City agreed to provide sufficient funds to retire bonds utilized to construct facilities.

Additionally, the government reports the following fund types:

The *internal services funds* account for equipment replacement costs, group health and windstorm insurance costs as needed by City departments on a cost reimbursement basis.

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The *pension trust fund* is used to account for the assets of the City's fire fighters' pension plan. The pension trust fund is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

The *private-purpose trust fund* is used to account for funds received from the termination of the City's former life and disability insurance plan.

The *custodial funds* are used to account for resources held for others in a custodial capacity. The most significant of these funds are as follows:

- Municipal Court Bonds Fund - used to account for municipal court bonds posted by individuals that are being held until disposition of the case.

As a general rule, except for interfund services provided and used which are not eliminated in the process of consolidation, the effect of other interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers for goods or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility Revenue enterprise fund, and of the City's Equipment Replacement and Group Insurance internal service funds are charges to customers for sales and services. The Utility Revenue Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Trust funds and custodial funds employ the same economic resources measurement focus and accrual basis of accounting as described for proprietary funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of the State of Texas or its agencies; 3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities; 4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; 5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas; 6) fully collateralized repurchase agreements; and 7) a public funds investment pool meeting the requirement of Government Code 2256.016 – 2256.019.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

1. Deposits and investments (continued)

Except for the Firefighters' Relief and Retirement Fund, the City's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA).

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

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All customer and property tax receivables are shown net of an allowance for uncollectibles. Customer accounts receivable in excess of 120 days comprise the customer accounts receivable allowance for uncollectibles. Property taxes are levied as of October 1 on property values assessed as of the same date. Assessed values approximate 100% of market value. Taxes are due October 1, immediately following the levy date, and are considered delinquent February 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1.

Lease receivables are recorded in accordance with GASB Statement No. 87, Leases.

3. Inventories and prepaid items

Inventories are valued at cost. The General Fund inventory consists of consumable vehicle replacement parts, fuel and other supplies. The consumption method of accounting is used for the governmental fund types whereby supplies are recorded as expenditures when they are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted assets

Certain proceeds of the enterprise fund revenue bonds, and certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Assets held in the general fund to repay cash bonds held are also classified as restricted assets.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined, by the City, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The City has established a SBITA recognition threshold of \$5,000. Such assets are recorded at historical cost (except for SBITA assets) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest expense was incurred on assets constructed using business-type activity funds; therefore, no interest has been capitalized on those projects.

General infrastructure, property, plant, equipment, and right-to-use SBITA assets of the primary government, as well as the component units, is depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
General infrastructure - streets	99
General infrastructure - drainage	99
General infrastructure - water and sewer plant and lines	50
Buildings and structures	40
Other improvements	20-40
Heavy equipment	7
Light equipment - normal use	7
Light equipment - frequent use	5
Emergency vehicles	5
Other vehicles	7
Office furniture and equipment	7
Computer equipment	7
Right-to-use SBITA assets	Subscription term

Land and improvements, construction in progress, historical treasures and works of art are non-exhaustible assets and are therefore not depreciated. Land and improvements include water rights with indefinite useful lives and are not amortized.

General infrastructure assets are defined by *Governmental Accounting Standards Board* Statement No. 34 as “long-lived assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets” and include the following: (1) roads; (2) bridges; (3) tunnels; (4) drainage systems; (5) water and sewer systems; (6) dams; and (7) lightning systems.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future reporting period and thus, will not be recognized as an outflow of resources (expense) until that time. The City has three items that qualify for reporting in this category.

- Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources for pension activities - Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the City's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the plan.
- Deferred outflows of resources for other post-employment benefits (OPEB) – Reported in the government wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments and 2) changes in the City's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the plan.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future reporting period and thus, will not be recognized as an inflow of resources (revenue) until that time. The City has four items that qualifies for reporting in this category.

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes, EMS services and other miscellaneous items arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for leases – Reported in the governmental funds balance sheet as unavailable revenues from leases. Also reported in the government wide financial statement of net position as deferred amounts related to leases.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

6. Deferred outflows/inflows of resources (continued)

- Deferred inflows of resources for pension activities - Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the City's proportional share of pension liabilities. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred inflows of resources for other post-employment benefits (OPEB) – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the plan.

7. Compensated absences

Employees are paid by prescribed formula for absence due to vacation. The eligibility for such benefits lapses at year end, and pay in lieu of vacation is not given except in case of termination. The accumulated vacation leave is reported in the government-wide statement of net position.

Every employee of the City accumulates sick leave at full pay at the rate of fifteen days per year, not to exceed a total of ninety days accumulated unpaid sick leave. Upon termination, policemen and firemen receive payment for their accumulated sick leave. All other City employees are paid for the total amount accumulated, up to a maximum of forty-five days, only upon retirement or death. Only the estimated current portion of unpaid sick pay in connection with terminated employees' unpaid balance of reimbursable unused leave has been accrued in the General Fund. The non-current portion has been recorded directly in the government-wide statement of net position. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

8. Long-term obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

9. Leases

The City is a lessor for noncancellable leases agreements. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

9. Leases (continued)

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

10. Subscription-Based Information Technology Arrangements (SBITA)

The City is under contract for SBITA for grant software. The agreement/contract are noncancellable and the City recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The City recognizes SBITA liabilities with an initial, individual value of \$5,000 or more.

At the commencement of the SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and Texas City Firemen's Relief and Retirement Fund (TCFRRF) and additions to/deductions from TMRS and TCFRRF's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS and TCFRRF.

For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Other Post-Employment Benefits (OPEB)

The City provides its retirees the opportunity to maintain health insurance coverage by participating in the City's insurance plan and retirees a life insurance policy. The City reports the total liability for these plans on the government-wide and proprietary fund financial statements. The actual cost recorded in the governmental fund financial statements is the cost of the health and insurance benefits incurred on behalf of the retirees less the premiums collected from the retirees. Information regarding the City's total liability for these plans are obtained through a report prepared by Arthur J. Gallagher & Company, the City's third-party actuary, in compliance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

13. Net position and fund balance

Net Position on the Statement of Net Position includes the following:

Net investment in capital assets – the component of net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt and is directly attributable to the acquisition, construction, or improvement of these capital assets.

Restricted net position – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position – the difference between the assets and deferred outflows of resources compared to liabilities and deferred inflows of resources that are not reported in net position, net investment in capital assets, or restricted net position. Funds can be used for any activities the City determines.

Net position flow assumption - the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

13. Net position and fund balance (continued)

The City uses the following fund balance classifications to describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet.

Restricted fund balance – amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed fund balance – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Commissioners). To be reported as committed, amounts cannot be used for any other purposes unless the City takes the same highest level action to remove or change the constraint. The City establishes (and modifies or rescinds) fund balance commitments by passage of a resolution.

Assigned fund balance – amounts the City intends to use for a specific purpose. The City has established a policy by ordinance that authorizes the Mayor to assign fund balance amounts. The Mayor has assigned \$500,000 of the general fund's fund balance for street and other improvements.

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. The City has adopted a policy stating which fund balance category is spent first when committed, assigned or unassigned fund balances are available. The City will consider amounts to have been spent first out of committed funds, then assigned and finally unassigned funds.

14. Statement of cash flows

In accordance with Governmental Accounting Standards Board Statement No. 34, a Statement of Cash Flows is required as part of a full set of financial statements for all Proprietary Funds. For purposes of the Statement of Cash Flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

E. Implementation of New Accounting Standards

GASB issued Statement No. 99, Omnibus 2022, in April 2022. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements of this statement had various effective dates and specific provisions were implemented prior to fiscal year 2024. The remaining requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The remaining requirements of this statement do not apply and therefore do not have a material impact on the financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Implementation of New Accounting Standards (continued)

GASB issued Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62, in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in 2024 and the impact is reflected in the financial statements. See Note 14 for more information.

GASB issued Implementation Guide 2021-1, Implementation Guidance Update – 2021, in May 2021. The primary objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. The requirements of this Implementation Guide had various effective dates and specific provisions were implemented prior to fiscal year 2024. The remaining requirement, an amendment to Question 7.9.8 in Implementation Guide 2015-1 effective for reporting periods beginning after June 15, 2023, requires governments to capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. The remaining requirements of this statement do not apply and therefore do not have a material impact on the financial statements.

GASB issued Implementation Guide 2023-1, Implementation Guidance Update – 2023, in June 2023. The primary objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. This Implementation Guide amends Implementation Guide No. 2019-3, Leases, Question 4.16, and Implementation Guide No. 2021-1, Implementation Guidance Update—2021, Question 4.13. The requirements of this Implementation Guide are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The remaining requirements of this statement do not apply and therefore do not have a material impact on the financial statements.

Note 2 - Deposits and investments

Authorization for deposits and investments

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the City.

In accordance with applicable statutes, the City has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the City incurs for banking services received. The City may place funds with the depository in interest and non-interest bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent. City policy requires the collateralization level to be at least 102% of market value of principal and accrued interest.

The City Commission has adopted a written investment policy as required by the Public Funds Investment Act (Chapter 2256, Texas Government Code). The City's investment policy is more restrictive than the PFIA requires. It is the City's policy to restrict its direct investments to obligations of the U.S. Government or U.S. Government agencies, fully collateralized certificates of deposit, repurchase agreements, and state and local government investment pools. The City's investment policy does not allow investments in collateralized mortgage obligations, floating rate investments, or swaps.

Note 2 - Deposits and investments (continued)

Deposit and investment amounts

The City's cash and investments are classified as: cash and cash equivalents, investments, and restricted cash and investments. The cash and cash equivalents include cash on hand, deposits with financial institutions, and investments with original maturities of 3 months or less at acquisition. The investments that have a maturity at purchase of greater than three months consist of U.S. Government obligations (agencies). For better management of cash, the City pools the cash, based on the City's needs, into either deposits in bank accounts or in longer-term investments in U.S. Government securities. However, each fund's balance of cash and investments is maintained in the books of the City.

As of September 30, 2024, the City had the following investments:

	Fair Value	Investment Maturities (in Years)	
		Less than 1 year	1-5 Years
U.S. Agency Securities:			
U.S. Government Bonds	\$ 14,952,540	\$ 14,952,540	\$ -
U.S. Treasury	33,816,353	33,816,353	-
Federal Home Loan Bank	6,489,201	6,489,201	-
Local Government Investment Pools:			
TexSTAR	4,339,850	4,339,850	-
Total Investments	\$ 59,597,944	\$ 59,597,944	\$ -

The following schedule presents the City's recorded cash and investments at year-end:

	Total Fair Value			
	Primary Government	Fiduciary Funds*	Component Units	Total
Cash on hand and on deposit	\$ 42,577,284	\$ 272,731	\$ 17,256,336	\$ 60,106,351
Investments:				
U.S. Agency Securities:				
U.S. Government Bonds	12,293,027	50,854	2,608,659	14,952,540
U.S. Treasury	27,801,653	115,010	5,899,690	33,816,353
Federal Home Loan Bank	5,335,008	22,070	1,132,123	6,489,201
Local Government Investment Pools				
TexSTAR	-	-	4,339,850	4,339,850
Total Investments	45,429,688	187,934	13,980,322	59,597,944
Total Cash and Investments	\$ 88,006,972	\$ 460,665	\$ 31,236,658	\$ 119,704,295

* Fiduciary investments are not subject to the City's investment policies. In addition, City of Texas City Firemen's Relief and Retirement Fund investments are reported separately later in this section.

At September 30, 2024, the City's bank deposits were entirely collateralized by federal depository insurance and by collateral held by the City's agent in the City's name.

Note 2 - Deposits and investments (continued)

Deposit and investment amounts (continued)

The City’s investment in certificates of deposit in the Certificates of Deposit Account Registry Service (CDARS). CDARS is a way to invest the City’s funds in certificates of deposit in increments below the standard Federal Deposit Insurance Corporation (FDIC) insurance maximum of \$250,000 in order for the principal and interest are fully insured by FDIC insurance coverage. CDARS are certificate of deposits with original maturities of less than three months and are therefore classified as cash.

As of September 30, 2024, the City’s investments in certificates of deposit are reported at amortized cost and therefore are not classified within the fair value hierarchy. The City’s U.S. Agency securities are reported at fair value and are classified as Level 2 inputs, based on significant other observable inputs. The valuation techniques used for Level 2 securities include matrix pricing and quoted market prices for similar securities.

For the fiscal year 2024, the City’s investment income is as follows:

	Primary Government	Component Units	Total
Investment income	\$ 1,201,025	\$ 268,680	\$ 1,469,705
Net change in fair value	3,902,679	216,687	4,119,366
	<u>\$ 5,103,704</u>	<u>\$ 485,367</u>	<u>\$ 5,589,071</u>

Investment Risks:

Interest Rate Risk

At year-end, the City had the following investments subject to interest rate risk disclosure under U.S. generally accepted accounting principles:

Investments	Total Fair Value				Percentage of Portfolio	Weighted Average Maturity (days)
	Primary Government	Fiduciary Funds*	Component Units	Total		
U.S. Agency Securities:						
U.S. Government Bonds	\$ 12,293,027	\$ 50,854	\$ 2,608,659	\$ 14,952,540	25%	29
U.S. Treasury	27,801,653	115,010	5,899,690	33,816,353	57%	19
Federal Home Loan Bank	5,335,008	22,070	1,132,123	6,489,201	11%	38
Local Government Investment Pools:						
TexSTAR	-	-	4,339,850	4,339,850	7%	24
Total Investments	<u>\$ 45,429,688</u>	<u>\$ 187,934</u>	<u>\$ 13,980,322</u>	<u>\$ 59,597,944</u>	<u>100%</u>	<u>24</u>

The City measures interest rate risk using the weighted average maturity method for the portfolio. To the extent possible, the City of Texas City, will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase. Additionally, the City will maintain a dollar-weighted average maturity of 38 days or less.

Note 2 - Deposits and investments (continued)

Concentration of Credit Risk

The City’s investment policy allows investments by type based on the following diversification requirements:

<u>Investment Type</u>	<u>Maximum Investment %</u>
U.S. treasuries and securities with the U.S. Government's guarantee	100%
U.S. Government agencies and instrumentalities	75%
Fully insured or collateralized CDs	100%
Money market mutual funds	30%
Repurchase agreements	20%
Commercial paper	20%
State and local government investment pools	70%

Credit Risk

All the City’s investments were at acceptable levels required by guidelines prescribed of PFI and investment policy. The City was fully invested in time certificates of deposit, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, in state or national banks. Any deposits exceeding FDIC insurance limits shall be collateralized at 102% of the face amount of the Certificate of Deposit by securities listed U.S. government treasuries, agencies or similar agencies and held by the City’s custodial bank.

Note 3 - Receivables

Receivables as of year-end for the City’s individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Major Funds</u>					<u>Total</u>
	<u>General Fund</u>	<u>Utility Fund</u>	<u>Governmental Nonmajor Funds</u>	<u>Internal Service Funds</u>	<u>Fiduciary Funds</u>	
Receivables:						
Property taxes	\$ 1,853,873	\$ -	\$ 374,376	\$ -	\$ -	\$ 2,228,249
Utility customers	-	1,827,403	-	-	-	1,827,403
Garbage collection	688,206	-	-	-	-	688,206
Gross receipts taxes	1,776,660	-	-	-	-	1,776,660
Sales & mixed drink taxes	3,545,778	-	-	-	-	3,545,778
Municipal court	5,797,014	-	-	-	-	5,797,014
EMS transport	538,750	-	-	-	-	538,750
Grants	18,490	-	536,529	-	-	555,019
Miscellaneous	1,139,222	-	-	-	-	1,139,222
Interest	-	-	-	-	1,512	1,512
Lease	2,949,211	-	-	-	-	2,949,211
Other	-	15,339	243,672	1,710	-	260,721
Gross receivables	18,307,204	1,842,742	1,154,577	1,710	1,512	21,307,745
Less: allowance for uncollectibles	(5,932,480)	(182,692)	(99,155)	-	-	(6,214,327)
Net Total Receivables	<u>\$ 12,374,724</u>	<u>\$ 1,660,050</u>	<u>\$ 1,055,422</u>	<u>\$ 1,710</u>	<u>\$ 1,512</u>	<u>\$ 15,093,418</u>

Note 3 – Receivables (continued)

Discretely presented component units

Receivables as of year-end for the City’s discretely presented component units are as follows:

	Texas City Economic Development Corp.	Texas City Cultural Arts Foundation	Total
Receivables:			
Due from other governments	\$ 1,181,926	\$ -	\$ 1,181,926
Lease receivable	90,357	-	90,357
Other	500,241	12,000	512,241
Net Total Receivables	\$ 1,772,524	\$ 12,000	\$ 1,784,524

Allowance for uncollectibles

Certain revenues are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

	Major Funds		Governmental	Total
	General	Utility Fund	Nonmajor Funds	
Uncollectibles Related to:				
Property taxes	\$ 482,560	\$ -	\$ 99,155	\$ 581,715
Utility customers	-	182,692	-	182,692
Municipal court	5,217,313	-	-	5,217,313
EMS billings	163,786	-	-	163,786
Garbage collection	68,821	-	-	68,821
Total Allowance for Uncollectibles	\$ 5,932,480	\$ 182,692	\$ 99,155	\$ 6,214,327

Note 4 - Capital assets

Capital asset activity for the year ended September 30, 2024 was as follows:

Governmental activities	Beginning Balance	Additions	Retirements	Transfers to Business-type activities	Ending Balance
Capital assets, not being depreciated/amortized:					
Land	\$ 3,998,949	\$ -	\$ -	\$ -	\$ 3,998,949
Historical treasures and works of art	868,833	-	-	-	868,833
Construction in progress	19,042,119	9,638,325	-	(165,640)	28,514,804
Total capital assets, not being depreciated/amortized	23,909,901	9,638,325	-	(165,640)	33,382,586
Capital assets, being depreciated/amortized:					
Streets and drainage	108,385,100	-	-	-	108,385,100
Buildings and structures	79,319,175	-	-	-	79,319,175
Improvements other than buildings	15,362,945	1,238,652	-	-	16,601,597
Machinery and equipment	43,595,342	1,076,160	-	-	44,671,502
Right-to-use SBITA asset	172,528	-	-	-	172,528
Total capital assets, being depreciated/amortized	246,835,090	2,314,812	-	-	249,149,902
Less accumulated depreciation/amortization for:					
Streets and drainage	(38,146,336)	(1,249,944)	-	-	(39,396,280)
Buildings and structures	(30,606,671)	(2,369,607)	-	-	(32,976,278)
Improvements other than buildings	(7,335,051)	(563,059)	-	-	(7,898,110)
Machinery and equipment	(33,369,777)	(2,685,094)	-	-	(36,054,871)
Right-to-use SBITA asset	(34,506)	(34,506)	-	-	(69,012)
Total accumulated depreciation/amortization	(109,492,341)	(6,902,210)	-	-	(116,394,551)
Governmental capital assets, net	\$ 161,252,650	\$ 5,050,927	\$ -	\$ (165,640)	\$ 166,137,937
Business-type activities	Beginning Balance	Additions	Retirements	Transfers from Governmental- type activities	Ending Balance
Capital assets, not being depreciated/amortized:					
Land and improvements	\$ 3,294,373	\$ -	\$ -	\$ -	\$ 3,294,373
Construction in progress	5,166,766	9,824,219	-	165,640	15,156,625
Total capital assets, not being depreciated/amortized	8,461,139	9,824,219	-	165,640	18,450,998
Capital assets, being depreciated:					
Buildings	8,874,142	-	-	-	8,874,142
Infrastructure	131,961,436	518,254	-	-	132,479,690
Equipment and furniture	8,105,653	432,010	-	-	8,537,663
Total capital assets, being depreciated/amortized	148,941,231	950,264	-	-	149,891,495
Less accumulated depreciation/amortization for:					
Buildings	(2,550,392)	(280,562)	-	-	(2,830,954)
Infrastructure	(89,821,638)	(3,262,227)	-	-	(93,083,865)
Equipment and furniture	(7,280,485)	(330,532)	-	-	(7,611,017)
Total accumulated depreciation/amortization	(99,652,515)	(3,873,321)	-	-	(103,525,836)
Business-type capital assets, net	\$ 57,749,855	\$ 6,901,162	\$ -	\$ 165,640	\$ 64,816,657

Note 4 - Capital assets (continued)

Discretely presented component units

Texas City Economic Development Corporation				
Governmental activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	\$ 6,025,321	\$ 79,522	\$ -	\$ 6,104,843
Construction in progress	-	-	-	-
Total capital assets, not being depreciated/amortized	6,025,321	79,522	-	6,104,843
Capital assets, being depreciated/amortized:				
Buildings and structures	362,648	602,824	-	965,472
Improvements other than buildings	1,304,009	-	-	1,304,009
Machinery and equipment	57,244	-	-	57,244
Total capital assets, being depreciated/amortized	1,723,901	602,824	-	2,326,725
Less accumulated depreciation/amortization for:				
Buildings and structures	(71,358)	(40,404)	-	(111,762)
Improvements other than buildings	(172,905)	(85,837)	-	(258,742)
Machinery and equipment	(22,898)	(11,449)	-	(34,347)
Total accumulated depreciation/amortization	(267,161)	(137,690)	-	(404,851)
Governmental capital assets, net	\$ 7,482,061	\$ 544,656	\$ -	\$ 8,026,717
Public Facilities Development Corporation				
Governmental activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	\$ 219,073	\$ -	\$ -	\$ 219,073
Total capital assets, not being depreciated/amortized	219,073	-	-	219,073
Capital assets, being depreciated/amortized:				
Buildings and structures	1,099,595	-	-	1,099,595
Improvements other than buildings	73,278	-	-	73,278
Total capital assets, being depreciated/amortized	1,172,873	-	-	1,172,873
Less accumulated depreciation/amortization for:				
Buildings and structures	(1,099,596)	-	-	(1,099,596)
Improvements other than buildings	(50,779)	(2,500)	-	(53,279)
Total accumulated depreciation/amortization	(1,150,375)	(2,500)	-	(1,152,875)
Governmental capital assets, net	\$ 241,571	\$ (2,500)	\$ -	\$ 239,071
Texas City Historical Preservation Corporation				
Governmental activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated/amortized:				
Improvements other than buildings	\$ 154,582	\$ 9,603	\$ -	\$ 164,185
Total capital assets, not being depreciated/amortized	154,582	9,603	-	164,185
Less accumulated depreciation/amortization for:				
Improvements other than buildings	(52,288)	(9,414)	-	(61,702)
Total accumulated depreciation/amortization	(52,288)	(9,414)	-	(61,702)
Governmental capital assets, net	\$ 102,294	\$ 189	\$ -	\$ 102,483

Note 4 - Capital assets (continued)

Depreciation/amortization expense was charged to functions/programs as follows:

	Depreciation/ Amortization Expense
Primary government	
Governmental activities:	
General government	\$ 196,563
Public safety	791,908
Public works	1,666,322
Culture and recreation	1,871,646
Health and welfare	11,429
Capital assets used by the City's internal service funds are charged to various functions based on asset usage	2,364,342
Total Governmental activities	<u>6,902,210</u>
Business-type activities:	
Utilities	<u>3,873,321</u>
Total Business-type activities:	<u>3,873,321</u>
Total primary government	<u><u>\$ 10,775,531</u></u>
Discretely presented component units	
Governmental activities:	
Texas City Economic Development Corporation	\$ 137,690
Public Facilities Development Corporation	2,500
Texas City Historical Preservation Corporation	9,414
Total discretely presented component units	<u><u>\$ 149,604</u></u>

Note 4 - Capital assets (continued)

Construction commitments

The City has active construction projects as of September 30, 2024. The significant projects include drainage improvements, water and sewer rehabilitations in various areas of the City. At year end, the City's commitments were as follows:

Project	Budget	Construction in Progress	Estimated Remaining Commitment
Governmental Activities			
GLO Local property buyout program	\$ 272,400	\$ 35,763	\$ 236,637
Moses Lake pump station project engineering	174,925	107,309	67,616
Moses Lake drainage improvements project	1,660,393	825,719	834,674
Sansom-Yarbrough boat ramp project-engineering	89,860	48,780	41,080
34th street drainage project	1,314,250	64,033	1,250,217
7th avenue drainage project	10,447,163	5,678,336	4,768,827
Pump station improvements	122,404	47,675	74,729
Bay St extension bridge	3,671,720	2,139,398	1,532,322
Ditch 50A project	1,419,406	1,263,549	155,857
Loop 197 ditch lining	511,735	476,971	34,764
Fire station #4 & police station	13,057,270	12,979,919	77,351
Replace Pump Station A	1,172,634	312,001	860,633
Replace Pump Station A (sheet pile replacement)	140,059	47,426	92,633
Natatorium renovation	806,761	85,182	721,579
Bayou GC bulkhead	142,858	142,858	-
Amburn Park subdivision drainage project	6,157,739	2,053,735	4,104,004
Freeway Park drainage improvements	5,231,602	1,711,147	3,520,455
Southpoint drainage improvement project	1,304,302	240,203	1,064,099
Dike road bridge replacement	4,800	254,800	(250,000)
Total Governmental Activities	\$ 47,702,281	\$ 28,514,804	\$ 19,187,477
Business-Type Activities			
Waterline rehab project phase 19	\$ 1,502,590	\$ 1,455,874	\$ 46,716
Sewer line rehab project phase 20	1,678,057	1,624,011	54,046
Waterline rehab project phase 21	1,870,047	944,983	925,064
300 Gal Elevated Storage Tk	50,580	33,730	16,850
West Side 1M Elevated Water Tank	556,105	18,390	537,715
SEWER LINE REHAB PROJECT PHASE 21	1,389,495	1,364,487	25,008
SEWER LINE REHAB PROJECT PHASE 22	1,468,708	1,315,075	153,633
SEWER LINE REHAB PROJECT PHASE 23	1,518,972	749,472	769,500
WWTP GRIT BASIN & HANDRAILS-engineering	22,750	22,750	-
WWTP GRIT BLOWER & FINE SCREEN IMPROV-engr.	137,514	120,809	16,705
WWTP GRIT BLOWER & FINE SCREEN IMPROV-constr.	1,125,120	1,009,945	115,175
LIFT STATION #22 PROJECT	1,353,457	1,174,796	178,661
LIFT STATION #21 PROJECT	811,100	817,670	(6,570)
10k Gal Tank WWTP	89,724	79,809	9,915
Rehab 14th St 250k and 32sn St 500k Storage Tanks	83,630	9,900	73,730
Lift Station 30 Impvts (ARPA)	48,890	196,524	(147,634)
Blower and Fine Screen impvts at WWTP	1,295,620	165,650	1,129,970
Water Meter Replacement Project	-	21,650	(21,650)
Water Tank Improvement	-	834,801	(834,801)
517 WATER PLANT EXPANSION	437,855	86,199	351,656
LAGO MAR FORCE MAIN PHASE 1	-	2,845,198	(2,845,198)
LAGO MAR FORCE MAIN PHASE 2	-	264,902	(264,902)
Total Business-Type Activities	\$ 15,440,214	\$ 15,156,625	\$ 283,589

Note 5 - Interfund receivables, payables, and transfers

Interfund receivables and payables are utilized as an offset to a fund’s deficit cash with another fund’s positive cash. As of September 30, 2024, these were the following interfund balances.

	Due From Other Funds	Due To Other Funds	Net
Primary government			
Governmental activities:			
General fund	\$ 11,136,588	\$ -	\$ 11,136,588
Capital projects fund	-	7,138,523	(7,138,523)
Nonmajor governmental funds	-	226,023	(226,023)
Internal service funds	-	3,772,042	(3,772,042)
Total governmental activities	<u>11,136,588</u>	<u>11,136,588</u>	<u>-</u>
Total Primary Government	<u>\$ 11,136,588</u>	<u>\$ 11,136,588</u>	<u>\$ -</u>

Note 6 - Leases

Lease Receivable

The City currently leases the use of cell towers to third parties. The City recognized \$156,920 in lease revenue and \$89,946 in interest revenue during the current fiscal year related to this lease. As of September 30, 2024, the City’s receivable for lease payments was \$2,949,211. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2024, the balance of the deferred inflow of resources was \$2,729,135.

In addition, the Texas City Economic Development Corporation (a component unit of the City), leases the use of real property to third parties. The Corporation recognized \$57,280 in lease revenue and \$3,520 in interest revenue during the current fiscal year related to this lease. As of September 30, 2024, the Corporation’s receivable for lease payments was \$90,357. Also, the Corporation has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2024, the balance of the deferred inflow of resources was \$84,044.

Note 7 - Long-term debt

Changes in long-term debt

Long-term debt activity for the year ended September 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Primary Government					
Governmental Activities:					
General obligation bonds	\$ 3,985,000	\$ -	\$ 1,220,000	\$ 2,765,000	\$ 880,000
Certificates of obligation	8,210,000	-	7,150,000	1,060,000	1,060,000
Financing agreement	120,066	-	50,083	69,983	52,136
SBITA payable	119,823	-	26,170	93,653	28,587
Unamortized premium/discount on bonds	433,629	-	140,468	293,161	-
Compensated absences*	4,933,536	137,109	-	5,070,645	563,384
Total Governmental Activities					
Long-term Debt	<u>\$ 17,802,054</u>	<u>\$ 137,109</u>	<u>\$ 8,586,721</u>	<u>\$ 9,352,442</u>	<u>\$ 2,584,107</u>
Business-type Activities:					
Certificates of obligation	\$ 8,145,000	\$ -	\$ 405,000	\$ 7,740,000	\$ 425,000
Unamortized premium/discount on bonds	248,919	-	17,289	231,630	-
Compensated absences*	93,748	155,189	-	248,937	18,628
Total Business-type Activities					
Long-term Debt	<u>\$ 8,487,667</u>	<u>\$ 155,189</u>	<u>\$ 422,289</u>	<u>\$ 8,220,567</u>	<u>\$ 443,628</u>

*The change in compensated absences above is a net change for the year

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. Certain bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding as of September 30, 2024:

<u>Series</u>	<u>Interest Rates</u>	<u>Issuance Date</u>	<u>Final Maturity Date</u>	<u>Principal Amount</u>
Governmental Activities:				
Series 2012 (Refunding)	2.00 - 3.00%	12/15/2012	2/15/2025	\$ 535,000
Series 2020 (Refunding)	4.00%	6/15/2020	2/15/2030	2,230,000
Total Governmental Activities				<u>\$ 2,765,000</u>

Note 7 - Long-term debt (continued)

General obligation bonds (continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2025	\$ 880,000	\$ 90,325
2026	360,000	68,200
2027	370,000	53,600
2028	390,000	38,400
2029	405,000	22,500
2030 - 2034	360,000	7,200
	<u>\$ 2,765,000</u>	<u>\$ 280,225</u>

Certificates of obligation

Certificates of obligation outstanding as of September 30, 2024, were as follows:

Series	Interest Rates	Final Maturity Date	Principal Amount
Governmental Activities:			
Series 2015	2.00 - 3.00%	2/15/2025	\$ 1,060,000
Total Governmental Activities			<u>\$ 1,060,000</u>
Business-Type Activities			
Series 2018	3.00 - 5.00%	2/15/2038	\$ 7,740,000
Total Business-Type Activities			<u>\$ 7,740,000</u>

Note 7 - Long-term debt (continued)

Certificates of obligation (continued)

Annual debt service requirements to maturity for certificates of obligation are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,060,000	\$ 15,900	\$ 425,000	\$ 274,837
2026	-	-	450,000	252,962
2027	-	-	470,000	229,962
2028	-	-	490,000	210,862
2029	-	-	505,000	195,937
2030 - 2034	-	-	2,785,000	719,834
2035 - 2039	-	-	2,615,000	196,481
	<u>\$ 1,060,000</u>	<u>\$ 15,900</u>	<u>\$ 7,740,000</u>	<u>\$ 2,080,875</u>

Compensated Absences

Primary government

A summary of changes in compensated absences follows:

Beginning Balance	\$ 5,027,284
Additions - new entrants and salary increments	292,298
Deductions - payments to participants	-
Ending Balance	<u>\$ 5,319,582</u>

Typically, the general fund, water and sewer funds have been used to liquidate the liabilities for compensated absences. At September 30, 2024, current sick and vacation leave payable amounted to \$582,012 and non-current sick and vacation leave payable amounted to \$4,737,570.

Financing agreements

Primary government

The City entered into a financing agreement on January 11, 2022, for the acquisition of golf carts is payable from general fund revenues. The payment amounts are \$4,500 monthly beginning March 2022 and ending February 2026. The stated interest rate is 4.20%.

Annual debt service requirements are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2025	\$ 52,136	\$ 1,864
2026	17,847	151
	<u>\$ 69,983</u>	<u>\$ 2,015</u>

Note 7 - Long-term debt (continued)

SBITA Payable

Primary government

The City has a SBITA agreement for the acquisition of grant software. An initial SBITA liability was recorded in the amount of \$148,678 during the prior fiscal year. As of September 30, 2024, the value of the SBITA liability was \$93,653. The SBITA has an interest rate of 3.45%. The software has a five-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$172,528. and had accumulated amortization of \$69,012. There are no commitments under SBITAs before the commencement of the subscription term.

The future principal and interest SBITA payments as of September 30, 2024, were as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2025	\$ 28,587	\$ 3,226
2026	31,161	2,242
2027	33,905	1,168
	<u>\$ 93,653</u>	<u>\$ 6,636</u>

Note 8 - Risk management

General liabilities

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 2024, the City purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Employee health care coverage

The City sponsors a modified self-insurance plan to provide health care benefits to employees and their dependents. Transactions related to the plan are accounted for in the Group (Health) Insurance internal service fund of the City. Partial employee contributions are required for coverage. The City was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage. Stop loss coverage was in effect for annual individual claims exceeding \$125,000, and annual aggregate losses exceeding \$1,000,000.

Payments are made to the fund based on estimates of the amounts needed to pay prior-year and current-year claims and to establish a reserve for losses. The claims liability of \$448,279 reported in the fund at September 30, 2024, is based on the requirements of Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated.

Note 8 - Risk management (continued)

Employee health care coverage (continued)

The employee health care liability is expected to be paid within one year and is therefore reported as a current liability. The following table summarizes the changes in claims liability balances for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Liability, Beginning of Period	\$ 293,260	\$ 311,596
Current year claims and changes in estimates	5,846,902	5,181,788
Claim payments	<u>(5,691,883)</u>	<u>(5,200,124)</u>
Liability, End of Period	<u>\$ 448,279</u>	<u>\$ 293,260</u>

Note 9 - Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government’s counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

Note 10 - Other Post-Employment Benefits

Retiree Health, Dental and Vision Plan (HDVP)

The City maintains a single employer, defined benefit plan that allows eligible retirees to enroll in City sponsored health, dental, and vision plans. The city does not make any contributions towards retiree coverage. Retirees pay the full premium for retiree and spouse/family coverage for health, dental, and vision plans.

Benefit Design:

Medical and Prescription Drug

Eligible retirees can choose from to enroll in the Core plan or high-deductible plan (HDHP) administered by Cigna.

Dental

Eligible retirees can choose to enroll in the Metlife Dental plan.

Vision

Eligible retirees can choose to enroll in the Metlife Vision plan.

Note 10 - Other Post-Employment Benefits (continued)

Retired Life Reserve Plan (RLRP)

The City maintains a single employer, defined benefit plan that allows eligible retirees to receive the benefit in the form of paid-up group term life insurance with a face value amount of \$10,000. The entire cost of the plan is paid by the City; it is non-contributory for the employees. Employees who terminate employment prior to reaching retirement age will receive no benefits from the plan.

Retiree life benefit is pre-funded through a funding vehicle managed by the insurer. The funding contribution level is recommended by Standard Insurance Company through the plan’s funding valuation completed by Standard Retirement Services. The current recommended contribution (as of the beginning of the 1/1/2018 plan year) is 0.10% of employee salary.

Eligibility Criteria:

Employees of the City are eligible for City’s postemployment benefits upon earlier of the attainment of the following:

- a) 5 years of service and age 60; or
- b) 20 years of service at any age.

Retiree Contributions:

Medical/Rx, Dental, & Vision

The retiree pays the full premium for coverage for the retiree and the spouse/family. The City only offers the retiree only, and family tiers only. Premiums, effective January 1, 2021, are as follows:

<u>Plan</u>	<u>Core</u>	<u>HDHP</u>
Retiree only	\$ 789.10	\$ 720.48
Retiree & spouse	1,657.11	1,513.00
Retiree & child(ren)	1,526.21	1,368.90
Retiree & family	2,409.80	2,161.43

At September 30, 2024, the following employees were covered by the benefit terms:

<u>Membership</u>	
Retirees and beneficiaries	20
Fully eligible	0
Not fully eligible	491
Total	<u>511</u>

Note 10 - Other Post-Employment Benefits (continued)

Retired Life Reserve Plan (RLRP) (continued)

Net OPEB Liability – The total OPEB liability (TOL) was projected to the measurement date of September 30, 2024, using a standard roll-forward technique from the valuation date of October 1, 2023. The OPEB trust assets reflect asset activity through September 30, 2024.

Actuarial Assumptions - The TOL was determined using the following actuarial assumptions:

Valuation Date	October 1, 2023
Actuarial Cost Method	Entry Age Normal Method
Asset Valuation Method	Census provided by the City as of September 30, 2024.
Salary Increases	3.00% per annum
Investment Rate of Return	3.04%
Retirement Age	Participants are assumed to retire at: (1) with at least 20 years of service, or (2) age 60 or older with at least 5 years of service
Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using scale MP-2021, applied on a gender-specific and job class basis (safety or general as applicable)
Termination	Employees who terminate employment prior to reaching retirement age will receive no benefits from the plan.

Discount (or Interest) Rates – The 3.81% discount rate assumption used to value medical benefits is the September 30, 2024 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. The 3% discount rate assumption used to value life insurance benefits is based on the January 1, 2024 valuation of the City of Texas City Retired Life Reserve Plan completed by Standard Retirement Services.

Basis of Allocation - OPEB items are allocated between governmental activities and business-type activities on the basis of employee pension expenses. For the year ended September 30, 2024, those percentages were 89% and 11%, respectively.

Note 10 - Other Post-Employment Benefits (continued)

Retired Life Reserve Plan (RLRP) (continued)

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at October 1, 2023	\$ 3,734,981	\$ 759,685	\$ 2,975,296
Service cost	137,016	-	137,016
Interest cost	138,759	-	138,759
Difference between expected and actual experience	-	183	(183)
Changes of assumptions or other inputs	364,072	-	364,072
Contributions - employer	-	-	-
Net investment income	-	21,713	(21,713)
Benefits payments	(184,807)	(71,870)	(112,937)
Experience (Gain)/Loss	(575,572)	-	(575,572)
Net changes	(120,532)	(49,974)	(70,558)
Balance at September 30, 2024	\$ 3,614,449	\$ 709,711	\$ 2,904,738

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 3.81% for Health, Dental and Vision and 3% for life, as well as what the City's net OPEB liability would be if it were calculate using a discount rate that is 1-percentage-point lower or 1-percentage higher than the current rate:

	Rounded		
	1% Decrease in Discount Rate	Current Discount Rate 3.81%	1% Increase in Discount Rate
City's Net OPEB Liability	\$ 3,425,539	\$ 2,904,738	\$ 2,475,428

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate and life cost trend rate combined, as well as what the City's net OPEB liability would be if it were calculate using a trend rate that is 1-percentage-point lower or 1-percentage higher:

	Rounded		
	1% Decrease	Current Trend Rate Assumption	1% Increase
City's Net OPEB Liability	\$ 2,574,092	\$ 2,904,738	\$ 3,299,413

Note 10 - Other Post-Employment Benefits (continued)

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$40,192.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$(1,134,145)
Change of assumptions/inputs	386,199	(397,978)
Net difference between projected and actual investments	-	(292)
	<u>\$ 386,199</u>	<u>\$(1,532,415)</u>

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

<u>Fiscal Year Ended September 30,</u>	
2025	\$ (215,917)
2026	(215,989)
2027	(200,508)
2028	(163,828)
2029	(137,666)
2030	(111,821)
Thereafter	(100,487)
	<u>\$ (1,146,216)</u>

Note 11 - Employee retirement systems and pension plans

The City maintains a single-employer, defined benefit plan that covers all its firefighters, and participates in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer defined benefit public employee pension plan that covers all of the government's employees except firefighters. As of and for the year ended September 30, 2024, the two plans had the following balances reported in the government-wide financial statements:

	<u>Total Pension Liability</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
TMRS Pension Plan	\$ 195,468,958	\$ 26,199,690	\$ 11,972,520	\$ (1,165,850)	\$ 5,871,927
Firefighters Pension Plan	38,910,248	22,834,267	2,849,867	-	1,943,342
Total Pension Plans	<u>\$ 234,379,206</u>	<u>\$ 49,033,957</u>	<u>\$ 14,822,387</u>	<u>\$ (1,165,850)</u>	<u>\$ 7,815,269</u>

Note 11 - Employee retirement systems and pension plans (continued)

Firemen’s Relief and Retirement Fund

Plan Description:

The Texas City Firemen’s Relief and Retirement Fund (the “Plan”), a component unit of the City of Texas City (the “City”), is a single-employer defined benefit pension plan created by City ordinance to provide retirement and incidental benefits for all civil service members of the City of Texas City, Texas Fire Department. The Plan was created in 1937 by act of the 45th Legislature of the State of Texas, article 6243E, Vernon’s Texas Civil Statutes to provide service, disability, death benefits for eligible firefighters. The benefit and contribution provisions of the Plan are authorized by the Texas Local Firefighter’s Retirement Act (TLFFRA). TLFFRA provides the authority and procedures to change the provisions of the Plan.

The responsibility for administration of Plan assets rests with the Plan’s Board of Trustees. The Plan has been designed as a "governmental plan" by the U.S. Department of Labor and, thus, is not subject to the provisions of Title I of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was restated and amended effective January 1, 2016.

Firefighters in the Texas City Fire Department are covered by the Texas City Firemen’s Relief and Retirement Fund. The table below summarizes the membership of the fund at December 31, 2023, the date of the most recent actuarial valuation).

Retirees and beneficiaries currently receiving benefits	61
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>83</u>
	<u>148</u>

Plan Administration and Expenses - The Board of Trustees is the administrator of the Plan. The Board oversees the Plan and sets policies for its operation, including hiring consultants and directing investments. The plan pays all administrative expenses including fees of the investment managers and trustee, actuary, audit and legal fees.

Service Retirement Benefits - The retirement eligibility date is the attainment of age 55 (age 50 for those firefighters hired prior to January 1, 2006 and age 53 for those firefighters hired on or after January 1, 2006 but prior to January 1, 2016) and the completion of 20 years of service.

Each firefighter who retires on or after his retirement eligibility date receives a monthly retirement income equal to the sum of (a) or (b), whichever is applicable plus (c), where:

- (a) For a firefighter hired prior to January 1, 1996, a base benefit of 3.50% of his "5-Year Average Salary" multiplied by his years of “Service” prior to January 1, 2006, plus 3.00% of his "5-Year Average Salary" multiplied by his years of “Service” on or after January 1, 2006, with a maximum of 20 years; or
- (b) For a firefighter hired on or after January 1, 1996, a base benefit of 3.00% of his "5-Year Average Salary" multiplied by his total years of “Service”, with a maximum of 20 years; plus
- (c) A longevity benefit equal to \$116 for each year of service in excess of 20 years. Partial credit will be given to a year based on the number of completed months of service.

Note 11 - Employee retirement systems and pension plans (continued)

Firemen’s Relief and Retirement Fund (continued)

Plan Description: (continued)

Optional Benefits at Service Retirement - A firefighter retiring with a Service Retirement Benefit may elect an optional form of benefit that will pay an alternative percentage to the eligible spouse. Without such election, the eligible surviving spouse would be entitled to a benefit equal to two thirds of the Service Retirement Benefit the firefighter was receiving. With such election, the eligible surviving spouse would be entitled to a benefit equal to 50% or 100% of the Service Retirement Benefit the firefighter was receiving.

Prior to the date service retirement benefits commence, a Firefighter may elect to receive a modified monthly benefit which is payable for as long as the Firefighter or his surviving spouse (a joint and one hundred percent survivor form of payment or a joint and fifty percent survivor form of payment). The amount of the benefit will be amount of the normal service retirement benefit multiplied by the optional form adjustment percentage shown below.

<u>Optional Form of Payment</u>	<u>Adjustment Percentage</u>
Joint and 50% to Surviving Spouse	101.8%
Joint and 100% to Surviving Spouse	96.5%

Active members with 22.5 years of service may be eligible to elect to receive benefits under the deferred retirement option plan (“DROP”) option. In order to participate in the DROP program, Firefighters would have to meet the following age requirements:

<u>Date of Employment</u>	<u>Age</u>
Before January 1, 2006	55
On or after January 1, 2006	57.5

This option is equal to the amount of monthly contributions that the member made to the fund during participation in the fund plus the total monthly retirement benefits the member would have received between the time the member entered DROP and the time the member retired under the plan.

An ad-hoc cost-of-living increase was provided to retirees and beneficiaries for retirement benefit commencements prior to 2006. The cost-of-living increase was equal to 1% per year of retirement since 1999, effective January 1, 2012.

Deferred Vested Benefits - If any member has completed the following years of service but has not met the age requirements at the time of termination of service, the member will be entitled to receive a deferred retirement income commencing at the end of the month in which they meet the age requirements in an amount equal to the normal retirement, determined as if the member had retired on the day of terminated employment (provided, however, that the member does not elect to receive a refund of their contributions).

<u>Date of Employment</u>	<u>Years of Service</u>	<u>Age</u>
Before January 1, 2006	20	50
On or after January 1, 2006, but before December 31, 2015	20	53
On or after January 1, 2016	20	55

Note 11 - Employee retirement systems and pension plans (continued)

Firemen's Relief and Retirement Fund (continued)

Plan Description: (continued)

To be entitled to receive this vested termination benefit, the firefighter is not required to make additional contributions between the date of employment termination and the beginning date of receiving benefits.

Death Benefits - The Plan provides death benefits to surviving spouses and dependent children. The spouse will receive an immediate monthly benefit beginning the last day of the calendar month following the month in which the firefighter's death occurred. If the firefighter's death occurs prior to normal retirement or disability, a partial benefit will be paid on the last day of the calendar month of the firefighter's death. Payments will continue under certain conditions and amounts for as long as the spouse is alive (as described in the Plan document). The surviving child's benefit is payable upon the death of an active, vested terminated, service retired or disability retired firefighter if the death occurred after the Plan effective date. Benefits are payable from age 18 to age 25 as long as the child remains a full-time student between these ages, or after age 17 and for as long as the child remains totally disabled if the child becomes totally disabled as a result of a physical or mental illness, injury or retardation. Payable benefits are further described in the Plan document.

Refund of Contributions - If any firefighter terminates their service and is not entitled to benefits as described above, they will receive an amount equal to the excess of their own contribution to the Plan over the amount of benefits which they previously received from the Plan. A Firefighter who is vested may elect a refund of his own contributions, however he will forfeit his right to all future benefits he otherwise would have been entitled to receive. The amount refunded will not include any interest accumulated on account of the Firefighter's contributions.

Disability Benefits - Active firefighters will qualify for disability benefits if they become disabled in or in consequence of the performance of the Firefighter's duties as an employee of the City. Firefighters must be disabled to the extent of being unable to perform the duties of a position offered to him in the fire department providing the Firefighter with pay that is greater than or equal to the pay the disabled Firefighter would have been receiving had his disability not occurred and he continued in his former position with the fire department to be entitled to benefits for the first two and a half years; thereafter, during the entire time they claim to be so disabled, they must establish to the Plan that the firefighter is unable to perform the duties of any occupation for which they are reasonably suited by education, training and experience. If the firefighter has fully recovered from the disability or has recovered to the extent to which they can perform the duties of a firefighter, all disability benefits hereunder shall be terminated. The disability benefit will commence after the firefighter's regular salary, including vacation and sick leave pay, has ceased as the result of this disability (determined to be the firefighter's date of employment termination) and will continue thereafter as long as the firefighter remains alive and is eligible for the benefit as defined by the Plan.

Plan Participant contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions.

Contributions to the fund are based on the TLFRA requirements rather than the actuarially determined rate. The funding policy of the Texas City Firemen's Relief and Retirement Plan requires contributions from both the City and the firefighters. The City's contribution rate is currently 19.00% of member payroll with each active member contributing 17.00% of plan compensation.

Note 11 - Employee retirement systems and pension plans (continued)

Firemen’s Relief and Retirement Fund (continued)

Plan Description: (continued)

While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopted by the fund must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age normal actuarial cost method the plan’s normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan’s unfunded actuarial accrued liability, and the number of years needed to amortize the plan’s unfunded actuarial accrued liability is determined using a level percentage of payroll method. The costs of administering the plan are financed from the trust. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Net Pension Liability

The Net Pension Liability Amounts shown below assume the City will use a measurement date equal to the Fund’s prior fiscal year end. Under this method, the City’s fiscal year end September 30, 2024 reporting period would use the Fund’s December 31, 2023 valuation results.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2022	\$ 38,471,022	\$ 14,756,200	\$ 23,714,822
Changes for the year:			
Service cost	948,824	-	948,824
Interest	2,740,136	-	2,740,136
Difference between expected and actual experience	-	-	-
Contributions - employer	-	1,281,115	(1,281,115)
Contributions - employee	-	1,146,261	(1,146,261)
Net investment income	-	2,177,821	(2,177,821)
Benefits payments, including refunds of employee contributions	(3,249,734)	(3,249,734)	-
Administrative expense	-	(35,682)	35,682
Net changes	439,226	1,319,781	(880,555)
Balance at December 31, 2023	\$ 38,910,248	\$ 16,075,981	\$ 22,834,267

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2023 (latest valuation), using the following actuarial assumptions:

Investment Rate of Return	7.25%
Salary Scale	4.50%
Inflation	3.00%

Mortality rates were based on the PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using scale MP-2018.

Note 11 - Employee retirement systems and pension plans (continued)

Firemen’s Relief and Retirement Fund (continued)

Changes in the Net Pension Liability (continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (i.e., expected returns net of pension plan investment expense and inflation assumed at 2.75%) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s strategic asset allocation (see the discussion of the Fund’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Equity	6.2%
Fixed Income	2.5%
Alternatives	7.0%
Cash	0.0%

Discount rate. The discount rate used to measure the total pension liability was 7.25% net of investment expense. The projection of cash flows used to determine the discount rate assumed that the contributions would equal 36.00% of payroll. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Texas City Firemen’s Relief and Retirement Fund, calculated using the discount rate of 7.25% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate 7.25%</u>	<u>1% Increase in Discount Rate</u>
Firefighters' Fund Net pension liability	\$ 27,507,112	\$ 22,834,267	\$ 18,981,036

Note 11 - Employee retirement systems and pension plans (continued)

Firemen’s Relief and Retirement Fund (continued)

Pension Plan Fiduciary Net Position

Detailed information about the Texas City Firemen’s relief and Retirement Fund’s fiduciary net position is available in the separately issued financial report.

Pension expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2024, the City recognized pension expense of \$1,943,342. At September 30, 2024, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 274,162	\$ -
Difference in assumption changes	276,912	-
Differences between expected and actual experience	1,166,916	-
Contributions subsequent to the measurement date	\$1,131,877	-
	<u>\$ 2,849,867</u>	<u>\$ -</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,131,877 will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	
2025	\$ 638,854
2026	655,714
2027	651,242
2028	(227,820)
	<u>\$ 1,717,990</u>

Texas Municipal Retirement System

Plan Description - The City of Texas City participates as one of 883 plans in the nontraditional, joint contributory, hybrid agent multiple-employer defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issue a publicly available annual comprehensive financial report (AFR) that can be obtained at www.tmrs.org.

All eligible employees of the city are required to participate in TMRS.

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

Note 11 - Employee retirement systems and pension plans (continued)

Texas Municipal Retirement System (continued)

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options.

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

A summary of plan provisions for 2022 and 2023 for the City are as follows:

	<u>Plan Year 2021</u>	<u>Plan Year 2022</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees Covered by Benefits Terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	335
Inactive employees entitled to but not yet receiving benefits	213
Active employees	<u>438</u>
	<u>986</u>

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2024, the City made contributions of 16.88% for the months in 2023 and 18.24% for the months in 2024. The City’s contributions to TMRS for the year ended September 30, 2024, were \$5,497,948 and were equal to the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Note 11 - Employee retirement systems and pension plans (continued)

Texas Municipal Retirement System (continued)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%

In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2023 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2010 through December 31, 2014. The post-retirement mortality rates for healthy annuitants and Annual Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investment was determined using a building-block method in which best estimate ranges of expend future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

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

Note 11 - Employee retirement systems and pension plans (continued)

Texas Municipal Retirement System (continued)

Actuarial Assumptions (continued)

Basis of Allocation - Pension items are allocated between governmental activities and business type activities on the basis of employee payroll funding. For the year ended September 30, 2024, those percentages were 89% and 11%, respectively, which approximated the prior year's allocations.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2022	\$ 187,407,368	\$ 153,800,171	\$ 33,607,197
Changes for the Year:			
Service cost	5,035,096	-	5,035,096
Interest	12,507,708	-	12,507,708
Difference between expected and actual experience	1,333,599	-	1,333,599
Changes of assumptions	(1,563,751)	-	(1,563,751)
Contributions - employer	-	4,993,681	(4,993,681)
Contributions - employee	-	2,070,839	(2,070,839)
Net investment income	-	17,769,675	(17,769,675)
Benefits payments, including refunds of employee contributions	(9,251,062)	(9,251,062)	-
Administrative expense	-	(113,243)	113,243
Other changes	-	(793)	793
Net changes	8,061,590	15,469,097	(7,407,507)
Balance at December 31, 2023	<u>\$ 195,468,958</u>	<u>\$ 169,269,268</u>	<u>\$ 26,199,690</u>

Sensitivity of the Net Pension Liability to changes in the discount rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net position liability	\$ 52,032,595	\$ 26,199,690	\$ 4,861,385

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

Note 11 - Employee retirement systems and pension plans (continued)

Texas Municipal Retirement System (continued)

Actuarial Assumptions (continued)

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

For the year ended September 30, 2024, the City recognized a pension expense of \$5,871,927.

At September 30, 2024 the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 3,544,523	\$ -
Difference in assumption changes	-	(1,165,850)
Differences between expected and actual experience	4,242,149	-
Contributions subsequent to the measurement date	4,185,848	-
	<u>\$ 11,972,520</u>	<u>\$ (1,165,850)</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$4,185,848 will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	Net Deferred Outflows/(Inflows) of Resources
2025	\$ 2,651,599
2026	2,251,386
2027	3,195,467
2028	(1,477,630)
	<u>\$ 6,620,822</u>

Note 12 - Deferred Compensation Plan

The City offers its employees the opportunity to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. All assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. The City provides neither administrative services nor investment advice for the plan. Accordingly, no assets or liabilities are reported in the financial statements of the City.

Note 13 – Deficit Net Position

The Capital Equipment Replacement Fund reported an unrestricted net position deficit of \$2,946,572. This resulted from expenditures exceeding the internal service charges collected for equipment usage, and the deficit will be addressed through future internal service charges from the General Fund.

Note 14 – Restatement of Beginning Balances

During the fiscal year ended September 30, 2024, the City identified an error that affected amounts previously reported in the financial statements. Accordingly, the accompanying financial statements have been restated to reflect the correction of this error. The table below provides a summary of the adjustments and their impact on the previously reported financial information.

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund Balances - beginning as originally presented	\$ 29,419,285	\$ (13,161)	\$ 29,406,124
Restatement	(37,632)	37,632	-
Fund Balance - beginning (as restated)	<u>\$ 29,381,653</u>	<u>\$ 24,471</u>	<u>\$ 29,406,124</u>

Note 15 – Subsequent Events

In June 2025, \$70,855,000 of City of Texas City, Texas, Certificates of Obligation Bonds, Series 2025 were issued and sold for the purpose of various construction, improvements, and renovations, within the City, and paying the costs of issuance of the bonds.

In December 2025, Moody’s Investor Services chose to withdraw its underlying A1 rating for the General Obligation Refunding Bonds, Series 2020, and the Certificates of Obligation, Series 2018. Moody’s made this decision in compliance with Rule 15c2-12 of the Securities Exchange Act of 1934, citing that the available information is insufficient or otherwise inadequate to continue supporting these ratings.

REQUIRED SUPPLEMENTARY INFORMATION



Texas City
EST. 1911

CITY OF TEXAS CITY, TEXAS

**SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

GENERAL FUND

For the Year Ended September 30, 2024

Exhibit G-1

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Property taxes	\$ 26,324,011	\$ 26,324,011	\$ 27,947,015	\$ 1,623,004
General sales tax	24,200,000	24,200,000	25,617,227	1,417,227
Miscellaneous taxes	6,812,000	6,812,000	6,820,164	8,164
Licenses and permits	910,190	910,190	1,752,402	842,212
Intergovernmental	122,500	515,500	446,582	(68,918)
Charges for services	7,765,000	7,765,000	8,564,307	799,307
Fine and fees	1,900,000	1,900,000	1,692,355	(207,645)
Investment earnings	1,300,000	1,300,000	3,972,254	2,672,254
Miscellaneous revenue	2,587,123	2,587,123	4,106,780	1,519,657
Total Revenues	71,920,824	72,313,824	80,919,086	8,605,262
Expenditures				
Current:				
General government:				
Administration	4,936,683	4,952,367	4,633,991	318,376
Legal	327,360	327,360	372,250	(44,890)
Purchasing	95,594	95,594	67,869	27,725
Planning	968,402	1,211,182	807,377	403,805
Data processing	1,413,605	1,421,805	1,368,323	53,482
Public safety:				
Police	17,896,093	18,559,683	17,366,938	1,192,745
Fire	13,149,143	13,366,689	13,166,606	200,083
Inspection	876,426	1,035,425	913,566	121,859
Municipal court	1,143,127	1,143,127	1,064,662	78,465
Emergency management	541,665	702,236	574,561	127,675
Public works:				
Street & bridge	9,916,459	10,507,941	9,786,499	721,442
Sanitation	6,423,117	6,800,616	6,628,533	172,083
Rainwater pump stations	739,958	758,735	785,294	(26,559)
Health & welfare:				
Health	575,381	579,386	536,987	42,399
Culture & recreation:				
Recreation & tourism	8,935,897	9,484,829	8,370,378	1,114,451
Library	1,761,375	1,776,610	1,550,675	225,935
Bayou golf	1,425,348	1,426,683	1,195,007	231,676
Economic & physical development:				
Community development	265,464	265,464	256,690	8,774
Capital outlay	2,906,346	4,338,836	2,585,932	1,752,904
Debt service:				
Principal retirement	57,000	57,000	76,253	(19,253)
Interest and fiscal charges	8,000	8,000	3,917	4,083
Total Expenditures	74,362,443	78,819,568	72,112,308	6,707,260
Excess (deficiency) of revenues over expenditures	(2,441,619)	(6,505,744)	8,806,778	15,312,522
Other Financing Sources (Uses)				
Transfers in	493,632	493,632	-	(493,632)
Proceeds from sale of capital assets	60,000	60,000	72,308	12,308
Proceeds from SBITA payable	-	-	-	-
Transfers out	(100,000)	(100,000)	-	100,000
Total Other Financing Sources (Uses)	453,632	453,632	72,308	(381,324)
Net change in fund balances	(1,987,987)	(6,052,112)	8,879,086	14,931,198
Fund Balance - beginning (as restated)	29,419,285	29,419,285	29,381,653	29,381,653
Fund Balances - ending	\$ 27,431,298	\$ 23,367,173	\$ 38,260,739	\$ 14,931,198

CITY OF TEXAS CITY, TEXAS

Exhibit G-2

**SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ 4,609,012	\$ 4,609,012	\$ 767,427	\$ (3,841,585)
Total Revenues	<u>4,609,012</u>	<u>4,609,012</u>	<u>767,427</u>	<u>(3,841,585)</u>
Expenditures				
Current:				
Public Safety	-	-	-	-
Public works	3,491,938	3,509,944	165,639	3,344,305
Economic and community development	1,117,074	1,187,579	601,788	585,791
Total Expenditures	<u>4,609,012</u>	<u>4,697,523</u>	<u>767,427</u>	<u>3,930,096</u>
Net change in fund balances	-	(88,511)	-	88,511
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ (88,511)</u>	<u>\$ -</u>	<u>\$ 88,511</u>

CITY OF TEXAS CITY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note A - Budgetary information

The City Commission adopts an annual operating budget, which can be amended by the City Commission throughout the year. Formal budgetary accounting is employed as a management control for all funds of the City; however, legal budgets are adopted only for the general fund, special revenue funds, debt service fund, and capital projects funds. Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

The City Commission follows these procedures as prescribed by the City Charter in establishing the budgets reflected in the accompanying combined financial statements:

1. At least thirty days prior to the Commission making its tax levy for the fiscal year, the Finance Director shall file a copy of the proposed budget with the City Secretary. The City Secretary shall make the proposed budget available for the inspection by any taxpayer.
2. The City Commission shall provide for a public hearing, which shall take place on some date not less than fifteen days subsequent to the time the budget is filed, to obtain taxpayers comments. At the conclusion of such hearing, the budget shall be acted upon by the City Commission.

The legal level of budgetary control in the general fund is the department level. In the special revenue funds, debt service fund, and the capital projects funds, budgetary control is at the fund level. However, the City Commission may, upon the recommendation of the Mayor, transfer any appropriation balance or any portion thereof from one department to another. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments. With the Mayor’s approval, the budget may be amended within a department without seeking the approval of the City Commission.

	Excess Expenditures
General Fund:	
Departments:	
Legal	44,890
Rainwater pump stations	26,559
Principal retirement	19,253
Total Expenditures Over Appropriations	\$ 90,702

CITY OF TEXAS CITY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Measurement Years Ended December 31,

Exhibit G-3
Page 1 of 2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability					
Service Cost	\$ 5,035,096	\$ 4,622,359	\$ 4,392,896	\$ 4,212,209	\$ 3,931,873
Interest (on the Total Pension Liability)	12,507,708	11,729,159	11,095,990	10,604,636	10,117,722
Difference between expected and actual experience	1,333,599	4,006,922	2,400,398	720,175	748,986
Changes of assumptions	(1,563,751)	-	-	-	319,163
Benefit payments, including refunds of employee contributions	(9,251,062)	(8,810,429)	(8,437,020)	(8,259,094)	(7,829,625)
Net Change in Total Pension Liability	<u>8,061,590</u>	<u>11,548,011</u>	<u>9,452,264</u>	<u>7,277,926</u>	<u>7,288,119</u>
Total Pension Liability - Beginning	<u>187,407,368</u>	<u>175,859,357</u>	<u>166,407,093</u>	<u>159,129,167</u>	<u>151,841,048</u>
Total Pension Liability - Ending (a)	<u>\$ 195,468,958</u>	<u>\$ 187,407,368</u>	<u>\$ 175,859,357</u>	<u>\$ 166,407,093</u>	<u>\$ 159,129,167</u>
Plan Fiduciary Net Position					
Contributions – employer	\$ 4,993,681	\$ 4,588,442	\$ 4,268,367	\$ 4,045,311	\$ 3,826,066
Contributions – employee	2,070,839	1,912,989	1,800,367	1,743,670	1,657,565
Net investment income	17,769,675	(12,273,388)	19,681,645	10,832,895	19,441,696
Benefit payments, including refunds of employee contributions	(9,251,062)	(8,810,429)	(8,437,020)	(8,259,094)	(7,829,625)
Administrative Expense	(113,243)	(106,349)	(91,166)	(70,163)	(109,951)
Other	(793)	126,906	624	(2,737)	(3,303)
Net Change in Total Pension Liability	<u>15,469,097</u>	<u>(14,561,829)</u>	<u>17,222,817</u>	<u>8,289,882</u>	<u>16,982,448</u>
Plan Fiduciary Net Position - Beginning	<u>153,800,171</u>	<u>168,362,000</u>	<u>151,139,183</u>	<u>142,849,301</u>	<u>125,866,853</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 169,269,268</u>	<u>\$ 153,800,171</u>	<u>\$ 168,362,000</u>	<u>\$ 151,139,183</u>	<u>\$ 142,849,301</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 26,199,690</u>	<u>\$ 33,607,197</u>	<u>\$ 7,497,357</u>	<u>\$ 15,267,910</u>	<u>\$ 16,279,866</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.60%	82.07%	95.74%	90.82%	89.77%
Covered Payroll	\$ 29,583,410	\$ 27,302,773	\$ 25,719,530	\$ 24,909,576	\$ 23,572,377
Net Pension Liability as a Percentage of Covered Payroll	88.56%	123.09%	29.15%	61.29%	69.06%
Annual money-weighted rate of return, net of investment expense	11.64%	-7.36%	12.92%	7.55%	14.68%

CITY OF TEXAS CITY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Measurement Years Ended December 31,

Exhibit G-3
Page 2 of 2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service Cost	\$ 3,750,521	\$ 3,652,224	\$ 3,420,589	\$ 3,154,385	\$ 2,952,280
Interest (on the Total Pension Liability)	9,762,376	9,476,504	9,173,689	9,223,488	8,964,861
Difference between expected and actual experience	(365,364)	(1,048,214)	(857,468)	(1,401,204)	(1,710,965)
Changes of assumptions	-	-	-	62,674	-
Benefit payments, including refunds of employee contributions	(8,118,041)	(7,670,984)	(7,061,984)	(6,998,131)	(6,226,983)
Net Change in Total Pension Liability	5,029,492	4,409,530	4,674,826	4,041,212	3,979,193
Total Pension Liability - Beginning	146,811,556	142,402,026	137,727,200	133,685,988	129,706,795
Total Pension Liability - Ending (a)	<u>\$ 151,841,048</u>	<u>\$ 146,811,556</u>	<u>\$ 142,402,026</u>	<u>\$ 137,727,200</u>	<u>\$ 133,685,988</u>
Plan Fiduciary Net Position					
Contributions – employer	\$ 3,752,765	\$ 3,698,341	\$ 3,447,471	\$ 3,520,656	\$ 3,482,491
Contributions – employee	1,573,016	1,537,316	1,447,649	1,401,059	1,373,161
Net investment income	(3,972,720)	16,454,934	7,659,748	170,263	6,321,758
Benefit payments, including refunds of employee contributions	(8,118,041)	(7,670,984)	(7,061,984)	(6,998,131)	(6,226,983)
Administrative Expense	(76,831)	(85,318)	(86,538)	(103,714)	(66,007)
Other	(4,012)	(4,324)	(4,662)	(5,122)	(5,427)
Net Change in Total Pension Liability	(6,845,823)	13,929,965	5,401,684	(2,014,989)	4,878,993
Plan Fiduciary Net Position - Beginning	132,712,676	118,782,711	113,381,027	115,396,016	110,517,023
Plan Fiduciary Net Position - Ending (b)	<u>\$ 125,866,853</u>	<u>\$ 132,712,676</u>	<u>\$ 118,782,711</u>	<u>\$ 113,381,027</u>	<u>\$ 115,396,016</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 25,974,195</u>	<u>\$ 14,098,880</u>	<u>\$ 23,619,315</u>	<u>\$ 24,346,173</u>	<u>\$ 18,289,972</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.89%	90.40%	83.41%	82.32%	86.32%
Covered Payroll	\$ 22,471,664	\$ 21,961,660	\$ 20,680,706	\$ 20,015,133	\$ 19,539,593
Net Pension Liability as a Percentage of Covered Payroll	115.59%	64.20%	114.21%	121.64%	93.60%
Annual money-weighted rate of return, net of investment expense	-6.64%	13.82%	7.55%	0.08%	5.85%

CITY OF TEXAS CITY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN
SCHEDULE OF PENSION CONTRIBUTIONS
Last Ten Fiscal Years Ended September 30,

Exhibit G-4

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially required contributions	\$ 5,497,948	\$ 4,903,230	\$ 4,546,244	\$ 4,202,265	\$ 3,878,306
Contributions in relation to the actuarially required contributions	<u>5,497,948</u>	<u>4,903,230</u>	<u>4,546,244</u>	<u>4,202,265</u>	<u>3,878,306</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 30,721,829	\$ 29,056,361	\$ 27,157,492	\$ 25,463,387	\$ 23,902,781
Contributions as a percentage of covered payroll	17.9%	16.9%	16.7%	16.5%	16.2%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially required contributions	\$ 3,784,128	\$ 3,723,306	\$ 3,678,085	\$ 3,515,392	\$ 3,481,746
Contributions in relation to the actuarially required contributions	<u>3,784,128</u>	<u>3,723,306</u>	<u>3,678,085</u>	<u>3,515,392</u>	<u>3,481,746</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 23,211,527	\$ 22,251,136	\$ 21,893,782	\$ 20,795,214	\$ 19,739,965
Contributions as a percentage of covered payroll	16.3%	16.7%	16.8%	16.9%	17.6%

CITY OF TEXAS CITY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50 %
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generation basis by the most recent Scale MP-2021 (with immediate convergence).

CITY OF TEXAS CITY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS CITY FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Measurement Years Ending December 31,

Exhibit G-5
Page 1 of 2

	2023	2022	2021	2020	2019
Total Pension Liability					
Service Cost	\$ 948,824	\$ 849,774	\$ 814,632	\$ 728,890	\$ 707,660
Interest (on the Total Pension Liability)	2,740,136	2,757,242	2,635,487	2,603,586	2,545,727
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	394,271	-	133,392	-
Changes of assumptions	-	-	-	982,420	-
Benefit payments, including refunds of employee contributions	(3,249,734)	(2,887,429)	(3,259,724)	(2,534,221)	(2,472,091)
Net Change in Total Pension Liability	439,226	1,113,858	190,395	1,914,067	781,296
Total Pension Liability - Beginning	38,471,022	37,357,164	37,166,769	35,252,702	34,471,406
Total Pension Liability - Ending (a)	\$ 38,910,248	\$ 38,471,022	\$ 37,357,164	\$ 37,166,769	\$ 35,252,702
Plan Fiduciary Net Position					
Contributions – employer	\$ 1,281,115	\$ 1,158,492	\$ 1,098,801	\$ 1,055,279	\$ 892,971
Contributions – employee	1,146,261	1,036,546	983,138	914,260	883,360
Net investment income	2,177,821	(2,707,969)	1,782,827	1,728,907	2,693,233
Benefit payments, including refunds of employee contributions	(3,249,734)	(2,887,429)	(3,259,724)	(2,534,221)	(2,472,091)
Administrative Expense	(35,682)	(50,207)	(22,630)	(15,530)	(13,136)
Other	-	-	-	-	102,215
Net Change in Total Pension Liability	1,319,781	(3,450,567)	582,412	1,148,695	2,086,552
Plan Fiduciary Net Position - Beginning	14,756,200	18,206,767	17,624,355	16,475,660	14,389,108
Plan Fiduciary Net Position - Ending (b)	\$ 16,075,981	\$ 14,756,200	\$ 18,206,767	\$ 17,624,355	\$ 16,475,660
Net Pension Liability - Ending (a) - (b)	\$ 22,834,267	\$ 23,714,822	\$ 19,150,397	\$ 19,542,414	\$ 18,777,042
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	41.32%	38.36%	48.74%	47.42%	46.74%
Covered Payroll	\$ 6,742,712	\$ 6,097,329	\$ 5,783,165	\$ 5,378,000	\$ 5,521,000
Net Pension Liability as a Percentage of Covered Payroll	338.65%	388.94%	331.14%	363.40%	340.10%
Annual money-weighted rate of return, net of investment expense	15.20%	-15.18%	10.47%	10.68%	19.92%

Note to Schedule: Covered payroll is estimated using employee contributions divided by the contribution percentage.

CITY OF TEXAS CITY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS CITY FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Measurement Years Ending December 31,

Exhibit G-5
Page 2 of 2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 669,988	\$ 650,474	\$ 739,925	\$ 686,708	\$ 754,114
Interest (on the Total Pension Liability)	2,484,366	2,412,542	2,336,627	2,283,126	2,283,011
Changes of benefit terms	-	-	(2,959)	-	(366,180)
Difference between expected and actual experience	380,606	-	202,991	-	170,651
Changes of assumptions	710,367	-	(27,499)	-	324,358
Benefit payments, including refunds of employee contributions	(2,320,549)	(1,990,964)	(2,370,441)	(2,294,889)	(2,413,900)
Net Change in Total Pension Liability	<u>1,924,778</u>	<u>1,072,052</u>	<u>878,644</u>	<u>674,945</u>	<u>752,054</u>
Total Pension Liability - Beginning	<u>32,546,628</u>	<u>31,474,576</u>	<u>30,595,932</u>	<u>29,920,987</u>	<u>29,168,933</u>
Total Pension Liability - Ending (a)	<u>\$ 34,471,406</u>	<u>\$ 32,546,628</u>	<u>\$ 31,474,576</u>	<u>\$ 30,595,932</u>	<u>\$ 29,920,987</u>
Plan Fiduciary Net Position					
Contributions – employer	\$ 828,302	\$ 817,259	\$ 787,322	\$ 771,864	\$ 737,126
Contributions – employee	828,302	817,259	787,322	771,864	737,126
Net investment income	(1,048,388)	2,093,406	698,473	(589,813)	332,629
Benefit payments, including refunds of employee contributions	(2,320,549)	(1,990,964)	(2,370,441)	(2,294,889)	(2,413,900)
Administrative Expense	(16,325)	(31,777)	(28,507)	(15,440)	(42,423)
Other	-	-	2,354	-	1,089
Net Change in Total Pension Liability	<u>(1,728,658)</u>	<u>1,705,183</u>	<u>(123,477)</u>	<u>(1,356,414)</u>	<u>(648,353)</u>
Plan Fiduciary Net Position - Beginning	<u>16,117,766</u>	<u>14,412,583</u>	<u>14,536,061</u>	<u>15,892,475</u>	<u>16,540,828</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,389,108</u>	<u>\$ 16,117,766</u>	<u>\$ 14,412,584</u>	<u>\$ 14,536,061</u>	<u>\$ 15,892,475</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 20,082,298</u>	<u>\$ 16,428,862</u>	<u>\$ 17,061,992</u>	<u>\$ 16,059,871</u>	<u>\$ 14,028,512</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	41.74%	49.52%	45.79%	47.51%	53.11%
Covered Payroll	\$ 5,176,888	\$ 5,107,869	\$ 4,920,763	\$ 4,824,150	\$ 4,607,038
Net Pension Liability as a Percentage of Covered Payroll	387.92%	321.64%	346.73%	332.91%	304.50%
Annual money-weighted rate of return, net of investment expense	-6.40%	14.72%	4.94%	-3.80%	2.08%

Note to Schedule: Covered payroll is estimated using employee contributions divided by the contribution percentage.

CITY OF TEXAS CITY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS CITY FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CITY CONTRIBUTIONS
Last Ten Fiscal Years Ended September 30,

Exhibit G-6

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 1,344,438	\$ 1,097,756	\$ 1,029,985	\$ 971,166	\$ 885,090
Contributions in relation to the contractually required contributions	<u>1,344,438</u>	<u>1,097,756</u>	<u>1,029,985</u>	<u>971,166</u>	<u>885,090</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,908,456	\$ 6,457,391	\$ 6,058,735	\$ 5,712,742	\$ 5,531,813
Contributions as a percentage of covered payroll	17.0%	17.0%	17.0%	17.0%	16.0%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 828,302	\$ 817,259	\$ 787,322	\$ 771,864	\$ 737,126
Contributions in relation to the contractually required contributions	<u>828,302</u>	<u>817,259</u>	<u>787,322</u>	<u>771,864</u>	<u>737,126</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,177,437	\$ 5,107,869	\$ 4,920,763	\$ 4,824,150	\$ 4,607,038
Contributions as a percentage of covered payroll	16.0%	16.0%	16.0%	16.0%	16.0%

Note to Schedule: Covered payroll is estimated using employee contributions divided by the contribution percentage.

CITY OF TEXAS CITY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEXAS CITY FIREMEN'S RELIEF AND RETIREMENT FUND

The Total Pension Liability in the December 31, 2022 actuarial valuation (last valuation) was determined using the following actuarial assumptions:

Valuation Date: December 31, 2022

Methods and Assumptions Used to Determine Contribution Rates:

Asset Valuation Method	Adjusted market value, with asset gains and losses recognized over 5-years. The adjusted market value is adjusted to remain within a corridor range of 90% to 110% of fair market value.
Actuarial Cost Method	The actuarial cost method used in the valuation is Entry Age Normal Actuarial Cost Method.
Amortization Method	Open period, level percent of pay.
Inflation	3%
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Administrative Expense	0.55% of payroll
Salary increases	3%, plus promotion, step and longevity increases that vary by service
Total payroll growth	3.00% per annum
Mortality	PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using scale MP-2018.
Disability	Active firefighters are assumed to incur disabilities based on experience firefighter rates that vary by age.
Retirement Age	Custom table based on age of the firefighter, resulting in an average retirement age of 52.7 years.
Termination	Custom table based on service of firefighter.

CITY OF TEXAS CITY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT – HEALTH DENTAL AND VISION PLAN AND RETIRED
LIFE RESERVE PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Seven Fiscal Years Ending September 30,

Exhibit G-7
Page 1 of 2

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	\$ 137,016	\$ 227,706	\$ 215,406	\$ 210,753
Interest on the total OPEB liability	138,759	136,518	108,817	112,746
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(575,572)	-	(564,692)	-
Change of assumptions	364,072	(70,737)	(205,234)	(1,185)
Benefit payments, including refunds of employee contributions	(184,807)	(180,937)	(158,166)	(189,845)
Net Change in Total OPEB Liability	(120,532)	112,550	(603,869)	132,469
Total OPEB Liability - Beginning	3,734,981	3,622,431	4,226,300	4,093,831
Total OPEB Liability - Ending (a)	\$ 3,614,449	\$ 3,734,981	\$ 3,622,431	\$ 4,226,300
Plan Fiduciary Net Position				
Contributions - employer	\$ -	\$ 100	\$ -	\$ -
Net investment income	21,713	23,292	24,577	26,549
Benefit payments, including refunds of employee contributions	(71,870)	(53,140)	(38,580)	(40,017)
Administrative expense	-	-	(75,000)	(50,000)
Differences between expected and actual experience	183	-	-	-
Net Change in Plan Fiduciary Net Position	(49,974)	(29,748)	(89,003)	(63,468)
Plan Fiduciary Net Position - Beginning	759,685	789,433	878,436	941,904
Plan Fiduciary Net Position - Ending (b)	\$ 709,711	\$ 759,685	\$ 789,433	\$ 878,436
Net OPEB Liability - Ending (a) - (b)	\$ 2,904,738	\$ 2,975,296	\$ 2,832,998	\$ 3,347,864
Plan Fiduciary Net Position as a Percentage of				
Total OPEB Liability	19.64%	20.34%	21.79%	20.78%
Covered Payroll	\$ 31,747,363	\$ 31,858,125	\$ 30,930,218	\$ 28,923,571
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.15%	9.34%	9.16%	11.57%
Annual money-weighted rate of return,				
net of investment expenses (Life Trust)	3.04	3.05	-5.74	-2.49

The information in this schedule has been determined as of the measurement date (September 30) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented

CITY OF TEXAS CITY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT – HEALTH DENTAL AND VISION PLAN AND RETIRED
LIFE RESERVE PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Seven Fiscal Years Ending September 30,

Exhibit G-7

Page 2 of 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 198,341	\$ 205,790	\$ 214,242
Interest on the total OPEB liability	142,232	206,683	187,031
Changes of benefit terms	(387,390)	-	-
Differences between expected and actual experience	(485,947)	-	-
Change of assumptions	128,235	(405,892)	(221,746)
Benefit payments, including refunds of employee contributions	(185,431)	(224,605)	(156,757)
Net Change in Total OPEB Liability	<u>(589,960)</u>	<u>(218,024)</u>	<u>22,770</u>
Total OPEB Liability - Beginning	<u>4,683,791</u>	<u>4,901,815</u>	<u>4,879,045</u>
Total OPEB Liability - Ending (a)	<u>\$ 4,093,831</u>	<u>\$ 4,683,791</u>	<u>\$ 4,901,815</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ -	\$ 67,723	\$ 105,794
Net investment income	28,961	33,704	32,128
Benefit payments, including refunds of employee contributions	(58,860)	(62,956)	(52,730)
Administrative expense	(75,000)	(100,000)	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	<u>(104,899)</u>	<u>(61,529)</u>	<u>85,192</u>
Plan Fiduciary Net Position - Beginning	<u>1,046,803</u>	<u>1,108,332</u>	<u>1,023,140</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 941,904</u>	<u>\$ 1,046,803</u>	<u>\$ 1,108,332</u>
Net OPEB Liability - Ending (a) - (b)	\$ 3,151,927	\$ 3,636,988	\$ 3,793,483
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	23.01%	22.35%	22.61%
Covered Payroll	\$ 27,945,480	\$ 29,195,076	\$ 23,415,216
Net OPEB Liability as a Percentage of Covered Employee Payroll	11.28%	12.46%	16.20%
Annual money-weighted rate of return, net of investment expenses (Life Trust)	-4.40	3.14	3.14

The information in this schedule has been determined as of the measurement date (September 30) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented

CITY OF TEXAS CITY, TEXAS

Exhibit G-8

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT - RETIRED LIFE RESERVE PLAN
SCHEDULE OF CITY CONTRIBUTIONS
Last Seven Fiscal Years Ended September 30,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially required contributions	\$ 36,096	\$ 109,596	\$ 108,308	\$ 94,871
Contributions in relation to the actuarially required contributions	-	100	-	-
Contribution excess (deficiency)	<u>\$ (36,096)</u>	<u>\$ (109,496)</u>	<u>\$ (108,308)</u>	<u>\$ (94,871)</u>
Covered payroll	\$ 31,747,363	\$ 31,858,125	\$ 30,930,218	\$ 28,923,571
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Actuarially required contributions	\$ 90,718	\$ 77,773	\$ 77,773	
Contributions in relation to the actuarially required contributions	-	67,723	105,794	
Contribution excess (deficiency)	<u>\$ (90,718)</u>	<u>\$ (10,050)</u>	<u>\$ 28,021</u>	
Covered payroll	\$ 27,945,480	\$ 29,195,076	\$ 23,415,216	
Contributions as a percentage of covered payroll	0.0%	0.23%	0.45%	

The information in this schedule has been determined as of the measurement date (September 30) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented

CITY OF TEXAS CITY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT - RETIRED LIFE RESERVE PLAN

The September 30, 2024 actuarial valuation was determined using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Valuation Date	October 1, 2023
Actuarial Cost Method	Entry Age Normal Method
Asset Valuation Method	Census provided by the City as of September 30, 2024.
Salary Increases	3.00% per annum
Investment Rate of Return	3.04%
Retirement Age	Participants are assumed to retire at: (1) with at least 20 years of service, or (2) age 60 or older with at least 5 years of service
Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using scale MP-2021, applied on a gender-specific and job class basis (safety or general as applicable)
Termination	Employees who terminate employment prior to reaching retirement age will receive no benefits from the plan.



Texas City
EST. 1911

OTHER SUPPLEMENTARY INFORMATION

CITY OF TEXAS CITY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024

Exhibit H-1
Page 1 of 5

	<u>Debt Service</u>		<u>Special Revenue</u>	
	<u>Debt Service Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Municipal Court Building Security Fund</u>	<u>Municipal Court Technology Fund</u>
Assets				
Cash and cash equivalents	\$ 442,844	\$ 1,429,602	\$ 118,385	\$ -
Investments	2,139,541	827,997	362,027	87,041
Taxes receivable, net	275,221	-	-	-
Due from other governments	-	-	-	-
Other receivables	-	243,672	-	-
Total Assets	\$ 2,857,606	\$ 2,501,271	\$ 480,412	\$ 87,041
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 602	\$ 789
Due to other funds	-	-	-	43,030
Due to other governments	-	-	-	-
Deferred revenues	-	-	-	-
Total Liabilities	-	-	602	43,819
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	275,221	-	-	-
Total Deferred Inflows of Resources	275,221	-	-	-
Fund Balances:				
Restricted:				
Debt service	2,582,385	-	-	-
Culture & Recreation	-	-	-	-
Public safety	-	-	479,810	43,222
Tourism	-	2,501,271	-	-
Development activities	-	-	-	-
Committed:				
Development activities	-	-	-	-
Total Fund Balances	2,582,385	2,501,271	479,810	43,222
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,857,606	\$ 2,501,271	\$ 480,412	\$ 87,041

	Special Revenue			
	Drug Confiscation Fund	BJA Grant Fund	HGAC Grants Fund	Cable Public Educational Government (PEG) Channel Fund
Assets				
Cash and cash equivalents	\$ -	\$ 115,894	\$ -	\$ 67,186
Investments	142,652	-	-	266,330
Taxes receivable, net	-	-	-	-
Due from other governments	-	-	48,198	-
Other receivables	-	-	-	-
Total Assets	\$ 142,652	\$ 115,894	\$ 48,198	\$ 333,516
Liabilities:				
Accounts payable	\$ 3,881	\$ -	\$ -	\$ 7,947
Due to other funds	92,752	-	48,198	-
Due to other governments	-	-	-	-
Deferred revenues	-	115,894	-	-
Total Liabilities	96,633	115,894	48,198	7,947
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted:				
Debt service	-	-	-	-
Culture & Recreation	-	-	-	325,569
Public safety	46,019	-	-	-
Capital projects	-	-	-	-
Development activities	-	-	-	-
Committed:				
Development activities	-	-	-	-
Total Fund Balances	46,019	-	-	325,569
Total Liabilities, Deferred Inflows and Fund Balances	\$ 142,652	\$ 115,894	\$ 48,198	\$ 333,516

	Special Revenue			
	Municipal Court Efficiency Fees Fund	LEOSE Grant Fund	Step Op Grant	Community Development Block Grant Fund
Assets				
Cash and cash equivalents	\$ -	\$ 5,620	\$ 37,632	\$ 327,750
Investments	147,865	-	-	-
Taxes receivable, net	-	-	-	-
Due from other governments	-	-	-	-
Other receivables	-	-	-	-
Total Assets	\$ 147,865	\$ 5,620	\$ 37,632	\$ 327,750
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 38,451
Due to other funds	4,411	-	37,632	-
Due to other governments	-	-	-	316
Deferred revenues	-	-	-	288,983
Total Liabilities	4,411	-	37,632	327,750
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted:				
Debt service	-	-	-	-
Culture & Recreation	-	-	-	-
Public safety	143,454	5,620	-	-
Capital projects	-	-	-	-
Development activities	-	-	-	-
Committed:				
Development activities	-	-	-	-
Total Fund Balances	143,454	5,620	-	-
Total Liabilities, Deferred Inflows and Fund Balances	\$ 147,865	\$ 5,620	\$ 37,632	\$ 327,750

	Special Revenue			
	CDBG Disaster			
	Recovery -	Texas City	Hurricane	Municipal
	GLO	Dike Fund	Harvey	Court Funds
Assets				
Cash and cash equivalents	\$ 160,166	\$ 1,821,349	\$ 102,550	\$ 151,127
Investments	-	5,142,538	-	67,357
Taxes receivable, net	-	-	-	-
Due from other governments	479,907	-	8,424	-
Other receivables	-	-	-	-
Total Assets	\$ 640,073	\$ 6,963,887	\$ 110,974	\$ 218,484
Liabilities:				
Accounts payable	\$ 479,907	\$ 5,337	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenues	-	-	110,974	-
Total Liabilities	479,907	5,337	110,974	-
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted:				
Debt service	-	-	-	-
Culture & Recreation	-	6,958,550	-	-
Public safety	-	-	-	218,484
Capital projects	-	-	-	-
Development activities	160,166	-	-	-
Committed:				
Development activities	-	-	-	-
Total Fund Balances	160,166	6,958,550	-	218,484
Total Liabilities, Deferred Inflows and Fund Balances	\$ 640,073	\$ 6,963,887	\$ 110,974	\$ 218,484

	<u>Special Revenue</u>		
	<u>Commission Community Grant</u>	<u>Southeast Texas Housing Grant</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 2,000	\$ 2,616	\$ 4,784,721
Investments	-	-	9,183,348
Taxes receivable, net	-	-	275,221
Due from other governments	-	-	536,529
Other receivables	-	-	243,672
Total Assets	<u>\$ 2,000</u>	<u>\$ 2,616</u>	<u>\$ 15,023,491</u>
Liabilities:			
Accounts payable	\$ -	\$ 2,077	\$ 538,991
Due to other funds	-	-	226,023
Due to other governments	-	-	316
Deferred revenues	-	-	515,851
Total Liabilities	<u>-</u>	<u>2,077</u>	<u>1,281,181</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	-	-	275,221
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>275,221</u>
Fund Balances:			
Restricted:			
Debt service	-	-	2,582,385
Culture & Recreation	-	-	7,284,119
Public safety	-	539	937,148
Capital projects	-	-	2,501,271
Development activities	-	-	160,166
Committed:			
Development activities	2,000	-	2,000
Total Fund Balances	<u>2,000</u>	<u>539</u>	<u>13,467,089</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 2,000</u>	<u>\$ 2,616</u>	<u>\$ 15,023,491</u>



Texas City
EST. 1911

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

Exhibit H-2
Page 1 of 5

	Debt Service		Special Revenue	
	Debt Service Fund	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Municipal Court Technology Fund
Revenues				
Property taxes	\$ 7,923,836	\$ -	\$ -	\$ -
Miscellaneous taxes	-	1,217,805	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	42,460	35,509
Investment income (loss)	99,784	36,008	14,643	3,168
Miscellaneous revenue	-	-	-	-
Total Revenues	8,023,620	1,253,813	57,103	38,677
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	75,369	51,047
Public works	-	-	-	-
Culture and recreation	-	434,687	-	-
Community development	-	-	-	-
Capital outlay	-	14,682	-	-
Debt service:				
Principal retirement	8,370,000	-	-	-
Interest and fiscal charges	254,764	-	-	-
Total Expenditures	8,624,764	449,369	75,369	51,047
Net change in fund balances	(601,144)	804,444	(18,266)	(12,370)
Fund Balances - beginning as originally presented	3,183,529	1,696,827	498,076	55,592
Restatement	-	-	-	-
Fund Balance - beginning (as restated)	3,183,529	1,696,827	498,076	55,592
Fund Balances - ending	\$ 2,582,385	\$ 2,501,271	\$ 479,810	\$ 43,222

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

Exhibit H-2
Page 2 of 5

	Special Revenue			
	Drug Confiscation Fund	BJA Grant Fund	HGAC Grants Fund	Cable Public Educational Government (PEG) Channel Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous taxes	-	-	-	-
Intergovernmental	-	7,312	-	-
Fines and forfeitures	-	-	-	-
Investment income (loss)	5,867	-	-	9,757
Miscellaneous revenue	-	-	-	40,522
Total Revenues	<u>5,867</u>	<u>7,312</u>	<u>-</u>	<u>50,279</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	12,716	7,312	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	87,905
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>12,716</u>	<u>7,312</u>	<u>-</u>	<u>87,905</u>
Net change in fund balances	(6,849)	-	-	(37,626)
Fund Balances - beginning as originally presented	52,868	-	-	363,195
Restatement	-	-	-	-
Fund Balance - beginning (as restated)	<u>52,868</u>	<u>-</u>	<u>-</u>	<u>363,195</u>
Fund Balances - ending	<u>\$ 46,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,569</u>

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Special Revenue			
	Municipal Court Efficiency Fees Fund	LEOSE Grant Fund	Step Op Grant	Community Development Block Grant Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous taxes	-	-	-	-
Intergovernmental	-	12,189	12,133	355,285
Fines and forfeitures	13,808	-	-	-
Investment income (loss)	5,301	-	-	-
Miscellaneous revenue	-	-	-	-
Total Revenues	19,109	12,189	12,133	355,285
Expenditures				
Current:				
General government	-	-	-	-
Public safety	2,748	11,844	36,604	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	295,957
Capital outlay	55,579	-	-	60,062
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	58,327	11,844	36,604	356,019
Net change in fund balances	(39,218)	345	(24,471)	(734)
Fund Balances - beginning as originally presented	182,672	5,275	(13,161)	734
Restatement	-	-	37,632	-
Fund Balance - beginning (as restated)	182,672	5,275	24,471	734
Fund Balances - ending	\$ 143,454	\$ 5,620	\$ -	\$ -

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Special Revenue			
	CDBG Disaster Recovery - GLO	Texas City Dike Fund	Hurricane Harvey	Municipal Court Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous taxes	-	-	-	-
Intergovernmental	8,399,822	-	-	-
Fines and forfeitures	-	-	-	42,419
Investment income (loss)	-	183,212	-	1,846
Miscellaneous revenue	-	1,004,253	-	-
Total Revenues	8,399,822	1,187,465	-	44,265
Expenditures				
Current:				
General government	-	130,917	-	-
Public safety	-	-	-	-
Public works	4,710,752	58,279	-	-
Culture and recreation	-	418,935	-	-
Community development	-	-	-	-
Capital outlay	3,680,070	329,961	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	8,390,822	938,092	-	-
Net change in fund balances	9,000	249,373	-	44,265
Fund Balances - beginning as originally presented	151,166	6,709,177	-	174,219
Restatement	-	-	-	-
Fund Balance - beginning (as restated)	151,166	6,709,177	-	174,219
Fund Balances - ending	\$ 160,166	\$ 6,958,550	\$ -	\$ 218,484

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	<u>Special Revenue</u>		
	<u>Commission Community Grant</u>	<u>Southeast Texas Housing Grant</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Property taxes	\$ -	\$ -	\$ 7,923,836
Miscellaneous taxes	-	-	1,217,805
Intergovernmental	-	-	8,786,741
Fines and forfeitures	-	-	134,196
Investment income (loss)	-	-	359,586
Miscellaneous revenue	-	-	1,044,775
Total Revenues	<u>-</u>	<u>-</u>	<u>19,466,939</u>
Expenditures			
Current:			
General government	14,000	-	144,917
Public safety	-	-	197,640
Public works	-	-	4,769,031
Culture and recreation	-	-	941,527
Community development	-	25,000	320,957
Capital outlay	-	-	4,140,354
Debt service:			
Principal retirement	-	-	8,370,000
Interest and fiscal charges	-	-	254,764
Total Expenditures	<u>14,000</u>	<u>25,000</u>	<u>19,139,190</u>
Net change in fund balances	(14,000)	(25,000)	327,749
Fund Balances - beginning as originally presented	16,000	25,539	13,101,708
Restatement	-	-	37,632
Fund Balance - beginning (as restated)	<u>16,000</u>	<u>25,539</u>	<u>13,139,340</u>
Fund Balances - ending	<u>\$ 2,000</u>	<u>\$ 539</u>	<u>\$ 13,467,089</u>



Texas City
EST. 1911

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2024

Exhibit H-3

	Group Insurance Fund	Capital Equipment Replacement Fund	Windstorm Insurance	Total Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,037,923	\$ -	\$ 259,512	\$ 1,297,435
Investments	331,126	1,393,328	810,955	2,535,409
Other receivable	-	1,710	-	1,710
Prepaid items	23,310	-	-	23,310
Total current assets	1,392,359	1,395,038	1,070,467	3,857,864
Non-current assets:				
Capital assets:				
Equipment and furniture	-	31,707,133	-	31,707,133
Less accumulated depreciation	-	(23,915,144)	-	(23,915,144)
Total capital assets	-	7,791,989	-	7,791,989
Total Assets	\$ 1,392,359	\$ 9,187,027	\$ 1,070,467	\$ 11,649,853
Liabilities				
Current Liabilities:				
Accounts payable	\$ 149,332	\$ 569,568	\$ -	\$ 718,900
Due to other funds	-	3,772,042	-	3,772,042
Claims and judgments, due within one year	448,279	-	-	448,279
Total Liabilities	597,611	4,341,610	-	4,939,221
Net Position				
Investment in capital assets	-	7,791,989	-	7,791,989
Unrestricted	794,748	(2,946,572)	1,070,467	(1,081,357)
Total Net Position	\$ 794,748	\$ 4,845,417	\$ 1,070,467	\$ 6,710,632

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2024

Exhibit H-4

	Group Insurance Fund	Capital Equipment Replacement Fund	Windstorm Insurance	Total Internal Service Funds
Operating Revenues				
Charges for services	\$ 7,438,460	\$ -	\$ -	\$ 7,438,460
Total Operating Revenues	<u>7,438,460</u>	<u>-</u>	<u>-</u>	<u>7,438,460</u>
Operating Expenses				
Contractual and professional services	1,908,391	-	-	1,908,391
Insurance claims and expenses	5,846,902	-	-	5,846,902
Repairs and maintenance	-	1,687,974	-	1,687,974
Depreciation	-	2,364,342	-	2,364,342
Total Operating Expenses	<u>7,755,293</u>	<u>4,052,316</u>	<u>-</u>	<u>11,807,609</u>
Operating income (loss)	<u>(316,833)</u>	<u>(4,052,316)</u>	<u>-</u>	<u>(4,369,149)</u>
Non-Operating Revenues				
Interest and investment revenue	22,248	75,485	34,022	131,755
Total Non-Operating Revenues	<u>22,248</u>	<u>75,485</u>	<u>34,022</u>	<u>131,755</u>
Change in net position	(294,585)	(3,976,831)	34,022	(4,237,394)
Total Net Position - Beginning	<u>1,089,333</u>	<u>8,822,248</u>	<u>1,036,445</u>	<u>10,948,026</u>
Total Net Position - Ending	<u>\$ 794,748</u>	<u>\$ 4,845,417</u>	<u>\$ 1,070,467</u>	<u>\$ 6,710,632</u>

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2024

Exhibit H-5

	Group Insurance Fund	Capital Equipment Replacement Fund	Windstorm Insurance	Total Internal Service Funds
Cash Flows from Operating Activities				
Cash received from customers and users	\$ 1,813,340	\$ -	\$ -	\$ 1,813,340
Receipts from interfund charges for health insurance	5,632,125	-	-	5,632,125
Receipts from interfund charges for equipment lease fees	-	1,316,084	-	1,316,084
Cash paid to suppliers	(1,817,315)	(1,297,820)	-	(3,115,135)
Cash paid for claims	(5,691,883)	-	-	(5,691,883)
Net Cash Provided (Used) by Operating Activities	(63,733)	18,264	-	(45,469)
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	(1,046,161)	-	(1,046,161)
Net Cash (Used) by Capital and Related Financing Activities	-	(1,046,161)	-	(1,046,161)
Cash Flows from Investing Activities				
Proceeds from sales and maturities of investments	22,248	907,733	130,776	1,060,757
Net Cash Used by Investing Activities	22,248	907,733	130,776	1,060,757
Net change in cash and cash equivalents	(41,485)	(120,164)	130,776	(30,873)
Cash and Cash Equivalents, Beginning	1,079,408	120,164	128,736	1,328,308
Cash and Cash Equivalents, Ending	\$ 1,037,923	\$ -	\$ 259,512	\$ 1,297,435
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (316,833)	\$ (4,052,316)	\$ -	\$ (4,369,149)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	2,364,342	-	2,364,342
(Increase) decrease in prepaid items	7,005	-	-	7,005
Increase (decrease) in accounts payable	91,076	390,154	-	481,230
Increase (decrease) in due to other funds	-	1,316,084	-	1,316,084
Increase (decrease) in accrued claims payable	155,019	-	-	155,019
Total Adjustments	253,100	4,070,580	-	4,323,680
Net Cash Provided (Used) by Operating Activities	\$ (63,733)	\$ 18,264	\$ -	\$ (45,469)

CITY OF TEXAS CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

DEBT SERVICE FUND

For the Year Ended September 30, 2024

Exhibit H-6

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Property taxes	\$ 7,012,896	\$ 7,012,896	\$ 7,923,836	\$ 910,940
Investment earnings	7,500	7,500	99,784	92,284
Total Revenues	<u>7,020,396</u>	<u>7,020,396</u>	<u>8,023,620</u>	<u>1,003,224</u>
Expenditures				
Principal retirement	8,370,000	8,370,000	8,370,000	-
Interest and fiscal charges	256,764	256,764	254,764	2,000
Total Expenditures	<u>8,626,764</u>	<u>8,626,764</u>	<u>8,624,764</u>	<u>2,000</u>
Net change in fund balances	(1,606,368)	(1,606,368)	(601,144)	1,005,224
Fund Balances - beginning	<u>3,183,529</u>	<u>3,183,529</u>	<u>3,183,529</u>	<u>-</u>
Fund Balances - ending	<u>\$ 1,577,161</u>	<u>\$ 1,577,161</u>	<u>\$ 2,582,385</u>	<u>\$ 1,005,224</u>

CITY OF TEXAS CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

HOTEL/MOTEL TAX FUND

For the Year Ended September 30, 2024

Exhibit H-7

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Miscellaneous taxes	\$ 900,000	\$ 900,000	\$ 1,217,805	\$ 317,805
Investment earnings	20,000	20,000	36,008	16,008
Total Revenues	920,000	920,000	1,253,813	333,813
Expenditures				
Current:				
Culture and recreation	862,283	862,283	434,687	427,596
Capital Outlay	19,500	19,500	14,682	4,818
Total Expenditures	881,783	881,783	449,369	432,414
Net change in fund balances	38,217	38,217	804,444	766,227
Fund Balances - Beginning	1,696,827	1,696,827	1,696,827	-
Fund Balances - Ending	\$ 1,735,044	\$ 1,735,044	\$ 2,501,271	\$ 766,227

CITY OF TEXAS CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

MUNICIPAL COURT BUILDING SECURITY FUND

For the Year Ended September 30, 2024

Exhibit H-8

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Fees and fines	\$ 60,000	\$ 60,000	\$ 42,460	\$ (17,540)
Investment earnings	2,000	2,000	14,643	12,643
Total Revenues	62,000	62,000	57,103	(4,897)
Expenditures				
Current:				
Public Safety	63,500	120,897	75,369	45,528
Total Expenditures	63,500	120,897	75,369	45,528
Net change in fund balances	(1,500)	(58,897)	(18,266)	40,631
Fund Balances - Beginning	498,076	498,076	498,076	-
Fund Balances - Ending	\$ 496,576	\$ 439,179	\$ 479,810	\$ 40,631

CITY OF TEXAS CITY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

MUNICIPAL COURT TECHNOLOGY FUND

For the Year Ended September 30, 2024

Exhibit H-9

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Fees and fines	\$ 60,000	\$ 60,000	\$ 35,509	\$ (24,491)
Investment earnings	500	500	3,168	2,668
Total Revenues	60,500	60,500	38,677	(21,823)
Expenditures				
Current:				
Public Safety	83,547	83,547	51,047	32,500
Total Expenditures	83,547	83,547	51,047	32,500
Net change in fund balances	(23,047)	(23,047)	(12,370)	10,677
Fund Balances - Beginning	55,592	55,592	55,592	-
Fund Balances - Ending	\$ 32,545	\$ 32,545	\$ 43,222	\$ 10,677

CITY OF TEXAS CITY, TEXAS

Exhibit H-10

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
DRUG CONFISCATION FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Fees and fines	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Investment earnings	500	500	5,867	5,367
Total Revenues	<u>20,500</u>	<u>20,500</u>	<u>5,867</u>	<u>(14,633)</u>
Expenditures				
Current:				
Public Safety	29,150	29,150	12,716	16,434
Total Expenditures	<u>29,150</u>	<u>29,150</u>	<u>12,716</u>	<u>16,434</u>
Net change in fund balances	(8,650)	(8,650)	(6,849)	1,801
Fund Balances - Beginning	52,868	52,868	52,868	-
Fund Balances - Ending	<u>\$ 44,218</u>	<u>\$ 44,218</u>	<u>\$ 46,019</u>	<u>\$ 1,801</u>

CITY OF TEXAS CITY, TEXAS

Exhibit H-11

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -

BUDGET AND ACTUAL

BJA GRANT FUND

For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 7,312	\$ 7,312
Total Revenues	-	-	7,312	7,312
Expenditures				
Current:				
Public Safety	-	12,389	7,312	5,077
Total Expenditures	-	12,389	7,312	5,077
Net change in fund balances	-	(12,389)	-	12,389
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ (12,389)	\$ -	\$ 12,389

CITY OF TEXAS CITY, TEXAS

Exhibit H-12

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
HGAC GRANTS FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ 95,000	\$ 95,000	\$ -	\$ (95,000)
Total Revenues	95,000	95,000	-	(95,000)
Expenditures				
Current:				
Public Safety	195,000	195,000	-	195,000
Total Expenditures	195,000	195,000	-	195,000
Net change in fund balances	(100,000)	(100,000)	-	100,000
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ (100,000)	\$ (100,000)	\$ -	\$ 100,000

CITY OF TEXAS CITY, TEXAS

Exhibit H-13

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CABLE PUBLIC EDUCATIONAL GOVERNMENT (PEG) CHANNEL FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ 9,757	\$ 9,757
Miscellaneous	100,000	100,000	40,522	(59,478)
Total Revenues	100,000	100,000	50,279	(49,721)
Expenditures				
Current:				
Culture and recreation	100,000	127,071	87,905	39,166
Total Expenditures	100,000	127,071	87,905	39,166
Net change in fund balances	-	(27,071)	(37,626)	(10,555)
Fund Balances - Beginning	363,195	363,195	363,195	-
Fund Balances - Ending	\$ 363,195	\$ 336,124	\$ 325,569	\$ (10,555)

CITY OF TEXAS CITY, TEXAS

Exhibit H-14

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
MUNICIPAL COURT EFFICIENCY FEES FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Fees and fines	\$ 12,500	\$ 12,500	\$ 13,808	\$ 1,308
Investment earnings	1,000	1,000	5,301	4,301
Total Revenues	13,500	13,500	19,109	5,609
Expenditures				
Current:				
Public Safety	15,225	15,225	2,748	12,477
Capital Outlay	5,000	50,597	55,579	(4,982)
Total Expenditures	20,225	65,822	58,327	7,495
Net change in fund balances	(6,725)	(52,322)	(39,218)	13,104
Fund Balances - Beginning	182,672	182,672	182,672	-
Fund Balances - Ending	\$ 175,947	\$ 130,350	\$ 143,454	\$ 13,104

CITY OF TEXAS CITY, TEXAS

Exhibit H-15

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
LEOSE GRANT FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ 5,000	\$ 12,189	\$ 12,189	\$ -
Total Revenues	5,000	12,189	12,189	-
Expenditures				
Current:				
Public Safety	5,000	12,189	11,844	345
Total Expenditures	5,000	12,189	11,844	345
Net change in fund balances	-	-	345	345
Fund Balances - Beginning	5,275	5,275	5,275	-
Fund Balances - Ending	\$ 5,275	\$ 5,275	\$ 5,620	\$ 345

CITY OF TEXAS CITY, TEXAS

Exhibit H-16

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
STEP OP GRANT
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ 16,943	\$ 16,943	\$ 12,133	\$ (4,810)
Total Revenues	<u>16,943</u>	<u>16,943</u>	<u>12,133</u>	<u>(4,810)</u>
Expenditures				
Current:				
Public Safety	16,943	16,943	36,604	(19,661)
Total Expenditures	<u>16,943</u>	<u>16,943</u>	<u>36,604</u>	<u>(19,661)</u>
Net change in fund balances	-	-	(24,471)	(24,471)
Fund Balance - beginning (as restated)	<u>(13,161)</u>	<u>(13,161)</u>	<u>24,471</u>	<u>(73,413)</u>
Fund Balances - Ending	<u>\$ (13,161)</u>	<u>\$ (13,161)</u>	<u>\$ -</u>	<u>\$ (48,942)</u>

CITY OF TEXAS CITY, TEXAS

Exhibit H-17

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ 1,703,437	\$ 1,703,437	\$ 355,285	\$ (1,348,152)
Total Revenues	<u>1,703,437</u>	<u>1,703,437</u>	<u>355,285</u>	<u>(1,348,152)</u>
Expenditures				
Current:				
Economic and community development	1,187,284	1,245,059	295,957	949,102
Capital Outlay	360,000	360,000	60,062	299,938
Total Expenditures	<u>1,547,284</u>	<u>1,605,059</u>	<u>356,019</u>	<u>1,249,040</u>
Net change in fund balances	156,153	98,378	(734)	(99,112)
Fund Balances - Beginning	734	734	734	-
Fund Balances - Ending	<u>\$ 156,887</u>	<u>\$ 99,112</u>	<u>\$ -</u>	<u>\$ (99,112)</u>

CITY OF TEXAS CITY, TEXAS

Exhibit H-18

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CBDG DISASTER RECOVERY - GLO FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ 38,711,788	\$ 38,711,788	\$ 8,399,822	\$ (30,311,966)
Total Revenues	<u>38,711,788</u>	<u>38,711,788</u>	<u>8,399,822</u>	<u>(30,311,966)</u>
Expenditures				
Current:				
Highways and roads	11,321,366	13,911,021	4,710,752	9,200,269
Capital Outlay	24,824,873	32,250,862	3,680,070	28,570,792
Total Expenditures	<u>36,146,239</u>	<u>46,161,883</u>	<u>8,390,822</u>	<u>37,771,061</u>
Net change in fund balances	2,565,549	(7,450,095)	9,000	7,459,095
Fund Balances - Beginning	<u>151,166</u>	<u>151,166</u>	<u>151,166</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,716,715</u>	<u>\$ (7,298,929)</u>	<u>\$ 160,166</u>	<u>\$ 7,459,095</u>

CITY OF TEXAS CITY, TEXAS

Exhibit H-19

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
TEXAS CITY DIKE FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ 439,839	\$ 439,839	\$ -	\$ (439,839)
Investment earnings	-	-	183,212	183,212
Miscellaneous	1,303,500	1,303,500	1,004,253	(299,247)
Total Revenues	1,743,339	1,743,339	1,187,465	(555,874)
Expenditures				
Current:				
General government	179,200	179,200	130,917	48,283
Public works	100,000	100,000	58,279	41,721
Culture and recreation	967,700	967,700	418,935	548,765
Capital Outlay	753,280	1,047,792	329,961	717,831
Total Expenditures	2,000,180	2,294,692	938,092	1,356,600
Excess (deficiency) of revenues over expenditures	(256,841)	(551,353)	249,373	800,726
Other Financing Sources (Uses)				
Transfers out	35,000	(35,000)	-	35,000
Total other financing sources (Uses)	35,000	(35,000)	-	35,000
Net change in fund balances	(221,841)	(586,353)	249,373	835,726
Fund Balances - Beginning	6,709,177	6,709,177	6,709,177	-
Fund Balances - Ending	\$ 6,487,336	\$ 6,122,824	\$ 6,958,550	\$ 835,726

CITY OF TEXAS CITY, TEXAS

Exhibit H-20

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
MUNICIPAL COURT FUNDS
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Fines and forfeitures	\$ 57,000	\$ 57,000	\$ 42,419	\$ (14,581)
Investment earnings	1,050	1,050	1,846	796
Total Revenues	58,050	58,050	44,265	(13,785)
Expenditures				
Current:				
Public Safety	3,500	3,500	-	3,500
Total Expenditures	3,500	3,500	-	3,500
Net change in fund balances	54,550	54,550	44,265	(10,285)
Fund Balances - Beginning	174,219	174,219	174,219	-
Fund Balances - Ending	\$ 228,769	\$ 228,769	\$ 218,484	\$ (10,285)

CITY OF TEXAS CITY, TEXAS

Exhibit H-21

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COMMISION COMMUNITY GRANT
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current:				
General government	35,000	35,000	14,000	21,000
Total Expenditures	35,000	35,000	14,000	21,000
Excess (deficiency) of revenues over expenditures	(35,000)	(35,000)	(14,000)	21,000
Other Financing Sources (Uses)				
Transfers in	35,000	35,000	-	35,000
Total other financing sources (Uses)	35,000	35,000	-	35,000
Net change in fund balances	-	-	(14,000)	(14,000)
Fund Balances - Beginning	16,000	16,000	16,000	-
Fund Balances - Ending	\$ 16,000	\$ 16,000	\$ 2,000	\$ (14,000)

CITY OF TEXAS CITY, TEXAS

Exhibit H-22

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

**SOUTHEAST TEXAS HOUSING GRANT
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current:				
Economic and community development	25,000	25,000	25,000	-
Total Expenditures	25,000	25,000	25,000	-
Net change in fund balances	(25,000)	(25,000)	(25,000)	-
Fund Balances - Beginning	25,539	25,539	25,539	-
Fund Balances - Ending	\$ 539	\$ 539	\$ 539	\$ -

CITY OF TEXAS CITY, TEXAS
COMBINING BALANCE SHEET - GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2024

Exhibit I-1
Page 1 of 2

	Texas City Economic Development Corp.	Public Facilities Development Fund	Texas City Industrial Development Corp.	Texas City Harbour Foreign Trade Zone
Assets				
Cash and cash equivalents	\$ 15,854,555	\$ 58,470	\$ 16,104	\$ 43,344
Investments	8,688,428	136,807	110,680	23,677
Due from other governments	1,181,926	-	-	-
Other receivables	590,598	-	-	-
Restricted cash	-	-	-	-
Total Assets	<u>26,315,507</u>	<u>195,277</u>	<u>126,784</u>	<u>67,021</u>
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	527,220	-	-	-
Customer deposits	2,000	-	-	-
Accrued wages payable	3,156	-	-	186
Total Liabilities	<u>532,376</u>	<u>-</u>	<u>-</u>	<u>186</u>
Deferred Inflows of Resources				
Unavailable revenue - leases	84,044	-	-	-
Total Deferred Inflows of Resources	<u>84,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Capital projects	-	-	-	-
Culture and recreation	-	-	-	-
Development activities	25,699,087	195,277	126,784	66,835
Debt service	-	-	-	-
Total Fund Balances	<u>25,699,087</u>	<u>195,277</u>	<u>126,784</u>	<u>66,835</u>
Total Liabilities and Fund Balances	<u>\$ 26,315,507</u>	<u>\$ 195,277</u>	<u>\$ 126,784</u>	<u>\$ 67,021</u>

CITY OF TEXAS CITY, TEXAS
COMBINING BALANCE SHEET - GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2024

Exhibit I-1
Page 2 of 2

	Texas City Cultural Arts Foundation	Texas City Historical Preservation Corp.	Lago Mar Development Authority	Total Component Units
Assets				
Cash and cash equivalents	\$ 170,220	\$ 84,846	\$ 4,352,348	\$ 20,579,887
Investments	514,404	166,476	-	9,640,472
Due from other governments	-	-	-	1,181,926
Other receivables	12,000	-	-	602,598
Restricted cash	-	-	1,016,299	1,016,299
Total Assets	696,624	251,322	5,368,647	33,021,182
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	1,452	3,559	27,879	560,110
Customer deposits	-	-	-	2,000
Accrued wages payable	-	-	-	3,342
Total Liabilities	1,452	3,559	27,879	565,452
Deferred Inflows of Resources				
Unavailable revenue - leases	-	-	-	84,044
Total Deferred Inflows of Resources	-	-	-	84,044
Fund Balances:				
Restricted:				
Capital projects	-	-	6,465	6,465
Culture and recreation	695,172	247,763	-	942,935
Development activities	-	-	4,318,004	30,405,987
Debt service	-	-	1,016,299	1,016,299
Total Fund Balances	695,172	247,763	5,340,768	32,371,686
Total Liabilities and Fund Balances	\$ 696,624	\$ 251,322	\$ 5,368,647	\$ 33,021,182



Texas City
EST. 1911

CITY OF TEXAS CITY, TEXAS
RECONCILIATION OF THE COMPONENT UNITS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2024

Exhibit I-2

Total Fund Balances, Component Units	\$32,371,686
---	--------------

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	8,368,271
---	-----------

Long term liabilities including due to developer bonds payable are not due and payable in the current period and, therefore, are not reported as liabilities in the fund financial statements. Liabilities at year end related to these payables consists of:

Accrued interest	(168,472)
Bonds payable	<u>(14,117,434)</u>

Net Position of Component Units in the Statement of Net Position	<u><u>\$26,454,051</u></u>
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CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2024

Exhibit I-3
Page 1 of 2

	Texas City Economic Development Corp.	Public Facilities Development Fund	Texas City Industrial Development Corp.	Texas City Harbour Foreign Trade Zone
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
General sales tax	8,544,625	-	-	-
Investment earnings	275,169	5,162	4,232	2,727
Miscellaneous revenue	118,005	263,090	-	-
Total Revenues	<u>8,937,799</u>	<u>268,252</u>	<u>4,232</u>	<u>2,727</u>
Expenditures				
Current:				
General government	-	263,090	-	-
Culture and recreation	-	-	-	-
Community development	2,245,864	-	-	170,045
Intergovernmental	185,000	-	-	-
Capital outlay	682,346	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>3,113,210</u>	<u>263,090</u>	<u>-</u>	<u>170,045</u>
Excess (deficiency) of revenues over expenditures	<u>5,824,589</u>	<u>5,162</u>	<u>4,232</u>	<u>(167,318)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	48,376	-	-	-
Total Other Financing Sources (Uses)	<u>48,376</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,872,965	5,162	4,232	(167,318)
Fund Balances - Beginning	<u>19,826,122</u>	<u>190,115</u>	<u>122,552</u>	<u>234,153</u>
Fund Balances - Ending	<u>\$ 25,699,087</u>	<u>\$ 195,277</u>	<u>\$ 126,784</u>	<u>\$ 66,835</u>

CITY OF TEXAS CITY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2024

	Texas City Cultural Arts Foundation	Texas City Historical Preservation Corp.	Lago Mar Development Authority	Total Component Units
Revenues				
Property tax	\$ -	\$ -	\$ 4,745,202	\$ 4,745,202
General sales tax	-	-	-	8,544,625
Investment earnings	19,215	8,261	170,601	485,367
Miscellaneous revenue	160,212	25,179	-	566,486
Total Revenues	<u>179,427</u>	<u>33,440</u>	<u>4,915,803</u>	<u>14,341,680</u>
Expenditures				
Current:				
General government	-	-	-	263,090
Culture and recreation	212,184	87,177	-	299,361
Community development	-	-	1,808,765	4,224,674
Intergovernmental	-	-	-	185,000
Capital outlay	-	10,429	-	692,775
Debt service:				
Principal retirement	-	-	725,000	725,000
Interest and fiscal charges	-	-	534,643	534,643
Total Expenditures	<u>212,184</u>	<u>97,606</u>	<u>3,068,408</u>	<u>6,924,543</u>
Excess (deficiency) of revenues over expenditures	<u>(32,757)</u>	<u>(64,166)</u>	<u>1,847,395</u>	<u>7,417,137</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	48,376
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,376</u>
Net change in fund balances	(32,757)	(64,166)	1,847,395	7,465,513
Fund Balances - Beginning	<u>727,929</u>	<u>311,929</u>	<u>3,493,373</u>	<u>24,906,173</u>
Fund Balances - Ending	<u>\$ 695,172</u>	<u>\$ 247,763</u>	<u>\$ 5,340,768</u>	<u>\$ 32,371,686</u>

CITY OF TEXAS CITY, TEXAS

Exhibit I-4

**RECONCILIATION OF THE COMPONENT UNITS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024**

Net Change in Fund Balances, Component Units \$ 7,465,513

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which depreciation (\$149,604) is exceeded by capital outlays (\$691,949) in the current period. 542,345

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

761,657

Changes in Net Position of Component Units \$ 8,769,515



Texas City
EST. 1911

Statistical Section

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

Contents Pages

Financial Trends (Tables 1-4) 139-147

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

Revenue Capacity (Tables 5-9)..... 149-153

These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.

Debt Capacity (Tables 10-13)..... 155-158

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

Demographic and Economic Information (Table 14) 160

This schedule offers demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

Operating Information (Tables 15-18)..... 161-167

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



Texas City
 EST. 1911

CITY OF TEXAS CITY, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 1
Page 1 of 2

	2024	2023	2022	2021	2020
Governmental Activities					
Net investment in capital assets	\$ 161,883,365	\$ 148,439,657	\$ 130,241,554	\$ 125,828,190	\$ 106,030,263
Restricted	14,012,162	13,261,903	11,541,387	11,442,179	9,565,326
Unrestricted	(3,572,493)	(7,230,525)	2,541,111	5,239,639	(7,874,120)
Total Governmental Activities	<u>\$ 172,323,034</u>	<u>\$ 154,471,035</u>	<u>\$ 144,324,052</u>	<u>\$ 142,510,008</u>	<u>\$ 107,721,469</u>
Business-type Activities					
Net investment in capital assets	\$ 56,845,027	\$ 49,355,936	\$ 50,164,614	\$ 52,497,639	\$ 38,517,180
Restricted	1,267,980	183,904	-	-	-
Unrestricted	32,785,999	29,607,200	19,526,076	9,124,387	4,402,892
Total Business-type Activities	<u>\$ 90,899,006</u>	<u>\$ 79,147,040</u>	<u>\$ 69,690,690</u>	<u>\$ 61,622,026</u>	<u>\$ 42,920,072</u>
Primary Government					
Net investment in capital assets	\$ 218,728,392	\$ 197,795,593	\$ 180,406,168	\$ 178,325,829	\$ 144,547,443
Restricted	15,280,142	13,445,807	11,541,387	11,442,179	9,565,326
Unrestricted	29,213,506	22,376,675	22,067,187	14,364,026	(3,471,228)
Total Primary Government	<u>\$ 263,222,040</u>	<u>\$ 233,618,075</u>	<u>\$ 214,014,742</u>	<u>\$ 204,132,034</u>	<u>\$ 150,641,541</u>

The years prior to 2017 were not restated for the implementation of GASB 75, the pipeline revenue, or combination of Water and Sewer Capital Recovery funds to Business Type activities.

CITY OF TEXAS CITY, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 1
Page 2 of 2

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities					
Net investment in capital assets	\$ 104,414,666	\$ 107,600,544	\$ 106,869,061	\$ 101,131,668	\$ 100,536,097
Restricted	10,070,526	9,377,219	9,100,549	10,810,671	9,628,081
Unrestricted	(13,333,819)	(16,722,859)	(9,882,110)	(6,009,423)	7,576,524
Total Governmental Activities	<u>\$ 101,151,373</u>	<u>\$ 100,254,904</u>	<u>\$ 106,087,500</u>	<u>\$ 105,932,916</u>	<u>\$ 117,740,702</u>
Business-type Activities					
Net investment in capital assets	\$ 37,047,320	\$ 49,516,964	\$ 55,581,643	\$ 56,854,167	\$ 54,323,531
Restricted	-	-	-	-	-
Unrestricted	4,925,421	(16,216,481)	(10,871,123)	(8,325,340)	(101,327)
Total Business-type Activities	<u>\$ 41,972,741</u>	<u>\$ 33,300,483</u>	<u>\$ 44,710,520</u>	<u>\$ 48,528,827</u>	<u>\$ 54,222,204</u>
Primary Government					
Net investment in capital assets	\$ 141,461,986	\$ 157,117,508	\$ 162,450,704	\$ 157,985,835	\$ 154,859,628
Restricted	10,070,526	9,377,219	9,100,549	10,810,671	9,628,081
Unrestricted	(8,408,398)	(32,939,340)	(20,753,233)	(14,334,763)	7,475,197
Total Primary Government	<u>\$ 143,124,114</u>	<u>\$ 133,555,387</u>	<u>\$ 150,798,020</u>	<u>\$ 154,461,743</u>	<u>\$ 171,962,906</u>

The years prior to 2017 were not restated for the implementation of GASB 75, the pipeline revenue, or combination of Water and Sewer Capital Recovery funds to Business Type activities.

CITY OF TEXAS CITY, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

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	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses					
Governmental activities:					
General government	\$ 12,054,097	\$ 9,563,191	\$ 7,562,174	\$ 5,438,595	\$ 5,522,909
Public safety	34,756,879	36,269,760	30,547,616	28,893,999	27,538,856
Public works	21,097,209	17,781,293	15,591,638	14,709,361	15,759,150
Health and Welfare	550,173	562,098	424,830	431,929	429,572
Culture and recreation	13,683,038	13,991,387	12,487,606	11,877,599	11,887,460
Economic and Community development	1,181,206	707,452	1,334,624	310,555	360,577
Interest on long-term debt	117,083	298,759	531,767	467,099	664,945
Total governmental activities expenses	<u>83,439,685</u>	<u>79,173,940</u>	<u>68,480,255</u>	<u>62,129,137</u>	<u>62,163,469</u>
Business-type activities:					
Water and sewer	19,136,228	18,282,896	17,310,211	16,658,835	16,318,127
Total Primary Government Expenses	<u>\$ 102,575,913</u>	<u>\$ 97,456,836</u>	<u>\$ 85,790,466</u>	<u>\$ 78,787,972</u>	<u>\$ 78,481,596</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ -	\$ -	\$ 68,500	\$ 36,000	\$ 26,000
Public safety	5,617,485	5,032,432	5,115,527	5,421,654	5,501,878
Public works	5,302,722	5,197,696	5,359,257	4,842,362	3,999,248
Health and Welfare	56,193	72,914	93,785	64,403	48,085
Culture and recreation	2,613,082	2,940,185	2,956,403	2,868,575	2,215,977
Operating grants and contributions:					
Public safety	3,982,286	1,661,203	506,170	2,345,466	223,043
Public works	767,427	4,028,882	1,466,128	1,682,478	201,542
Culture and recreation	4,710,752	628,187	558,531	-	-
Community development	540,285	293,418	798,579	243,293	333,550
Capital grants and contributions:					
Culture and recreation	-	-	215,335	290,727	156,698
Total Governmental Activities Program Revenues	<u>23,590,232</u>	<u>19,854,917</u>	<u>17,138,215</u>	<u>17,794,958</u>	<u>12,706,021</u>
Business-type Activities:					
Charges for services	28,924,341	27,118,445	25,626,667	25,032,093	19,199,695
Operating grants and contributions	1,267,980	-	-	-	-
Total Business-type Activities Program Revenues	<u>30,192,321</u>	<u>27,118,445</u>	<u>25,626,667</u>	<u>25,032,093</u>	<u>19,199,695</u>
Total Primary Government Program Revenues	<u>\$ 53,782,553</u>	<u>\$ 46,973,362</u>	<u>\$ 42,764,882</u>	<u>\$ 42,827,051</u>	<u>\$ 31,905,716</u>
Net (Expense)/Revenue					
Governmental activities	\$ (59,849,453)	\$ (59,319,023)	\$ (51,342,040)	\$ (44,334,179)	\$ (49,457,448)
Business-type activities	11,056,093	8,835,549	8,316,456	8,373,258	2,881,568
Total Primary Government Net (Expense)/Revenue	<u>\$ (48,793,360)</u>	<u>\$ (50,483,474)</u>	<u>\$ (43,025,584)</u>	<u>\$ (35,960,921)</u>	<u>\$ (46,575,880)</u>

CITY OF TEXAS CITY, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Governmental activities:					
General government	\$ 2,614,835	\$ 5,708,266	\$ 4,602,834	\$ 5,000,523	\$ 4,400,919
Public safety	26,463,786	26,160,367	23,873,775	21,303,434	22,044,744
Public works	16,348,882	15,052,451	15,077,717	13,494,882	13,190,376
Health and Welfare	412,599	425,109	476,395	426,672	379,188
Culture and recreation	11,334,448	11,846,951	11,056,942	10,411,949	10,078,098
Economic and Community development	225,243	319,254	213,288	316,355	300,733
Interest on long-term debt	769,870	993,953	1,083,321	1,208,844	1,138,917
Total governmental activities expenses	<u>58,169,663</u>	<u>60,506,351</u>	<u>56,384,272</u>	<u>52,162,659</u>	<u>51,532,975</u>
Business-type activities:					
Water and sewer	15,111,992	15,212,746	19,346,528	17,440,075	16,973,082
Total Primary Government Expenses	<u>\$ 73,281,655</u>	<u>\$ 75,719,097</u>	<u>\$ 75,730,800</u>	<u>\$ 69,602,734</u>	<u>\$ 68,506,057</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 67,000	\$ 50	\$ 42,500	\$ 33,000	\$ -
Public safety	4,897,916	4,813,296	4,535,658	4,618,567	4,107,224
Public works	2,399,666	3,418,991	2,382,231	2,377,134	2,255,542
Health and Welfare	53,431	38,432	27,069	52,813	77,272
Culture and recreation	2,224,173	2,606,641	2,550,113	2,428,257	1,984,085
Operating grants and contributions:					
Public safety	166,302	193,021	142,943	183,517	486,823
Public works	665,918	-	1,260,641	5,895,842	5,158,382
Culture and recreation	-	88,687	-	88,687	-
Community development	427,253	33,449	263,788	319,198	300,636
Capital grants and contributions:					
Culture and recreation	-	-	-	-	156,119
Total Governmental Activities Program Revenues	<u>10,901,659</u>	<u>11,192,567</u>	<u>11,204,943</u>	<u>15,997,015</u>	<u>14,526,083</u>
Business-type Activities:					
Charges for services	20,836,030	12,774,933	10,918,088	11,001,888	10,962,226
Operating grants and contributions	-	-	-	-	-
Total Business-type Activities Program Revenues	<u>20,836,030</u>	<u>12,774,933</u>	<u>10,918,088</u>	<u>11,001,888</u>	<u>10,962,226</u>
Total Primary Government Program Revenues	<u>\$ 31,737,689</u>	<u>\$ 23,967,500</u>	<u>\$ 22,123,031</u>	<u>\$ 26,998,903</u>	<u>\$ 25,488,309</u>
Net (Expense)/Revenue					
Governmental activities	\$ (47,268,004)	\$ (49,313,784)	\$ (45,179,329)	\$ (36,165,644)	\$ (37,006,892)
Business-type activities	5,724,038	(2,437,813)	(8,428,440)	(6,438,187)	(6,010,856)
Total Primary Government Net (Expense)/Revenue	<u>\$ (41,543,966)</u>	<u>\$ (51,751,597)</u>	<u>\$ (53,607,769)</u>	<u>\$ (42,603,831)</u>	<u>\$ (43,017,748)</u>

CITY OF TEXAS CITY, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

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	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 35,928,441	\$ 20,967,187	\$ 28,003,697	\$ 29,102,853	\$ 26,676,830
Other taxes	33,695,718	21,643,831	25,920,500	25,226,412	26,207,884
Unrestricted investment earnings	4,575,971	241,585	(2,786,302)	87,877	1,197,805
Miscellaneous	3,594,654	628,585	2,018,189	2,030,213	1,945,025
Special item-gain(loss) on sale of assets	72,308	-	-	-	-
Transfers	(165,640)	-	-	-	-
Capital Contributions	-	-	-	-	-
Total governmental activities	<u>77,701,452</u>	<u>43,481,188</u>	<u>53,156,084</u>	<u>56,447,355</u>	<u>56,027,544</u>
Business-type activities:					
Unrestricted investment earnings	527,733	6,759	(683,536)	2,259	103,766
Miscellaneous	2,500	58,210	435,744	8,721	7,657
Special item-gain(loss) on sale of assets	-	-	-	-	-
Transfers	165,640	-	-	-	-
Capital asset contributions	-	222,482	-	-	-
Total business-type activities	<u>695,873</u>	<u>287,451</u>	<u>(247,792)</u>	<u>10,980</u>	<u>111,423</u>
Total Primary Government	<u>\$ 78,397,325</u>	<u>\$ 43,768,639</u>	<u>\$ 52,908,292</u>	<u>\$ 56,458,335</u>	<u>\$ 56,138,967</u>
Changes in Net Position					
Governmental activities	\$ 17,851,999	\$ (5,832,596)	\$ 1,814,044	\$ 12,113,176	\$ 6,570,096
Business-type activities	11,751,966	(2,150,362)	8,068,664	8,384,238	2,992,991
Total Primary Government	<u>\$ 29,603,965</u>	<u>\$ (7,982,958)</u>	<u>\$ 9,882,708</u>	<u>\$ 20,497,414</u>	<u>\$ 9,563,087</u>

CITY OF TEXAS CITY, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 25,414,309	\$ 20,967,187	\$ 22,603,586	\$ 23,790,345	\$ 22,193,055
Other taxes	25,269,603	21,643,831	20,572,027	21,134,812	20,785,391
Unrestricted investment earnings	371,898	241,585	180,402	60,448	39,761
Miscellaneous	2,018,679	628,585	1,977,598	3,408,986	4,781,731
Special item-gain(loss) on sale of assets	-	-	-	169,041	-
Transfers	-	-	-	-	(1,380,103)
Capital Contributions	-	-	-	-	-
Total governmental activities	<u>53,074,489</u>	<u>43,481,188</u>	<u>45,333,613</u>	<u>48,563,632</u>	<u>46,419,835</u>
Business-type activities:					
Unrestricted investment earnings	14,812	6,759	26,430	15,753	19,365
Miscellaneous	732,570	58,210	4,583,703	2,550,417	2,384,918
Special item-gain(loss) on sale of assets	-	-	39,771	39,771	39,771
Transfers	327,939	-	-	-	1,380,103
Capital asset contributions	-	222,482	-	-	-
Total business-type activities	<u>1,075,321</u>	<u>287,451</u>	<u>4,649,904</u>	<u>2,605,941</u>	<u>3,824,157</u>
Total Primary Government	<u>\$ 54,149,810</u>	<u>\$ 43,768,639</u>	<u>\$ 49,983,517</u>	<u>\$ 51,169,573</u>	<u>\$ 50,243,992</u>
Changes in Net Position					
Governmental activities	\$ 5,806,485	\$ (5,832,596)	\$ 154,584	\$ 12,397,988	\$ 9,412,943
Business-type activities	<u>6,799,359</u>	<u>(2,150,362)</u>	<u>(3,778,536)</u>	<u>(3,832,246)</u>	<u>(2,186,699)</u>
Total Primary Government	<u>\$ 12,605,844</u>	<u>\$ (7,982,958)</u>	<u>\$ (3,623,952)</u>	<u>\$ 8,565,742</u>	<u>\$ 7,226,244</u>

CITY OF TEXAS CITY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 3
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	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General fund					
Nonspendable:					
Inventories	\$ 1,732,225	\$ 2,102,055	\$ 1,435,461	\$ 1,205,007	\$ 1,246,648
Prepaid items	465,624	246,814	26,498	214,165	198,686
Long-term interfund balances:					
Due from Utility Revenue fund	-	-	-	-	-
Due from Sewer Revenue fund	-	-	-	-	-
Due from Group Insurance fund	-	-	-	-	-
Assigned:					
Public works	500,000	500,000	500,000	500,000	500,000
Unassigned	35,362,595	26,570,416	24,221,019	36,433,233	32,432,747
Total General Fund	<u>38,060,444</u>	<u>29,419,285</u>	<u>26,182,978</u>	<u>38,352,405</u>	<u>34,378,081</u>
All Other Governmental Funds					
Restricted:					
Debt Service	2,582,385	3,183,529	2,653,838	2,972,762	3,294,816
Culture & Recreation	7,284,119	7,072,372	6,339,142	5,854,365	5,253,855
Public safety	937,148	969,241	961,120	961,480	883,820
Capital projects	2,501,271	-	-	103,687	7,484,429
Development Activities	160,166	1,873,727	1,437,526	1,415,782	1,007,596
Committed:					
Capital projects	-	861,823	7,103,879	563,500	-
Unassigned	-	(13,161)	-	-	215,568
Total Other Governmental Funds	<u>13,465,089</u>	<u>13,947,531</u>	<u>18,495,505</u>	<u>11,871,576</u>	<u>18,140,084</u>
Total Fund Balances of Governmental Funds	<u>\$51,525,533</u>	<u>\$43,366,816</u>	<u>\$44,678,483</u>	<u>\$50,223,981</u>	<u>\$52,518,165</u>

* In fiscal year 2018 the Water and Sewer Revenue funds were combined to form the Utility Revenue Fund.

CITY OF TEXAS CITY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

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	<u>2019</u>	<u>2018*</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General fund					
Nonspendable:					
Inventories	\$ 1,039,930	\$ 1,072,724	\$ 1,123,886	\$ 1,056,630	\$ 1,156,917
Prepaid items	195,567	-	26,949	154,468	496,279
Long-term interfund balances:					
Due from Utility Revenue fund	-	-	7,384,258	6,427,621	5,780,534
Due from Sewer Revenue fund	-	-	6,476,769	5,980,614	4,946,375
Due from Group Insurance fund	2,760,120	3,604,820	3,659,494	3,119,010	1,447,655
Assigned:					
Public works	500,000	500,000	500,000	500,000	1,000,000
Unassigned	27,561,418	23,829,549	6,435,538	7,943,478	9,909,208
Total General Fund	<u>32,057,035</u>	<u>29,007,093</u>	<u>25,606,894</u>	<u>25,181,821</u>	<u>24,736,968</u>
All Other Governmental Funds					
Restricted:					
Debt Service	2,947,220	2,889,616	2,690,884	2,395,926	2,275,887
Culture & Recreation	4,365,961	4,758,579	-	-	-
Public safety	958,877	1,002,578	1,197,415	1,316,803	1,287,130
Capital projects	1,924,841	2,295,071	5,237,072	6,426,920	10,973,498
Development Activities	1,144,069	1,365,786	5,480,680	6,441,626	6,486,029
Committed:					
Capital projects	-	-	-	-	-
Unassigned	(1,083,351)	(1,223,582)	(19,253)	(17,379)	(17,379)
Total Other Governmental Funds	<u>10,257,617</u>	<u>11,088,048</u>	<u>14,586,798</u>	<u>16,563,896</u>	<u>21,005,165</u>
Total Fund Balances of Governmental Funds	<u>\$42,314,652</u>	<u>\$40,095,141</u>	<u>\$40,193,692</u>	<u>\$41,745,717</u>	<u>\$45,742,133</u>

* In fiscal year 2018 the Water and Sewer Revenue funds were combined to form the Utility Revenue Fund.

CITY OF TEXAS CITY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

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	2024	2023	2022	2021	2020
Revenues					
Property taxes	\$ 35,870,851	\$ 32,976,795	\$ 27,749,762	\$ 29,091,945	\$ 28,517,280
Sales and miscellaneous taxes	25,617,227	22,494,155	18,137,745	17,821,085	17,990,605
Licenses and permits	1,752,402	1,026,211	1,732,861	1,553,105	1,683,262
Intergovernmental	10,000,750	6,634,190	3,351,908	4,906,821	10,423,939
Charges for services	8,564,307	8,539,949	7,750,475	7,427,589	6,948,533
Fines and fees	1,826,551	1,933,293	2,188,335	2,455,252	1,825,235
Investment earnings	4,444,216	2,524,387	(2,590,226)	85,739	771,006
Other	13,189,524	12,713,226	11,588,279	10,638,444	12,535,343
Total Revenues	101,265,828	88,842,206	69,909,139	73,979,980	80,695,203
Expenditures					
General government	7,595,022	7,218,022	7,814,741	5,478,867	5,973,279
Public safety	33,283,973	32,316,670	30,531,648	28,254,885	26,408,725
Public works	22,134,996	19,345,491	16,597,440	14,624,383	14,197,488
Health and welfare	536,987	529,884	439,219	429,297	485,944
Culture and recreation	12,057,587	11,929,382	11,748,927	10,671,518	9,510,153
Community development	1,179,435	705,257	1,332,657	318,755	359,642
Capital outlay	7,808,582	13,141,070	3,604,010	11,780,231	6,637,241
Debt service:					
Principal	8,446,253	2,781,966	3,215,124	4,187,811	4,967,559
Interest and other charges	258,681	420,003	493,342	592,742	791,110
Total Expenditures	93,301,516	88,387,745	75,777,108	76,338,489	69,331,141
Excess of revenues over (under) expenditures	7,964,312	454,461	(5,867,969)	(2,358,509)	11,364,062
Other Financing Sources (Uses)					
Transfers in	-	3,881,244	8,500,000	1,339,172	1,567,070
Transfers out	-	(5,881,244)	(8,500,000)	(1,339,172)	(4,067,070)
Issuance of bonds	-	-	-	-	3,180,000
Loans/leases	-	-	-	-	-
Other	72,308	101,194	123,276	64,325	(1,840,549)
Total Other Financing Sources (Uses)	72,308	(1,898,806)	123,276	64,325	(1,160,549)
Net change in fund balances	\$ 8,036,620	\$ (1,444,345)	\$ (5,744,693)	\$ (2,294,184)	\$ 10,203,513
Debt service as a percentage of noncapital expenditures	10.2%	4.3%	5.1%	7.4%	9.2%

CITY OF TEXAS CITY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

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	2019	2018	2017	2016	2015
Revenues					
Property taxes	\$ 26,216,530	\$ 25,352,709	\$ 23,607,235	\$ 22,590,382	\$ 23,205,960
Sales and miscellaneous taxes	18,538,462	25,172,069	21,545,283	20,476,667	21,042,643
Licenses and permits	1,122,063	924,974	745,523	524,314	459,358
Intergovernmental	780,635	1,170,999	315,157	1,712,372	6,421,057
Charges for services	6,440,422	5,447,726	6,200,688	5,018,081	4,553,694
Fines and fees	2,923,092	2,047,340	2,640,130	2,698,996	2,971,236
Investment earnings	1,184,305	366,089	237,614	140,896	47,468
Other	10,814,921	3,353,710	2,871,805	2,854,831	4,972,406
Total Revenues	68,020,430	63,835,616	58,163,435	56,016,539	63,673,822
Expenditures					
General government	4,979,040	5,618,709	5,502,000	4,417,271	4,912,024
Public safety	25,266,677	24,228,260	23,006,994	22,039,799	20,126,941
Public works	13,690,933	13,559,529	12,276,997	11,465,795	11,236,165
Health and welfare	412,050	393,040	397,341	1,411,744	404,769
Culture and recreation	10,277,793	9,787,767	10,181,483	8,394,372	8,948,585
Community development	360,131	226,379	221,672	2,628,858	319,198
Capital outlay	1,571,988	1,225,553	3,867,689	4,783,468	14,795,059
Debt service:					
Principal	4,967,477	4,723,270	3,711,483	3,601,495	3,258,337
Interest and other charges	843,340	948,756	1,049,390	1,137,800	1,214,874
Total Expenditures	62,369,429	60,711,263	60,215,049	59,880,602	65,215,952
Excess of revenues over (under) expenditures	5,651,001	3,124,353	(2,051,614)	(3,864,063)	(1,542,130)
Other Financing Sources (Uses)					
Transfers in	91,475	65,257	435,616	15,246	122,598
Transfers out	(3,591,475)	(2,065,257)	(435,616)	(265,246)	(2,122,598)
Issuance of bonds	-	-	-	-	9,595,000
Loans/leases	-	244,220	243,988	-	-
Other	68,510	26,587	255,601	117,647	437,916
Total Other Financing Sources (Uses)	(3,431,490)	(1,729,193)	499,589	(132,353)	8,032,916
Net change in fund balances	\$ 2,219,511	\$ 1,395,160	\$ (1,552,025)	\$ (3,996,416)	\$ 6,490,786
Debt service as a percentage of noncapital expenditures	9.6%	9.5%	8.4%	8.6%	8.9%

CITY OF TEXAS CITY, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Table 5

Fiscal Year	Tax Year	Real Property		Personal Property	Less Tax Exempt Real Property	Less Other	Total Taxable Assessed Value	Total	Estimated Actual Taxable Value	Assessed Value as a Percent of Actual
		Residential	Commercial			Exemptions and Abatements		Direct Tax Rate		of Actual Taxable Value
2024	2023	\$2,965,125,088	\$3,286,977,442	\$1,379,545,647	\$ 812,244,056	\$2,481,951,605	\$6,290,606,414	\$ 0.489	\$6,290,606,414	100%
2023	2022	2,635,730,167	3,125,686,972	1,265,456,956	745,885,592	1,957,952,820	6,822,075,954	0.490	6,822,075,954	100%
2022	2021	2,252,691,177	2,895,239,369	913,483,879	728,945,321	1,484,408,828	5,469,251,448	0.490	5,469,251,448	100%
2021	2020	1,759,312,865	2,998,997,288	1,100,340,768	689,374,695	1,316,773,592	5,370,711,710	0.510	5,370,711,710	100%
2020	2019	1,881,804,832	3,127,006,794	1,059,235,840	657,846,190	1,279,474,704	5,009,876,821	0.544	5,009,876,821	100%
2019	2018	1,638,310,017	2,815,096,428	1,163,427,377	584,145,427	1,151,718,847	4,731,510,809	0.550	4,731,510,809	100%
2018	2017	1,570,945,987	2,546,673,178	1,125,150,813	401,412,986	1,082,644,624	4,228,406,746	0.577	4,228,406,746	100%
2017	2016	1,386,898,378	3,073,136,831	1,112,049,953	373,891,797	774,795,471	4,423,397,894	0.497	4,423,397,894	100%
2016	2015	1,286,224,107	3,366,390,975	1,394,460,972	371,753,529	795,759,270	4,879,563,255	0.449	4,879,563,255	100%
2015	2014	1,170,687,928	3,666,084,771	1,603,371,724	365,203,711	962,336,275	5,112,604,437	0.438	5,112,604,437	100%

The estimated actual taxable value equals the total taxable assessed value.
 All properties are assessed at 100% of actual taxable value.

Source: Galveston County and Galveston County Central Appraisal District

CITY OF TEXAS CITY, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Table 6

Fiscal Year	City Direct Rates			Overlapping Rates ^a					
	M & O Rate	I & S Rate	Total Direct	Galveston County	Texas City Independent School District	La Marque Independent School District *	Dickinson Independent School District	College of the Mainland	Galveston County Drainage District No. 2
2024	0.387350	0.102650	0.490000	0.341900	1.164200	0.000000	1.178000	0.268500	0.044553
2023	0.440064	0.049936	0.490000	0.376030	1.311300	0.000000	1.294000	0.267620	0.046088
2022	0.429504	0.060496	0.490000	0.424500	1.351300	0.000000	1.312000	0.267700	0.048552
2021	0.446496	0.063504	0.510000	0.475900	1.360700	0.000000	1.344000	0.241963	0.050245
2020	0.457096	0.082904	0.540000	0.516137	1.413250	0.000000	1.450000	0.204254	0.055231
2019	0.462630	0.087370	0.550000	0.533965	1.514900	0.000000	1.520000	0.212755	0.056400
2018	0.480044	0.097135	0.577179	0.551900	1.434900	0.000000	1.520000	0.216791	0.056400
2017	0.404499	0.092684	0.497183	0.551900	1.440500	0.000000	1.540000	0.208376	0.063021
2016	0.365518	0.083692	0.449210	0.567000	1.429800	1.220000	1.540000	0.202307	0.063021
2015	0.383686	0.054314	0.438000	0.584800	1.262600	1.220000	1.540000	0.205085	0.063021

Source: Galveston County and Galveston County Central Appraisal District

^a Overlapping rates are those of local and county governments that apply to property owners within the City of Texas City. Not all overlapping rates apply to all Texas City property owners; for example, although the county property tax rates apply to all.

* The La Marque Independent School District was consolidated with the Texas City Independent School District in fiscal year 2017

CITY OF TEXAS CITY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 7

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Amount Outstanding
		Amount	% of Levy		Amount	% of Levy	
2024	\$ 37,987,677	\$ 37,455,675	98.60%	\$ -	\$ 37,455,675	98.60%	\$ 532,002
2023	34,753,598	34,036,600	97.94%	490,836	34,527,436	99.35%	226,162
2022	29,281,513	28,882,812	98.64%	264,414	29,147,226	99.54%	134,287
2021	30,040,831	29,703,182	98.88%	252,431	29,955,613	99.72%	85,218
2020	29,451,030	29,119,999	98.88%	267,602	29,387,601	99.78%	63,429
2019	27,346,984	26,959,406	98.58%	330,899	27,290,305	99.79%	56,679
2018	26,059,151	25,765,991	98.88%	236,064	26,002,055	99.78%	57,096
2017	23,480,224	23,224,093	98.91%	214,148	23,438,241	99.82%	41,983
2016	22,431,130	22,235,937	99.13%	162,246	22,398,183	99.85%	32,947
2015	22,941,076	22,742,949	99.14%	164,676	22,907,625	99.85%	33,451

Source: Galveston County, Texas Tax Assessor-Collector

CITY OF TEXAS CITY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 8

Taxpayer	2024 (Tax Year 2023)			2015 (Tax Year 2014)		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Blanchard Refining Co LLC	\$ 1,226,859,869	1	20%	\$ 1,331,771,287	1	26%
Valero Refining-Texas LP	406,670,747	2	6%	624,770,014	2	12%
Dow (Union Carbide Corp)	279,382,393	3	4%	208,550,250	5	4%
Linde Inc	139,090,464	4	2%			
Texas-New Mexico Power Co.	123,656,863	5	2%			
Topaz Generating LLC	75,327,136	6	1%			
ISP Technologies Inc.	74,077,029	7	1%			
Galveston Outlets LLC	69,410,185	8	1%	82,564,680	8	2%
South Houston Green Power LP	67,553,732	9	1%	232,067,861	4	5%
Marathon Petroleum Company LLC	64,549,089	10	1%	349,945,180	3	7%
BP Amoco Chemical Co				185,987,276	6	4%
Praxair, Inc.				154,514,654	7	3%
Valero Marketing & Supply Co.				80,130,433	9	2%
Eastman Chemical Texas City				61,562,728	10	1%
Total	\$ 2,526,577,507		40%	\$ 3,311,864,363		65%

Source: Galveston County Appraisal District

Blanchard Refining Co LLC (Marathon) purchased refinery from BP Products (NA) Inc in 2013.

CITY OF TEXAS CITY, TEXAS
TAXABLE SALES BY CATEGORY
Last Ten Calendar Years
(in thousands of dollars)

Table 9
Page 1 of 2

	2024	2023	2022^a	2021	2020
Construction	\$ 12,756	\$ 12,650	\$ 5,377	\$ 13,649	\$ 15,625
Manufacturing	18,182	18,139	12,655	30,253	16,737
Wholesale Trade	9,272	9,250	6,943	11,963	10,014
Retail Trade	107,229	105,062	77,288	173,054	138,190
Transportation/Warehousing	7	7	4	11	13
Information	679	677	459	1,497	1,140
Finance/Insurance	806	804	392	661	734
Real Estate/Rental/Leasing	12,134	12,019	5,412	6,106	6,478
Professional/Scientific/Technical Services	13,262	13,231	7,189	7,279	8,527
Admin/Support/Waste Mgmt/Remediation	4,211	4,201	2,134	3,036	2,758
Educational Services	103	103	2	2	3
Health Care/Social Assistance	380	379	244	398	498
Arts/Entertainment/Recreation	4,434	4,424	1,591	4,422	1,836
Accommodation/Food Services	51,320	50,812	21,590	41,600	33,503
Other Services (except Public Administration)	4,602	4,591	1,943	3,845	3,960
Total	\$ 239,377	\$ 236,349	\$ 143,223	\$ 297,776	\$ 240,016
City direct sales tax rate ^b	1.50%	1.50%	1.50%	1.50%	1.50%

Source: State Comptroller's Office.

^a 2023 taxable sales thru 2nd quarter of 2023.

^b The City direct sales tax rate includes the City only and not the City of Texas City Economic Development Corp. (4A).

CITY OF TEXAS CITY, TEXAS
TAXABLE SALES BY CATEGORY
Last Ten Calendar Years
(in thousands of dollars)

Table 9
Page 2 of 2

	2019	2018	2017	2016	2015
Construction	\$ 15,477	\$ 30,409	\$ 27,603	\$ 30,280	\$ 23,393
Manufacturing	18,197	30,534	32,334	32,117	28,385
Wholesale Trade	14,336	31,049	23,248	21,237	19,785
Retail Trade	145,304	308,073	301,046	299,036	293,659
Transportation/Warehousing	45	124	99	165	317
Information	2,417	4,812	5,298	5,382	4,908
Finance/Insurance	556	1,076	1,150	1,182	1,154
Real Estate/Rental/Leasing	9,218	16,880	18,889	16,769	18,493
Professional/Scientific/Technical Services	7,868	5,653	3,006	2,539	3,714
Admin/Support/Waste Mgmt/Remediation	2,838	6,964	6,558	6,826	8,215
Educational Services	3	7	8	7	-
Health Care/Social Assistance	416	1,136	1,059	1,329	1,275
Arts/Entertainment/Recreation	2,879	4,532	3,066	2,072	1,276
Accommodation/Food Services	35,980	66,817	65,276	63,072	60,591
Other Services (except Public Administration)	4,573	9,244	7,432	6,053	5,816
Total	\$ 260,107	\$ 517,310	\$ 496,072	\$ 488,066	\$ 470,981
City direct sales tax rate ^b	1.50%	1.50%	1.50%	1.50%	1.50%

Source: State Comptroller's Office.

^a 2023 taxable sales thru 2nd quarter of 2023.

^b The City direct sales tax rate includes the City only and not the City of Texas City Economic Development Corp. (4A).

CITY OF TEXAS CITY, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Table 10

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita
	General Obligation Bonds	Certificates of Obligation	Financing Agreement	SBITA Payable	Unamortized Premium/ (Discount) on Bonds	Revenue Bonds	Certificates of Obligation	Unamortized Premium/ (Discount) on Bonds			
2024	\$ 2,765	\$ 1,060	\$ 70	\$ 94	\$ 293	\$ -	\$ 7,740	\$ 232	\$ 12,254	1%	\$ 214
2023	3,985	8,210	120	120	434	-	8,145	249	21,263	1%	364
2022	5,160	9,740	168	-	574	-	8,530	266	24,438	2%	450
2021	6,840	11,235	9	-	719	1,445	8,900	331	29,479	2%	568
2020	9,190	13,020	62	-	870	1,965	9,250	396	34,753	3%	694
2019	8,280	18,240	112	-	545	2,465	9,585	462	39,689	3%	807
2018	10,470	19,940	283	-	651	2,940	9,950	527	44,761	4%	922
2017	12,580	21,600	207	-	446	3,390	-	-	38,223	4%	787
2016	14,615	23,220	19	-	489	4,616	-	-	42,959	4%	890
2015	16,580	24,800	76	-	532	5,631	-	-	47,619	5%	1,000

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

^a Population data can be found in demographic and economic statistics table.

CITY OF TEXAS CITY, TEXAS

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Table 11

Fiscal Year	Tax Year	General Obligation Bonds	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Percentage of Personal Income^a	Per Capita^a
2024	2023	\$ 12,160	\$ 2,582	\$ 9,578	0.152%	0%	\$ 167
2023	2022	21,143	3,611	17,532	0.257%	1%	300
2022	2021	24,438	3,245	21,193	0.387%	1%	391
2021	2020	28,034	3,107	24,927	0.464%	2%	480
2020	2019	32,788	3,430	29,358	0.748%	2%	586
2019	2018	36,105	3,096	33,009	0.665%	3%	762
2018	2017	40,360	2,944	37,416	0.885%	3%	648
2017	2016	34,180	2,718	31,462	0.711%	3%	652
2016	2015	37,835	2,512	35,323	0.724%	3%	742
2015	2014	41,380	2,252	39,128	0.765%	4%	839

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

^a Population data can be found in demographic and economic statistics table.

CITY OF TEXAS CITY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2024
(dollars in thousands, except per capita)

Table 12

Taxing Jurisdiction	Gross Debt ^a	Overlapping	
		Percentage	Amount
Dickinson Independent School District	\$ 448,075	17.89%	\$ 80,161
Galveston County	158,755	42.18%	66,963
Texas City Independent School District	296,210	100.00%	<u>296,210</u>
Total Overlapping Debt			443,333
City Direct Debt	\$ 12,254	100.00%	<u>12,254</u>
Total Direct and Overlapping Debt			<u>\$455,587</u>
Population			54,247
Per Capita Debt-Direct and Overlapping Debt			<u>\$ 8,398</u>

Sources: Individual jurisdictions and/or Texas Municipal Reports.

a. Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Texas City, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for paying the debt of each overlapping government.

CITY OF TEXAS CITY, TEXAS
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Table 13

Water & Sewer Revenue Bonds

Fiscal Year	Gross Operating Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2024	\$ 28,926,841	\$ 14,983,914	\$ 13,942,927	\$ 405,000	\$ 293,057	\$ 698,057	20.0
2023	27,118,445	13,397,856	13,720,589	385,000	315,338	700,338	19.6
2022	25,626,667	11,801,527	13,825,140	1,815,000	317,674	2,132,674	8.0
2021	25,032,093	11,316,166	13,715,927	870,000	486,830	1,356,830	14.2
2020	25,642,629	10,467,003	15,175,626	835,000	421,211	1,256,211	16.5
2019	19,199,695	11,390,843	7,808,852	840,000	461,844	1,301,844	8.3
2018	20,836,030	10,526,406	10,309,624	450,000	116,430	566,430	18.2
2017	12,774,933	10,345,798	2,429,135	430,000	168,696	598,696	4.1
2016	15,407,653	12,158,259	3,249,394	1,015,228	231,135	1,246,363	2.6
2015	13,452,305	10,853,829	2,598,476	1,001,841	252,072	1,253,913	2.1

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.



Texas City
EST. 1911

CITY OF TEXAS CITY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Table 14

Fiscal Year	Population (A)	Personal Income (in \$000's)	Per Capita Personal Income (A)	Median Age (A)	Education level in Years of Schooling (B)	School Enrollment (C)	Unemployment Rate (D)
2024	57,191	\$ 1,930,771	\$ 33,516	35.0	14.3	13,800	5.7%
2023	58,435	1,832,580	31,361	34.9	14.3	12,135	7.1%
2022	54,247	1,565,623	28,861	35.2	13.6	11,500	5.6%
2021	51,898	1,375,401	26,502	36.8	13.6	11,500	7.0%
2020	50,094	1,327,591	26,502	37.3	13.6	11,500	10.8%
2019	49,153	1,224,155	24,905	37.3	13.6	11,344	5.9%
2018	48,558	1,131,790	23,308	37.0	13.6	11,230	5.9%
2017	48,262	1,037,633	21,500	36.8	13.6	8,000	6.2%
2016	47,618	1,022,835	21,480	37.1	13.6	8,000	6.2%
2015	46,639	993,551	21,303	37.1	13.6	6,347	6.5%

(A) U.S. Census Bureau

(B) U.S. Census Bureau-population 25 years of age and over

(C) Texas Education Agency

(D) Bureau of Labor Statistics

CITY OF TEXAS CITY, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 15

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Marathon (formerly BR)	2,000	1	9%	2,000	1	8%
Texas City Independent School District	1,200	2	5%	879	3	4%
Mainland Medical Center	850	3	4%	725	4	3%
Valero Refining-Texas LP	480	4	2%	500	5	2%
City of Texas City	480	5	2%			-
C2C Technical Services	340	6	1%			-
Ray Tax Group	300	7	1%			-
College of the Mainland	291	8	1%	280	9	1%
AMOCO Federal Credit Union	350	9	2%			-
Galveston County Health District	271	10	1%			-
INEOS Nova			-	1,150	2	5%
BP Chemical			-	360	6	1%
Dow (formerly Union Carbide Corporation)			-	335	7	1%
Marathon Petroleum Company			-	282	8	1%
Ashland (formerly International Specialty Products)			-	175	10	1%
Total	6,562		29%	6,686		27%

Source: Texas City-La Marque Chamber of Commerce

CITY OF TEXAS CITY, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 16

<u>Function/Program</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities:										
General Government	45	24	24	25	25	23	23	26	27	23
Public Safety	257	239	222	211	205	206	198	199	205	205
Public Works	101	99	100	101	101	106	98	96	100	99
Community Services	9	2	2	2	2	2	3	4	4	5
Parks and Recreation	67	100	103	132	132	135	124	119	129	117
Business Type Activities:										
Water & Sewer	58	49	46	47	47	53	48	47	53	52
Component Unit:										
Economic Development	3	3	2	2	2	2	2	2	2	2
Total	<u>540</u>	<u>516</u>	<u>499</u>	<u>520</u>	<u>514</u>	<u>527</u>	<u>496</u>	<u>493</u>	<u>520</u>	<u>503</u>

Source: City Human Resources Department

CITY OF TEXAS CITY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 17
Page 1 of 4

Function/Program	Fiscal Year Ending 9/30				
	2024	2023	2022	2021	2020
General Government					
Finance:					
Number of accounts payable checks processed	8,852	8,461	9,189	8,489	8,756
Number of payroll checks processed	225	252	269	216	726
Number of budget amendments	3	22	22	20	32
Number of budget transfers	44	34	23	19	17
Public Safety					
Police:					
Number of police calls resulting in dispatch	37,415	38,851	38,556	38,088	35,230
Number of offense reports filed	8,761	6,795	6,207	6,288	6,015
Number of citation issued	13,318	14,119	11,763	18,551	15,319
Total police arrests made (adult)	3,403	3,072	2,370	1,863	1,669
Total police arrests made (juvenile)	28	26	25	45	51
Dispatched calls per patrol officer	370	385	382	419	414
Motor vehicle accidents	1,552	1,546	1,531	1,537	1,379
Number of burglaries	393	180	178	202	170
Number of motor vehicle thefts	148	172	115	124	178
Average response time in minutes	11	12	11	12	10
Fire:					
Total number fire responses-residential	1,608	1,151	1,173	1,126	1,269
Total number fire responses-other	612	660	957	1,576	718
Fires investigated	190	22	86	122	90
Total annual inspections	1,021	1,600	1,310	1,840	1,505
Average response time in minutes	6	8	10	7	7
Calls for service (Fire & EMS)	9,321	9,878	551	8,185	1,110
Total EMS responses - residential	7,708	7,274	4,635	3,713	4,265
Total EMS responses - other	890	803	2,746	1,770	2,070
Average response time - EMA - in minutes	7	8	8	7	7
Patients treated	8,008	8,390	7,758	7,178	6,783
Municipal Court:					
Total traffic violations filed	11,612	13,141	15,724	17,704	14,708
Total state law violations filed	1,125	1,096	1,105	1,027	1,032
Total civil law violations filed	78	33	67	63	44
Total city ordinance violations filed	100	124	148	25	36
Total city ordinance violations filed	398	265	397	418	460
Total parking violations filed	5	8	8	11	14

CITY OF TEXAS CITY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 17
Page 2 of 4

Function/Program	Fiscal Year Ending 9/30				
	2019	2018	2017	2016	2015
General Government					
Finance:					
Number of accounts payable checks processed	9,225	9,379	9,436	9,550	9,228
Number of payroll checks processed	959	1,155	1,526	2,097	2,112
Number of budget amendments	25	19	24	18	25
Number of budget transfers	28	30	37	13	27
Public Safety					
Police:					
Number of police calls resulting in dispatch	36,560	37,753	38,783	117,783	118,793
Number of offense reports filed	6,180	6,720	8,677	11,325	12,337
Number of citation issued	26,370	19,915	15,987	20,527	24,631
Total police arrests made (adult)	3,366	3,791	4,599	5,182	5,268
Total police arrests made (juvenile)	90	48	87	182	152
Dispatched calls per patrol officer	420	455	467	682	1,764
Motor vehicle accidents	1,443	1,452	2,104	1,387	1,429
Number of burglaries	200	298	338	324	349
Number of motor vehicle thefts	125	106	126	85	181
Average response time in minutes	10	14	12	6	5
Fire:					
Total number fire responses-residential	1,132	1,103	34	71	37
Total number fire responses-other	745	699	205	116	151
Fires investigated	113	44	52	65	188
Total annual inspections	191	1,701	1,833	1,470	2,107
Average response time in minutes	7	7	7	8	7
Calls for service (Fire & EMS)	614	8,694	8,652	8,337	8,457
Total EMS responses - residential	4,146	6,127	3,112	2,883	3,010
Total EMS responses - other	2,373	361	3,429	2,306	3,510
Average response time - EMA - in minutes	6	6	6	7	7
Patients treated	5,302	6,768	5,406	4,764	5,477
Municipal Court:					
Total traffic violations filed	25,645	17,468	16,167	18,812	21,529
Total state law violations filed	1,628	1,563	2,034	2,195	1,949
Total civil law violations filed	62	n/a	n/a	n/a	n/a
Total city ordinance violations filed	64	n/a	n/a	n/a	n/a
Total city ordinance violations filed	689	842	1,711	987	1,061
Total parking violations filed	52	42	35	18	28

CITY OF TEXAS CITY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 17
Page 3 of 4

Function/Program	Fiscal Year Ending 9/30				
	2024	2023	2022	2021	2020
Public Works					
Fleet Maintenance:					
Vehicle maintenance service requests	557	680	512	453	772
Vehicle maintenance repair requests	355	516	536	491	484
Other public works:					
Tons of Residential refuse	31,441	31,441	54,917	28,873	28,873
Tons of commercial refuse	22,904	22,904	36,963	15,292	15,292
Work orders completed	1,733	1,733	1,630	1,527	1,527
Number of recycling participants	28,925	28,925	34,404	3,795	3,795
Parks and Recreation					
All Parks and recreation:					
Total number of attendance at events	32,048	82,505	62,837	133,223	133,223*
Number of recreation classes offered	82	20	20	46	45; 6**
Community Services					
Building Inspections:					
Total building permits issued-residential (new)	2,954	2,308	1,838	1,208	1,208
Total building permits issued-non-residential (new)	317	281	1,524	1,460	1,460
Community Development:					
Total code violation cases	1,942	1,863	n/a	152	152
Total housing rehabilitation	10	15	10	5	5
Total first time homebuyers	0	1	0	2	2
Total demolition of condemned structures	41	56	0	21	21
Total rat bait distributed (in pounds)	n/a	n/a	n/a	n/a	n/a
Total mowed vacant lots	515	585	n/a	23	23
Water and Sewer					
Distribution and Collection:					
Total water work orders	4,256	4,414	5,870	7,170	7,100
Total sewer work orders	875	894	837	982	956
Water Production:					
Water produced - wells (well only in millions)	0	0	0	18	6
Combined gallons of water produced (well and surface in millions)	2,981	2,942	2,643	2,309	2,383
Billing & Collections:					
Annual meter reads	192,000	192,000	185,000	185,000	185,000
Wastewater Treatment:					
Wastewater treated (in millions of gallons)	2,235	2,150	1,844	2,232	2,040

Sources: Various city departments.

* COVID-19 adversely effected the number of events and related attendance

** 45 classes per week prior to March 20, 2020; then no classes until 6 classes resumed after June 8, 2020

CITY OF TEXAS CITY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 17
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Function/Program	Fiscal Year Ending 9/30				
	2019	2018	2017	2016	2015
Public Works					
Fleet Maintenance:					
Vehicle maintenance service requests	418	410	345	296	298
Vehicle maintenance repair requests	661	604	474	465	515
Other public works:					
Tons of Residential refuse	25,021	25,021	25,021	20,633	21,930
Tons of commercial refuse	16,458	16,458	16,458	19,148	21,300
Work orders completed	891	891	891	992	823
Number of recycling participants	23,446	23,446	23,446	19,844	19,981
Parks and Recreation					
All Parks and recreation:					
Total number of attendance at events	259,889	286,720	248,909	264,245	194,329
Number of recreation classes offered	46	45	55	56	44
Community Services					
Building Inspections:					
Total building permits issued-residential (new)	1,419	1,151	785	653	640
Total building permits issued-non-residential (new)	906	1,737	316	283	276
Community Development:					
Total code violation cases	152	279	375	375	400
Total housing rehabilitation	5	3	1	1	3
Total first time homebuyers	2	4	1	1	3
Total demolition of condemned structures	21	27	0	0	34
Total rat bait distributed (in pounds)	n/a	n/a	n/a	n/a	n/a
Total mowed vacant lots	23	15	68	68	133
Water and Sewer					
Distribution and Collection:					
Total water work orders	6,466	7,063	4,826	4,995	2,058
Total sewer work orders	797	1,020	892	944	1,618
Water Production:					
Water produced - wells (well only in millions)	7	5	4	9	2
Combined gallons of water produced (well and surface in millions)	2,253	2,138	2,157	2,133	2,034
Billing & Collections:					
Annual meter reads	183,737	186,123	177,432	167,864	173,703
Wastewater Treatment:					
Wastewater treated (in millions of gallons)	2,093	1,675	1,749	1,820	1,938

Sources: Various city departments.

* COVID-19 adversely effected the number of events and related attendance

** 45 classes per week prior to March 20, 2020; then no classes until 6 classes resumed after June 8, 2020

CITY OF TEXAS CITY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years *

Table 18
Page 1 of 2

Function/Program	2024	2023	2022	2021	2020
Public Safety					
Police:					
Police stations	1	1	1	1	1
Police vehicles	112	112	112	112	112
Fire stations:					
Fire stations	4	3	3	3	3
Fire vehicles	30	30	30	30	30
Public Works					
Other public works:					
Streets (miles) ^a	266	266	241	241	241
Highways (miles) ^a	n/a	n/a	n/a	n/a	n/a
Streetlights	3,628	3,628	3,628	3,628	3,628
Traffic signals	49	49	48	48	47
Recycling Center	1	1	1	1	1
Parks and Recreation					
Parks and recreation:					
Acreage	1,004	1,004	125	125	125
Parks	42	42	42	42	42
Pools	2	2	2	2	2
Fitness Center	1	1	1	1	1
Natatorium	1	1	1	1	1
Rental Facilities	7	7	6	6	6
Pavilions & Shelters	5	5	4	4	4
Shooting Range	1	1	1	1	1
Museums	1	1	1	1	1
Fountains (Decorative)	9	9	9	9	9
Statues (Bronze)	50	50	50	50	50
Golf Course	1	1	1	1	1
Library	1	1	1	1	1
Gymnasiums	4	4	3	3	3
Water and Sewer					
Water Production:					
Water wells	11	11	11	11	11
Pressure reducing stations	14	14	14	14	14
Ground storage tanks	8	8	8	8	8
Elevated towers	6	6	6	5	5
Wastewater:					
Treatment Plants	1	1	1	1	1
Lift Stations	51	51	46	45	45
Distribution and Collection:					
Water mains (miles)	304	304	249	249	249
Sanitary sewers (miles)	238	238	207	207	207

Sources: Various city departments.

CITY OF TEXAS CITY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years *

Table 18
Page 2 of 2

Function/Program	2019	2018	2017	2016	2015
Public Safety					
Police:					
Police stations	1	1	1	1	1
Police vehicles	112	112	112	112	112
Fire stations:					
Fire stations	3	3	3	3	3
Fire vehicles	30	30	30	30	30
Public Works					
Other public works:					
Streets (miles) ^a	241	241	241	241	241
Highways (miles) ^a	n/a	n/a	n/a	n/a	n/a
Streetlights	3,628	3,628	3,628	3,628	3,628
Traffic signals	47	47	47	47	47
Recycling Center	1	1	1	1	1
Parks and Recreation					
Parks and recreation:					
Acreage	125	125	125	125	125
Parks	42	42	42	42	42
Pools	2	2	2	2	2
Fitness Center	1	1	1	1	1
Natatorium	1	1	1	1	1
Rental Facilities	6	6	6	6	6
Pavilions & Shelters	4	4	4	4	4
Shooting Range	1	1	1	1	1
Museums	1	1	1	1	1
Fountains (Decorative)	9	9	9	9	9
Statues (Bronze)	50	50	50	50	50
Golf Course	1	1	1	1	1
Library	1	1	1	1	1
Gymnasiums	3	3	3	3	3
Water and Sewer					
Water Production:					
Water wells	11	11	11	11	11
Pressure reducing stations	14	14	14	14	14
Ground storage tanks	8	8	8	8	8
Elevated towers	5	5	5	5	5
Wastewater:					
Treatment Plants	1	1	1	1	1
Lift Stations	45	45	45	45	36
Distribution and Collection:					
Water mains (miles)	249	249	249	249	249
Sanitary sewers (miles)	207	207	207	207	207

Sources: Various city departments.



Texas City
EST. 1911

CITY OF TEXAS CITY, TEXAS

FEDERAL SINGLE AUDIT REPORT

**For the Fiscal Year Ended
September 30, 2024**

CITY OF TEXAS CITY, TEXAS

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

To the Honorable Mayor and Members of the City Commission
City of Texas City, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregately discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Texas City, Texas (the “City”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 31, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings questioned costs as items 2024-001 and 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings questioned costs as item 2024-003.

To the Honorable Mayor and Members of the City Commission
City of Texas City, Texas

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Houston, Texas
March 31, 2026

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED
BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members of the City Commission
City of Texas City, Texas

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited City of Texas City, Texas (the “City”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended September 30, 2024. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Community Development Block Grant/State's Program (ALN 14.228)

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Community Development Block Grant/State's Program (ALN 14.228) for the year ended September 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

To the Honorable Mayor and Members of the City Commission
City of Texas City, Texas

Matter(s) Giving Rise to Qualified Opinion on Community Development Block Grant/State's Program (ALN 14.228)

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding Assistance Listing No. 14.228 Community Development Block Grant/State's Program as described in finding numbers 2024-002 for Performance Reporting and 2024-003 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Honorable Mayor and Members of the City Commission
City of Texas City, Texas

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-004 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

To the Honorable Mayor and Members of the City Commission
City of Texas City, Texas

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 31, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Houston, Texas
March 31, 2026

CITY OF TEXAS CITY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	Yes, #2024-001
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	Yes, #2024-003

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	Yes, #2024-002 and #2024-003
Significant deficiencies identified that are not considered to be material weaknesses?	Yes, #2024-004
Type of auditors' report issued on compliance with major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) ?	Yes, #2024-002, #2024-003, and #2024-004

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
U.S. Department of Housing and Urban Development <i>Community Development Block Grant/State's Program</i>	14.228
U.S. Department of Treasury <i>COVID-19 - Coronavirus State and Local Fiscal Recovery Fund</i>	21.027
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
Auditee qualified as low risk auditee?	Yes

CITY OF TEXAS CITY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2024

II. Financial Statement Findings

2024-001	Financial Close and Reporting
Type of Finding	Material Weakness in Internal Control over Financial Reporting
New or Repeat Finding	New
Criteria	Effective internal control over financial reporting requires that management perform timely and complete year-end closing procedures to ensure all accounts are accurately reconciled, all transactions are properly recorded in accordance with GAAP, and all material adjustments are identified and posted prior to issuance of the financial statements. Management is responsible for preparing the trial balance and underlying schedules in a condition that allows for the audit to be completed without reliance on the auditor to identify or propose significant adjustments.
Condition	<p>When the City provided its September 30, 2024 trial balance for the audit, most major year-end closing procedures had not been completed. Significant adjustments were required for capital assets, grant-related receivables and revenue, compensated absences, inventory, prepaids, unearned revenue, and various receivable balances.</p> <p>Although some adjustments were ultimately prepared by the City, the auditor was required to assist with identifying, proposing, and in some cases drafting material year-end adjustments necessary for accurate financial reporting. These conditions indicate that the City’s internal controls over year-end financial reporting were not operating effectively.</p>
Cause	The City experienced significant turnover in key financial management positions, including the Chief Financial Officer and other supporting finance department roles. This turnover resulted in a loss of institutional knowledge, reduced capacity to perform complex closing procedures, and delays in completing required reconciliations and year-end adjustments. The City did not have sufficient cross-training, documented procedures, or internal review processes in place to ensure continuity of operations or to compensate for staffing disruptions.
Effect or Potential Effect	<p>There is an increased risk that material misstatements in the City’s financial statements may not be prevented or detected in a timely manner. Reliance on the auditor to identify or propose material adjustments indicates that internal controls over financial reporting were not operating effectively. Failure to perform timely and accurate year-end closings increases the risk of: (i) Misclassification or misstatement of capital assets, expenses, and depreciation; (ii) Improper reporting of grant revenue, receivables, unearned revenue, or unavailable revenue; (iii) Errors in receivable balances, liabilities, fund balance classifications, and other key accounts; (iv) Delays in financial statement preparation and audit completion; and (v) Noncompliance with GAAP, grant requirements, or other external reporting obligations.</p> <p>These conditions create a reasonable possibility that a material misstatement of the City’s financial statements would not be prevented or detected by the City’s internal controls.</p>
Recommendation	We recommend that the City strengthen its year-end financial reporting processes by: (i) developing and implementing comprehensive year-end closing procedures, including detailed checklists for all major account areas; (ii) Providing adequate training and cross-training for finance personnel responsible for closing entries, reconciliations, and the preparation of audit support schedules; (iii) Establishing a formal internal review process, including supervisory review of all material reconciliations, capital asset activity, and grant-related schedule; (iv) Ensuring all year-end adjustments are completed prior to audit commencement, including capital asset reclassifications, grant reconciliations, allowance analyses, and other key areas; and (v) Reducing reliance on the auditor for identifying or proposing material adjustments, in accordance with management’s responsibility for financial reporting.
Views of Responsible Officials	City management agrees with the finding. The City is actively working to improve its year-end closing procedures and strengthen internal control over financial reporting. Management has filled key vacancies and will continue to provide additional training to finance staff, develop more robust closing checklists, and ensure all significant reconciliations and adjustments are completed timely and accurately in future periods.

CITY OF TEXAS CITY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2024

III. Federal Award Findings and Questioned Costs

2024-002	CDBG Performance Reporting
Type of Finding	Material Weakness - Internal Control Over Compliance Material Noncompliance - Material to the Major Program
New or Repeat Finding	New
Federal Program(s)	Community Development Block Grant/State's Program (ALN 14.228)
Federal Agency	U.S. Department of Housing and Urban Development
Pass-through Entity and Identifying Numbers	Texas General Land Office (22-119-003-D373, 22-085-017-D253)
Compliance Requirement(s)	L. Reporting
Criteria	The City is required to submit the CDBG PR28 Performance and Evaluation Report (PER) to HUD through the Integrated Disbursement and Information System (IDIS). The PR28 must also be attached to the Consolidated Annual Performance and Evaluation Report (CAPER). HUD requires the PR28 and related attachments to be submitted by deadlines established in CPD Notice 21-11. Timely submission is a direct and material compliance requirement for the CDBG State Program.
Condition	The City did not prepare or submit the required PR28 Performance and Evaluation Report (PER) for open CDBG State Program grants for the fiscal year ended September 30, 2024. Because the PR28 is required to be submitted as an attachment to the CAPER, failure to complete the PR28 resulted in the CAPER submission also being incomplete and untimely. The PR28 and CAPER were required to be submitted by December 31, 2024, and were not submitted until November 20, 2025. This is the second consecutive year in which the City failed to submit required HUD reports by the established deadline. The recurrence of the issue demonstrates that internal controls were not implemented, not operating effectively, and not sufficient to ensure timely PR28 reporting.
Cause	The City did not have sufficiently formalized internal controls or a centralized compliance calendar to ensure timely PR28 preparation and submission. Responsibilities for PR28 reporting were not clearly assigned and staff were not fully trained on PR28 requirements.
Effect or Potential Effect	Noncompliance with HUD PR28 reporting requirements, resulting in incomplete and untimely submission of federally required performance information. Untimely or missing PR28 reports limit HUD's ability to evaluate program performance, assess expenditure activity, and monitor compliance with program objectives, and may result in delayed reimbursements or additional oversight. Given the recurrence of the issue, the lack of effective corrective actions, and the significance of the PR28 reporting requirement, there is a reasonable possibility that material noncompliance with the major program would not be prevented or detected. Accordingly, this condition represents a material weakness in internal control and material noncompliance.
Questioned Costs	None
Context	During the audit period, the City continued to experience resource constraints within its finance and grants management functions. These conditions contributed to delays in compiling the information needed to complete the PR28 report. Because the PR28 was not completed, the CAPER package was also incomplete and submitted well after HUD deadlines. A similar issue was reported in the fiscal year 2023 single audit report dated May 15, 2024, and although the City developed a corrective action plan, the fiscal year 2024 PR28 report was not submitted timely. The recurrence of this issue indicates that the City's reporting controls were not operating as intended.
Recommendation	Establish written procedures for preparing and submitting the PR28, designate personnel responsible for completing required HUD reporting, and implement a compliance calendar to track reporting deadlines. Provide training on PR28 requirements and implement review procedures to ensure the PR28 and supporting attachments are completed and submitted on time.
Views of Responsible Officials	City officials agree with the finding. The City will enhance internal controls over HUD reporting, designate personnel responsible for PR28 preparation, and cross-train staff to provide additional coverage. Management is developing written procedures and providing training on PR28 requirements to improve reporting accuracy and timeliness.

CITY OF TEXAS CITY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2024

III. Federal Award Findings and Questioned Costs (continued)

2024-003	Duplicate Payments to Vendors
Type of Finding	Material Weakness - Internal Control Over Financial Reporting Material Noncompliance - Material to the Financial Statements Material Weakness - Internal Control Over Compliance Material Noncompliance - Material to the Major Program
New or Repeat Finding	New
Federal Program	Community Development Block Grant/State's Program (ALN 14.228)
Federal Agency	U.S. Department of Housing and Urban Development
Pass-through Entity and Identifying Number(s)	Texas General Land Office (22-119-003-D373, 22-085-017-D253)
Compliance Requirement(s)	A. Activities allowed or unallowed B. Allowable costs/cost principles
Criteria	2 CFR 200.303(a) requires entities to maintain effective internal control over federal awards. 2 CFR 200.302(b)(3) requires entities to maintain accountability over funds to ensure they are used for authorized purposes and safeguarded against loss or misuse.
Condition	The City paid a vendor twice for the same invoices and also submitted duplicate reimbursement requests to the pass-through entity for the same expenditures. These errors resulted in a material misstatement of expenditures recorded in the City's accounting records and in federal reimbursement requests.
Cause	The same individual entered invoices and released them for payment without secondary review. Inconsistent invoice naming prevented the accounting system's duplicate-invoice controls from identifying previously processed and paid invoices.
Effect or Potential Effect	Duplicate payments may occur or go undetected, and duplicate reimbursement requests may be submitted to the grantor.
Questioned Costs	\$721,272
Context	During the audit period, the City experienced significant turnover within the finance department. Reduced staffing and inconsistent invoice entry practices prevented system controls from recognizing duplicate invoices, resulting in duplicate vendor payments. Because the City relied on these records when requesting grant reimbursements, duplicate requests were also submitted. The errors were identified by the auditors and corrected by the City prior to September 30, 2024.
Recommendation	The City should segregate duties so one individual enters invoices and another reviews and releases payments. The City should also adopt a standardized invoice naming convention to allow system controls to identify potential duplicates.
Views of Responsible Officials	City management agrees with the finding. Duplicate payments and reimbursement requests occurred during a period of financial-department turnover, compounded by insufficient segregation of duties and inconsistent invoice referencing. The City has recovered the duplicate payments, returned the duplicate reimbursements, implemented a standardized invoice numbering convention, and revised procedures to ensure appropriate review before payments are released. Management is also evaluating additional system controls to prevent recurrence.

CITY OF TEXAS CITY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2024

III. Federal Award Findings and Questioned Costs (continued)

2024-004	CSLFRF Performance Reporting
Type of Finding	Significant Deficiency - Internal Control Over Compliance
New or Repeat Finding	New
Federal Program(s)	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund (ALN 21.027)
Federal Agency	U.S. Department of Treasury
Pass-through Entity and Identifying Numbers	N/A
Compliance Requirement(s) Criteria	L. Reporting The 2024 OMB Compliance Supplement for Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) requires recipients to submit the Project and Expenditure Report (P&E Report) on a quarterly or annual cycle, as applicable, pursuant to 2 CFR 200.328 and 31 CFR §35.4(c). The Department of Treasury’s reporting guidance specifies the required content and deadlines for each reporting cycle. Quarterly reporters must submit each P&E Report by the due date established in Treasury guidance to ensure timely oversight of obligations, expenditures, and project activity.
Condition	During our audit of the City’s CSLFRF (ALN 21.027), we noted that the City submitted the quarterly P&E Reports for December 31, 2023; March 31, 2024; and June 30, 2024, but did not submit the required report for the period ended September 30, 2024. As a result, activity for this period was not reported in the U.S. Department of the Treasury’s reporting portal as required.
Cause	The City did not have sufficiently formalized internal controls to consistently track CSLFRF reporting due dates and ensure timely preparation and submission of the quarterly P&E Report. Limited familiarity with Treasury’s reporting guidance and competing operational priorities contributed to the missed reporting deadline.
Effect or Potential Effect	Failure to submit required performance reports constitutes noncompliance with federal reporting requirements. Untimely or missing reports reduce transparency over program activity and may limit the Department of Treasury’s ability to evaluate obligations, expenditures, and project status. Although we did not identify questioned costs, the absence of timely reporting indicates that internal controls over compliance were not operating effectively, which supports a significant deficiency.
Questioned Costs Context	None The City submitted the first three quarterly reports for calendar year 2024; however, the September 30, 2024 report was not submitted. The City explained that staff turnover and transitions within the grants and finance functions contributed to challenges in tracking federal grant reporting deadlines.
Recommendation	We recommend the City put a simple process in place to track CSLFRF reporting deadlines, assign staff to prepare and review each quarterly report, and ensure staff have the guidance and training needed to submit complete and timely reports through the Department of Treasury’s portal.
Views of Responsible Officials	City officials agree with the finding. The City will strengthen internal controls over CSLFRF reporting, refine monitoring procedures for quarterly deadlines, and provide additional training to staff involved in preparing required reports.

CITY OF TEXAS CITY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Awards:			
<i>CDBG - Entitlement Grants Cluster:</i>			
<i>Community Development Block Grant</i>	14.218	B-18-MC-48-0017	\$ 15,629
<i>Community Development Block Grant</i>	14.218	B-19-MC-48-0017	5,100
<i>Community Development Block Grant</i>	14.218	B-20-MW-48-0017	2,415
<i>Community Development Block Grant</i>	14.218	B-20-MC-48-0017	4,397
<i>Community Development Block Grant</i>	14.218	B-21-MC-48-0017	64,716
<i>Community Development Block Grant</i>	14.218	B-22-MC-48-0017	109,708
<i>Community Development Block Grant</i>	14.218	B-23-MC-48-0017	<u>154,057</u>
<i>Total CDBG - Entitlement Grants Cluster (ALN 14.218)</i>			<u>356,022</u>
Passed through Texas General Land Office			
<i>Community Development Block Grant/State's Program</i>	14.228	22-119-003-D373	200,802
<i>Community Development Block Grant/State's Program</i>	14.228	22-119-003-D373	1,720,162
<i>Community Development Block Grant/State's Program</i>	14.228	22-119-003-D373	72,890
<i>Community Development Block Grant/State's Program</i>	14.228	22-119-003-D373	1,428,641
<i>Community Development Block Grant/State's Program</i>	14.228	22-085-017-D253	9,231
<i>Community Development Block Grant/State's Program</i>	14.228	22-085-017-D253	<u>4,701,520</u>
<i>Total ALN 14.228</i>			<u>8,133,246</u>
Total U.S. Department of Housing and Urban Development			<u>8,489,268</u>
U.S. Department of Transportation			
Passed through Texas Department of Transportation			
<i>Highway Safety Cluster:</i>			
<i>State and Community Highway Safety Grant Program</i>	20.600	2016-TexasCity-S-RFR	<u>36,604</u>
<i>Total Highway Safety Cluster (ALN 20.600)</i>			<u>36,604</u>
Total U.S. Department of Transportation			<u>36,604</u>
U.S. Department of Treasury			
Direct:			
<i>COVID-19 - Coronavirus State and Local Fiscal Recovery Fund</i>	21.027	SLFRP5434	<u>767,427</u>
Total U.S. Department of Treasury			<u>767,427</u>
National Endowment for Humanities			
Institute of Museum and Library Services			
Passed through State of Texas:			
<i>Grants to States</i>	45.310	LS-252486-OLS-22	<u>15,241</u>
Total National Endowment for Humanities			<u>15,241</u>
Institute of Museum and Library Services			<u>15,241</u>
Total Expenditures of Federal Awards			<u>\$ 9,308,540</u>

CITY OF TEXAS CITY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

Note 1 - Summary of Significant Accounting Policies

The City accounts for awards under federal programs in the General and Special Revenue governmental funds.

In the Governmental funds, these programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. The City has elected not to use a 10 percent de minimis indirect cost rate allowed under the Uniform Guidance on an overall basis. Certain grants allow for a negotiated indirect cost rate using a consistent basis, which has been implemented.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City under programs of the federal government for the year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents on a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

CITY OF TEXAS CITY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, “The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings.” The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit’s schedule of findings and questioned costs and
- All audit findings reported in the prior audit’s summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

Finding Reference Number	Original Finding Description	Finding Type	Fiscal Year of Initial Occurrence	Status	Explanation if Not Corrected
2023-001	ALN 14.218 – CDBG - Entitlement Grants Cluster, U.S. Department of Housing and Urban Development. Pass-through Entity: N/A – Direct. Award Numbers: B-18-MC-48-0017, B-19-MC-48-0017, B-20-MW-48-0017, B-20-MC-48-0017, B-21-MC-48-0017, B-22-MC-48-0017. Compliance Requirements: Reporting.	Compliance and Significant Deficiency in Internal Control over Compliance	2023	Not corrected	The City did not submit the required reports timely during fiscal year 2024.

CITY OF TEXAS CITY, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

Financial Statement Findings

Finding Reference Number	Description of Finding	Corrective Action Planned	Responsible Contact Person	Anticipated Completion Date
2024-001	Financial Close and Reporting			

Federal Award Findings

Finding Reference Number	Description of Finding	Corrective Action Planned	Responsible Contact Person	Anticipated Completion Date
2024-002	CDBG Performance Reporting			
2024-003	Duplicate Payments to Vendors			
2024-004	CSLFRF Performance Reporting			

CITY COMMISSION REGULAR MTG

(6) (a)

Meeting Date: 04/15/2026

Alpha Omega Power, LLC is requesting confirmation of preliminary approval for a zoning change of ___ acres from District "F" (Light Industrial) to District "S-P" (Site Plan) for development of a BESS (battery energy storage system) project located at 701 Hwy 146 N.

Submitted For: Kim Golden, Transportation and Planning

Submitted By: Curt Kelly, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST

This is the Public Hearing to receive public comments on the request from Alpha Omega Power LLC to confirm the rezoning of 6.29 acres from District "F" (Light Industrial) to District "SP" Site Plan for the development of a proposed battery energy storage system (BESS) project at 701 S.H. 146 which is on the west side of SH 146, north of Golden Logistics, LLC. As a BESS installation the application is being processed as a District SP (Site Plan) rezoning per Section 160.051 and Chapter 162.

A Notice of Public Hearing was advertised in the Galveston Daily News in accordance with city ordinance and state law.

BACKGROUND (Brief Summary)

The applicant is Alpha Omega Power (AOP). The proposed 205MW, 410MWh battery energy storage system (BESS) project, referred to as the Southern Select BESS Project, will encompass approximately 5.71 acres on 6.29 acres of vacant land located at 701 SH 146 N. At its regular meeting on September 4, 2024, the City Commission held a public hearing upon advertised notice and voted to give preliminary zoning approval upon certain conditions to the request by AOP Holdings, LLC d/b/a Alpha Omega Power, to rezone the site from District "F" (Light Industrial) to District "S-P" (Site Plan). On August 4, 2025 the City Commission voted unanimously to extend the Preliminary Zoning approval an additional 12 months until September 4, 2026.

Since the preliminary zoning approval the project has progressed through detailed design engineering and several revisions have been made to the site plan to improve drainage performance, flood resilience, safety and equipment efficiency. The revisions reflect compliance requirements, insurance considerations and finalized equipment selection, but do not change the approved land use, project footprint or operational characteristics of the project.

Because the District SP zoning designation is tied to a specific site plan, any significant revisions must be reviewed and processed as zoning changes.

The Planning Board reviewed and considered the proposed changes to the site plan at its meetings on March 2, 2026 and on March 16, 2026. At the meeting on March 16, 2026 it voted 3-0 to approve the revised site plan.

The Zoning Commission is scheduled to have a public hearing and consider this request at its regular meeting on April 7, 2026. The recommendation of the Zoning Commission will be presented during the public hearing for the City Commission.

The Applicant seeks affirmation of the zoning change from District F (Light Industrial) to District SP (Site Plan) based upon the site plan as revised to improve drainage performance, flood resilience, safety and equipment efficiency.

The applicant seeks approval of changes to the approved site plan to accommodate necessary design changes. Specifically, the following changes must be accommodated with changes to the approved site plan:

1. Addition of a detention pond to the site plan to comply with TxDOT drainage requirements to obtain an access permit for the project. The site plan as approved for the rezoning did not contain a detention pond.
2. Increase in Site Elevation to + 14.0 feet relative to existing site resulting in a top of container elevation of +23.0 feet.

ADDITION OF DETENTION POND – Addition of a detention pond has required the reduction in the number and arrangement of battery containers from 106 to 84. It has also impacted the amount of space available for landscaping with a reduction from 15% to ___ based upon gravity detention. The detention must be gravity based because Texas City does not accept pumped detention except from institutional stakeholders via development agreement. A reduction in the landscaping component is necessary to accommodate a non-pumped detention solution. This reduction can be off set with enhanced landscaping and the use of decorative retaining wall components where visible to the public or adjacent properties. The Applicant has indicated it can accommodate a non-pumped detention solution. The mitigation measures are included on the site plan.

INCREASE IN SITE ELEVATION – Height requirements are reviewed and regulated through the SP designation. The previous site plan indicated battery containers would be positioned at or about existing ground level. It has been determined by the Applicant that insurers will require elevation of the battery containers by at least 14.0 ft. above existing ground level. Applicant’s current plans are to accommodate this elevation increase with additional fill. The import of so much fill will require some redesign of site drainage to avoid runoff on to adjacent sites. The aesthetics of an elevated site must also be accommodated. Whereas the original site plan provided for a 6ft masonry screening wall along SH 146 and chainlink fencing with slats along the side property lines, the increase in elevation will result in masonry retaining walls of 14ft (8ft screening walls/fences above the retaining walls).

The elevation of the site is most likely to physically impact, if any, the existing business, Hydrokinetics, located adjacent to the north property line. The building is set back approximately 50 feet from the property line. The existing apartments are approximately 400ft north of the property line and may have minimal aesthetic impact from the increased elevation. Detrimental aesthetic impact to the traveling public along SH 146 may be minimized by the use of decorative masonry retaining walls.

The Applicant has produced 3d renderings and a 3d video to simulate the aesthetic of the elevated site and the effectiveness of the mitigating measures. A copy of the 3d renderings are attached to this agenda item. The 3d video was shown to the Planning Board and will be made available at the Zoning Commission meeting and at the City Commission meeting subject to the availability of compatible AV resources.

RECOMMENDATION

At its regular meeting on March 16, the Planning Board voted 3-0 to approve the proposed Detailed Site Plan and to recommend approval of the zoning change to the Zoning Commission and to the City Commission.

The Zoning Commission is scheduled to have a public hearing and consider this request at its regular meeting on April 7, 2026. The recommendation of the Zoning Commission will be presented during the public hearing for the City Commission.

Measures are available to mitigate the impact of the site plan changes to adjacent properties, such as (1) enhanced

landscaping to offset the reduction in the amount of landscaping area; (2) non-pumped detention design; and (3) the use of decorative retaining wall materials where visible to the public or adjacent properties. So long as the applicant agrees to include these mitigation measures in the revised site plan, staff have no objection to the changes to the site plan.

Fiscal Impact

Funds Available Y/N: N/A

Amount Requested: N/A

Source of Funds: N/A

Account #: N/A

Fiscal Impact:

NO fiscal impact

Attachments

Site Plan

Easement

Legal Description

7/22/24 - Planning Board - Staff Report

7/22/24 - Planning Board - Minutes

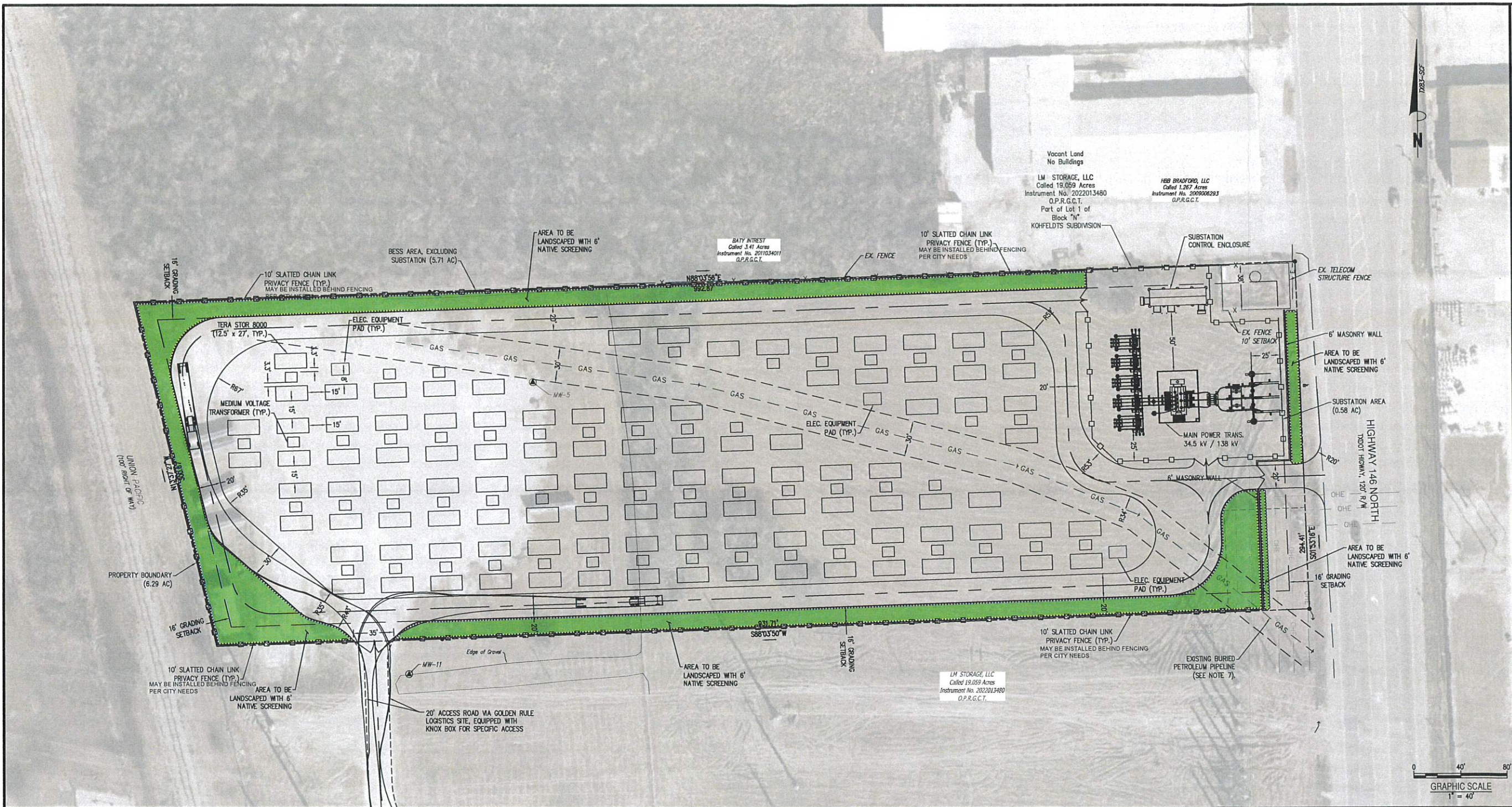
8/6/24 - Zoning Staff Report

8/6/24 - Zoning Minutes

3/10/26 - Planning Board Staff Report

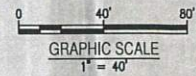
3D Renderings

April 7, 2026 Zoning Commission Minutes



NOT FOR CONSTRUCTION

SPECIAL EXCEPTION SITE PLAN
SOUTHERN SELECT BATTERY SITE
ALPHA OMEGA POWER
 GALVESTON COUNTY, TEXAS
 CITY OF TEXAS CITY

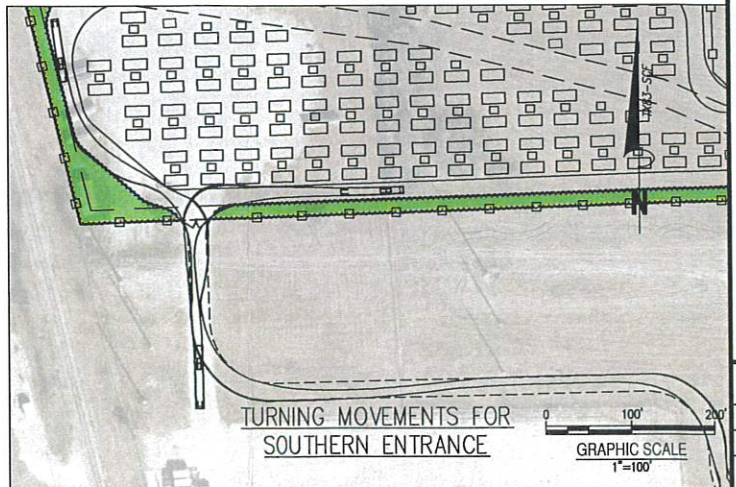
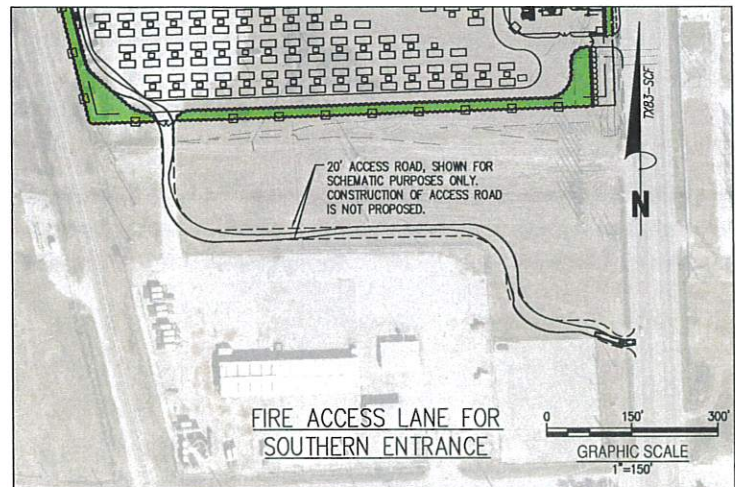


ENERGY STORAGE SYSTEM DESCRIPTION	
NAMEPLATE	205 MW / 410 MWH
PROPERTY AREA	6.29 ACRES
BESS AREA	5.71 ACRES
SUBSTATION AREA	0.58 ACRES

MAJOR EQUIPMENT LIST	
NUMBER OF TERA STOR 8000 SERIES, AC/CP 2 (205 MW / 410 MWH)	106
NUMBER OF EPC POWER 6M (INSIDE BESS UNITS)	106
NUMBER OF MEDIUM VOLTAGE TRANSFORMERS, RATED AT 7.5 MVA	53

- LEGEND:**
- PROPERTY LINE
 - 6" MASONRY WALL
 - FENCE
 - - - EXISTING SETBACK
 - - - CIVIL GRADING SETBACK
 - GAS PIPELINE
 - OVERHEAD POWER LINE GATE
 - MONITORING WELL
- ABBREVIATION LIST:**
- BESS - BATTERY ENERGY STORAGE SYSTEM
 - BOL - BEGINNING OF LIFE
 - EOL - END OF LIFE
 - POI - POINT OF INTERCONNECTION
 - TYP - TYPICAL

- NOTES:**
- THIS IS THE FINAL PERMITTING SITE PLAN, NOT FOR CONSTRUCTION. A SEPARATE DETAILED DESIGN PACKAGE SHALL INCLUDE ALL RELEVANT CIVIL, STRUCTURAL, SAFETY, AND ELECTRICAL DETAILS FOR CONSTRUCTION. EQUIPMENT QUANTITIES AND DIMENSIONS LISTED IN EQUIPMENT LIST ARE PROVIDED BY THE CLIENT AND HAVE NOT BEEN INDEPENDENTLY VERIFIED BY THE CONSULTANT.
 - THE SITE BOUNDARY ON THE EAST WILL HAVE A MASONRY WALL.
 - LANDSCAPING SHALL BE PROVIDED AT 15% OF THE SITE AREA, WHICH IS APPROXIMATELY 41,000 SF.
 - LAYOUT AS SHOWN WOULD BE CONSIDERED NEAR EXPOSURE UNDER THE GUIDELINES OF NFPA 855 AND IFC.
 - AUGMENTATION NOT INCLUDED ON LAYOUT.
 - ALL ACCESS AND DRIVING AREAS ARE PAVED WITH CONCRETE.
 - THE PIPELINE HAS BEEN ABANDONED AND THE GAS COMPANY IS IN THE PROCESS OF RELEASING THE EASEMENT.
 - BOTH ACCESS ROADS TO BE CONCRETE.
 - MONITORING WELLS HAVE BEEN DECOMMISSIONED.



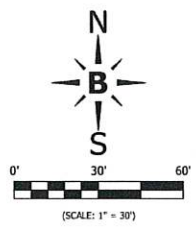
CONSTRUCTION REVISION SUMMARY			
NO.	DATE	DESCRIPTION	BY
A	07/05/24	ISSUED FOR REVIEW	TNC
B	07/06/24	ISSUED FOR SITE ACCEPTANCE PLAN	CAS
C	05/31/24	ISSUED FOR SITE ACCEPTANCE PLAN	TNC

DESIGN: TNC
 DRAWN: CAS
 CHECKED: TNC

JOB No. V:070747-01-0021
 DATE: Jul 11, 2024

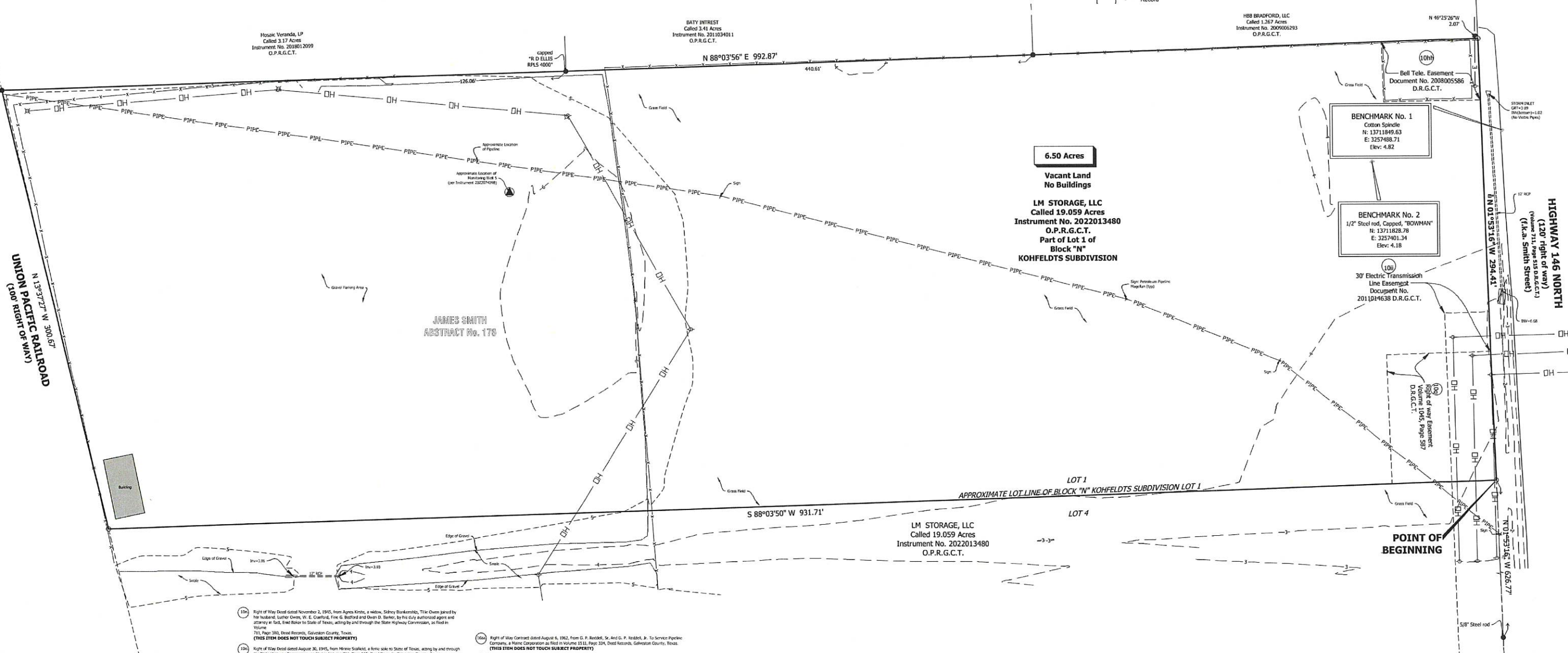
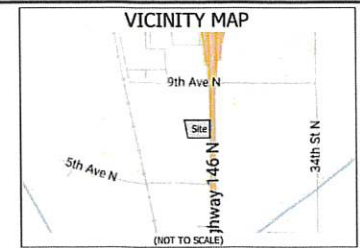
SHEET 1

ALTA/NSPS LAND TITLE SURVEY SOUTHERN SELECT SITE



LEGEND

- 1/2 Inch Steel Rod Capped "TRUE MERIDIAN" Found unless otherwise noted
- 1/2 Inch Steel Rod Capped "BOWMAN" Set
- X — Fence Line
- Aerial utility line
- ⚡ Power Pole
- ⊕ Monitoring Well
- O.P.R.G.C.T. Official Public Records of Galveston County, Texas
- D.R.G.C.T. Deed Records of Galveston County, Texas
- [] Record



6.50 Acres
Vacant Land
No Buildings
LM STORAGE, LLC
Called 19.059 Acres
Instrument No. 2022013480
O.P.R.G.C.T.
Part of Lot 1 of
Block "N"
KOHFELDT'S SUBDIVISION

BENCHMARK No. 1
Cotton Spindle
N: 13711849.63
E: 3257468.71
Elev: 4.82

BENCHMARK No. 2
1/2" Steel rod, Capped, "BOWMAN"
N: 13711828.78
E: 3257401.34
Elev: 4.18

UNION PACIFIC RAILROAD
(100' RIGHT OF WAY)
N 13°37'27" W 300.67'

HIGHWAY 146 NORTH
(120' RIGHT OF WAY)
(Volume 111, Page 515 D.R.G.C.T.)
(F.R.A. Smith Street)

EXCEPTIONS FROM COVERAGE

- Amtrust Title Insurance Company
Effective Date: October 4, 2023
Issued Date: October 20, 2023
File No. FW-61002-TX
- (10a) Oil and Gas Mineral Leases as filed in Volume 823, Page 121, Volume 828, Page 62, Volume 2090, Page 485, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT SURVEY RELATED)**
 - (10b) Right of Way Deed dated July 13, 1931, from Francis Graham and Mrs. Wila Graham, a widow to the Texas Pipeline Company, as filed in Volume 492, Page 498, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10c) Right of Way Contract dated July 26, 1933, from Minnie Gabels, a widow, and Francis Gabels to Standard Pipeline Company, a Delaware corporation as filed in Volume 487, Page 7, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10d) Right of Way Contract from Minnie Gabels, a widow and Francis Gabels, her son to Pan American Pipeline Company, a Delaware corporation as filed in Volume 547, Page 551, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10e) Pipeline Easement dated December 27, 1935, from Francis Graham and minor, Mrs. M. Graham, a widow, to Bennett Cude Oil Marketing Company as filed in Volume 562, Page 6, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10f) Right of Way Agreement dated February 26, 1941, from Minnie Juvenia Scovel, a widow, to Pan American Pipeline Company, as filed in Volume 627, Page 554, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10g) Right of Way Agreement dated January 3, 1950, from Minnie Juvenia Scovel to Shell Pipeline Corporation as filed in Volume 893, Page 466, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10h) Right of Way Deed dated November 6, 1943, from Minnie Juvenia Scovel, a female sole to DeLima Plant Corporation, a corporation controlled by the United States of America as filed in Volume 628, Page 369, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10i) Right of Way Deed dated November 6, 1943, from Minnie Juvenia Scovel, a female sole to DeLima Plant Corporation, a corporation controlled by the United States of America as filed in Volume 671, Page 519, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10j) Right of Way Agreement dated November 14, 1960, from G. P. Riddick, Sr. and G. P. Riddick, Jr. to Pan American Gas Company, a Delaware Corporation as filed in Volume 1445, Page 257, Deed Records, Galveston County, Texas. **(THIS ITEM DOES NOT TOUCH SUBJECT PROPERTY)**

Legal Description

19.059 ACRES, MORE OR LESS, BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN GALVESTON COUNTY, TEXAS, BEING ALL OF LOT 1 AND PART OF LOT 1 IN SUBDIVISION "N" KOHFELDT'S SUBDIVISION OF THE JAMES SMITH SURVEY, ABSTRACT 176, GALVESTON COUNTY, TEXAS, AS DESCRIBED IN THAT CERTAIN SPECIAL WARRANTY DEED WITH VENDOR'S LIES FROM KAG LEASING, INC., A DELAWARE CORPORATION TO LM STORAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, FILED OF RECORD IN DOCUMENT NO. 2022013480 OF THE OFFICIAL DEED RECORDS OF GALVESTON COUNTY, TEXAS. (CAD 1 & 2)

As-Surveyed Description

BEING all that tract of land located in the James Smith Survey, Abstract No. 176 in Galveston County, Texas, being part of Lot 1 in Subdivision "N" Kohfeldt's Subdivision, recorded in Volume 9, Page 101 of the Deed Records Galveston County Texas (D.R.G.C.T.) and being part of that called 19.059 acres of land as described in a deed to LM Storage, LLC as recorded in Instrument 2022013480 of the Official Public Records of Galveston County Texas (O.P.R.G.C.T.), and further described as follows:

BEGINNING at a 1/2 inch steel rod, capped "BOWMAN" set in the common line of 19.059 acres and the west right of way line of Highway 146 North, also being at the approximate common corner of Lot 1 and Lot 4 of the Kohfeldt's Subdivision, from which a 5/8 inch steel rod found, bears South 01 degrees 53 minutes 16 seconds East, a distance of 234.41 feet for reference;

THENCE South 88 degrees 03 minutes 56 seconds East a distance of 931.71 feet with the approximate lot line of Lot 1 and Lot 4 and through said 19.059 acres to a 1/2 inch steel rod, capped "BOWMAN" set at the southwest corner of here described tract of land and being in the common line of said 19.059 acres and the northwest line of Union Pacific Railroad;

THENCE North 13 degrees 37 minutes 27 seconds West a distance of 300.67 feet with said common line of said 19.059 acres and Union Pacific Railroad to a 1/2 inch steel rod found at the northwest corner of said 19.059 acres and being the southwest corner of that called 1.157 acres of land as described in a deed to HBB Bradford, LLC, recorded in Instrument 2009006293 of said O.P.R.G.C.T.;

THENCE North 88 degrees 03 minutes 56 seconds East a distance of 992.87 feet with the common line of said 19.059 acres and said 1.157 acres passing the northeast line of said 3.17 acres and with that called 2.41 acres of land as described in a deed to Billy Interiors, recorded in Instrument No. 2011034811 of said O.P.R.G.C.T. and with that called 1.357 acres of land as described in a deed to HBB Bradford, LLC, recorded in Instrument 2009006293 of said O.P.R.G.C.T.;

THENCE South 01 degrees 53 minutes 16 seconds East a distance of 234.41 feet with the common line of said 19.059 acres and said 1.157 acres with the west right of way line of Highway 146 North, from which a 1/2 inch steel rod, capped True Meridian, found, bears South 25 degrees 26 seconds West, a distance of 2.07 feet for reference;

ALTA/NSPS LAND TITLE SURVEY
5.00 ACRES OUT OF THE JAMES SMITH SURVEY,
ABSTRACT 176, GALVESTON COUNTY, TEXAS

BEING PART OF LOT 1, IN SUBDIVISION "N" KOHFELDT'S SUBDIVISION OF THE JAMES SMITH SURVEY, ABSTRACT 176, GALVESTON COUNTY, TEXAS, AS DESCRIBED IN THAT CERTAIN SPECIAL WARRANTY DEED WITH VENDOR'S LIES FROM KAG LEASING, INC., A DELAWARE CORPORATION TO LM STORAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, FILED OF RECORD IN DOCUMENT NO. 2022013480 OF THE OFFICIAL DEED RECORDS OF GALVESTON COUNTY, TEXAS

Bowman
CENTRAL TEXAS | 3054 Franklin Ave., Ste. A, Waco, TX 76710
381.776.0539 | TDSPLA-3813960

1519 Job No.: 07047-01-002	Drawn By: REP
Sheet 1 of 1	Reviewed By: DWC
Property Address: 3030 5th Avenue North Lubbock, TX 77550	Prepared For: Alpha-Omega
To: Steward Title Guaranty Company:	
This is to certify that this map or plot and the survey on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 2, 3, 4, 5, 7, 8, 11, 13, 14 and 15 of Table A thereof.	
The field work was completed on August 24, 2023.	
Date of Plot or Map: September 15, 2023	
Preliminary, this document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document.	
Darrin Wayne Dugan Registered Professional Land Surveyor Texas Registration No. 6894	
Purpose: Date of Release: _____, 2021	
The survey may only be used for the original transaction for which it was created. Digital or photostatic reproductions of this survey may not be used for subsequent transactions. This survey is only valid with the presence of a sealed impression seal.	

After recording return to:

Simon Labrosse
Alpha Omega Power Holding LLC
4201 Main St, Suite 200-145
Houston, Texas 77002

ACCESS EASEMENT AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF GALVESTON §

THIS ACCESS EASEMENT AGREEMENT (this "Agreement") is made, dated and effective as of July 22nd, 2024 (the "Effective Date"), between LM Storage LLC, a Texas limited liability company (together with its successors, assigns and heirs, "Owner"), and Alpha Omega Power, LLC, a Delaware limited liability company (together with its transferees, successors and assigns, "Grantee"), and in connection herewith, Owner and Grantee agree, covenant and contract as set forth in this Agreement. Owner and Grantee are sometimes referred to in this Agreement as a "Party" or collectively as the "Parties".

RECITALS

WHEREAS, Owner owns certain real property located in Galveston County, Texas, described or depicted on Exhibit A, attached hereto and incorporated herein (the "Property"),

WHEREAS, Grantee is developing and intends to construct and operate a battery energy storage development project or projects (the "Project") in the vicinity of or adjacent to the Property, as more particularly described or depicted on Exhibit C, attached hereto and incorporated herein (the "Project Property");

WHEREAS, Grantee desires to obtain an access easements and related rights over that certain portion of the Property more particularly described or depicted on Exhibit B ("Easement Area") in order to access the Project Property across the Easement Area and facilitate the development, construction, operation of the Project, and Owner desires to grant such easement and rights on the terms and conditions set forth herein;

NOW, THEREFORE, for Ten Dollars (\$10.00) and in consideration of the mutual promises of the Parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENTS

1. Grant of Easement. Owner hereby grants to Grantee a permanent easement on, above, along, under, and across, the surface of the Easement Area ("Easement") as more specifically set forth and defined as follows:

A. Conveyance.

i. Access Easement. Owner hereby conveys, transfers and warrants to Grantee, and its employees, contractors, subcontractors, agents, successors and assigns (and for the benefit of and useable by the local fire department and emergency services, and their vehicles, employees, contractors, subcontractors, agents, successor and assigns) a non-exclusive easement ("Access Easement") for the purpose of: (i) vehicular and pedestrian access, including but not limited to a secondary fire access lane, to and from, and ingress to and egress from, the Property Project and Highway 146; (ii) an exclusive right to construct a roadway and driveways, as needed, over and along the Easement Area; (iii) install and maintain knock box for the use of the local fire department to be unlocked as needed; and (iv) the right to undertake any such purposes or other activities that Grantee determines are necessary, useful or appropriate to accomplish any of the purposes or uses set forth in this Agreement or that are compatible with such purposes or uses. Owner acknowledges and agrees that the exact location of the Access Easement may not be determined until final development and construction, and that Grantee may relocate the location and route of the Access Easement. In the event Grantee desires to change the location and route of the Access Easement, Grantee shall consult with Owner before making final siting decisions; provided that, Owner agrees that Grantee shall have sole discretion over final siting decisions so long as the nature and extent of any such relocated or rerouted Access Easement is not materially different and imposes no greater burden on the Property than the original proposed locations or routes.

ii. Clearance Easement. Owner hereby grants, conveys, transfers and warrants to Grantee an exclusive easement and right (the "Clearance Easement") to trim, cut down and remove all trees (whether natural or cultivated), brush, vegetation, and other hazards now or hereafter existing in the Easement Area and to trim, cut down and remove any trees, brush, vegetation or fire or other hazards located outside of the Easement Area now or hereafter, which might interfere with Grantee's rights hereunder, as determined by Grantee. Owner will not, nor will cause Owner's lessees on the Property to, materially interfere the Access Easement Area.

iii. Easement In Gross. The Easement and other rights granted by Owner in this Agreement are EASEMENTS IN GROSS for the benefit of Grantee, its successors and assigns, there being no real property benefiting from the easements and other rights granted in this Agreement, such easements and other rights being independent of any other lands or estates or interests in lands. The Easement and this Agreement shall further run with the land for the Easement Area and Grantor does hereby bind itself and its successors and assigns to the terms of this Agreement.

2. Term.

A. Term. The term of this Agreement shall be perpetual (the "Term"), subject to rights of termination set forth in this Paragraph 2.

B. Grantee Termination. Grantee may, at Grantee's sole discretion and at any time, terminate and release all or any portion of its right, title, and interest in the Easement Area, by executing and causing to be acknowledged and recorded in the real property records, a release describing with particularity the portion of such right, title, or interest so released and the part of the Easement Area to which it applies. Such release shall become effective and shall be deemed delivered to and accepted by Owner upon such recordation. Upon any such release by Grantee, the Parties' respective rights and obligations hereunder shall cease as to the portion of the Easement Area or the right, title, or interest therein to which such release applies, but the Parties' respective rights and obligations hereunder shall remain in full force and effect as to any other portions of the Easement Area and any right, title, and interest of Grantee not so released. Notwithstanding anything to the contrary, from the construction commencement date of the Project until the removal of the Project's facilities, Grantee will not terminate this Agreement without the prior written consent of Texas City (which consent

shall be granted as long as the fire safety purposes are no longer applicable). Grantee may, without needing any consent from Texas City, terminate this Agreement at any time before Project facilities are located on the Property or at any time after Project facilities are removed from the Property.

3. Owner's Representations, Warranties and Covenants. Owner hereby represents, warrants and covenants as follows:

A. Owner's Authority. Owner is the sole owner of the Easement Area, has good and indefeasible title to the Easement Area, and has the unrestricted right and authority to execute this Agreement and to grant to Grantee the rights granted under this Agreement. Each person signing this Agreement on behalf of Owner is authorized to do so, and all persons having any ownership interest in the Easement Area are signing this Agreement as Owner. Grantee shall have the right to quietly and peaceably hold, possess, and enjoy the Easement, without hindrance, and Owner shall defend Grantee's right of use and occupancy to the same against the claims of all persons. When executed by Owner, this Agreement constitutes a valid and binding agreement enforceable against Owner in accordance with its terms.

B. No Interference. Owner shall not, nor allow any other party to, interfere with Grantee's use of the Easement Area for the purposes described in this Agreement or Grantee's rights under this Agreement. Without limiting the foregoing, Owner shall not, within the Easement Area erect or install any buildings, structures, tanks, antennas, or other improvements; place or store flammable materials; plant trees; place water, sewer, or drainage facilities; or alter the elevation of the existing ground surface.

C. Cooperation. From time to time, Grantee may request that, and Owner shall not unreasonably delay or withhold agreement to, assist and cooperate with Grantee, so long as Owner is reimbursed for its out-of-pocket expenses therefor, in reasonably amending this Agreement as required for the financing, construction, installation, replacement, relocation, maintenance, operation or removal of the Project. Owner shall reasonably cooperate with Grantee or any potential lender or mortgagee, title insurance company, hedge provider, power purchaser, tax equity investor, assignee or any other similar entity (collectively "Requestor") in the execution and delivery of such consents, stoppage certificates and other documents as Grantee or any Requestor may reasonably request, including, without limitation, any instruments reasonably required to evidence such Requestor's rights under this Agreement.

D. Liens. Except as disclosed in the official land title records office of the county in which the Easement Area is located (the "Records Office"), or as disclosed in writing by Owner to Grantee prior to the Effective Date, Owner's fee simple title to the Easement Area is free and clear of all liens, encumbrances, easements, leases, mortgages, deeds of trust, security interests, mineral, oil or gas rights, rights of first refusal, options to purchase, contracts, energy development rights, claims and disputes (collectively, "Liens"). Grantee shall be entitled to obtain, and Owner shall fully cooperate with and assist Grantee in obtaining, a subordination agreement, non-disturbance agreement or other appropriate agreement from each party holding a Lien that might interfere with Grantee's rights under this Agreement, at no out of pocket expense to Owner.

E. Hazardous Materials. To the best of Owner's knowledge, as of the Effective Date, there are no Hazardous Materials located on the Property or Easement Area and the Property has not been used for the generation, treatment, storage or disposal of Hazardous Materials, no underground storage tanks have ever been located on the Property nor are any underground storage tanks presently located on the Property. So long as this Agreement is in place Owner shall not violate, and shall indemnify Grantee against any violation by Owner or any Owner Party of, any federal, state or local law, ordinance or regulation relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any Hazardous Materials, in, on, under or about the Property or Easement Area, including without limitation any such violation which may have occurred by Owner or any other person prior to the Effective Date. Owner's violation of the foregoing prohibition shall constitute a material breach and default under this Agreement and Owner shall indemnify and hold harmless and defend Grantee from and against any claims, damages, penalties, liabilities or costs caused by or arising out of said violation. In

conformance with the requirements of applicable law, Owner shall clean up, remove, remedy and repair any soil or ground water contamination and damage caused by the release or disposal of any Hazardous Materials by Owner or any Owner Party in, on, under, or about the Property or Easement Area.

F. Confidentiality. Owner shall maintain in the strictest confidence, for the benefit of Grantee, all information pertaining to the financial terms of or payments under this Agreement, Grantee's site or product design, methods of operation, methods of construction, availability of the Project Facilities, and the like, whether disclosed by Grantee, or discovered by Owner, unless such information either (i) is in the public domain by reason of prior publication through no act or omission of Owner or any Owner Party, or (ii) was already known to Owner at the time of disclosure and which Owner is free to use or disclose without breach of any obligation to any person or entity. Owner shall not use such information for its own benefit, publish or otherwise disclose it to others, or permit its use by others for their benefit or to the detriment of Grantee. Notwithstanding the foregoing, Owner may disclose such information to Owner's lenders, attorneys, accountants and other personal advisors; any prospective purchaser of the Property; or pursuant to lawful process, subpoena or court order; provided Owner in making such disclosure advises the party receiving the information of the confidentiality of the information and obtains the agreement of said party not to disclose the information.

4. Reservation of Rights. Owner reserves for Owner and Owner's heirs, successors, and assigns the right to continue to use and enjoy the Easement Area for all purposes that do not unreasonably interfere with or interrupt the use or enjoyment of the Easement by Grantee for the Easement Purpose.

5. Default; Remedies. If a Party (the "Defaulting Party") fails to perform an obligation under this Agreement (an "Event of Default") such Defaulting Party shall not be in default of the terms of this Agreement if, (a) in the case of the failure to pay when due any amounts payable under this Agreement (a "Monetary Default") the Defaulting Party pays the past due amount within forty-five (45) days after receiving written notice of the Event of Default (a "Notice of Default") from the other Party (the "Non-Defaulting Party"), and (b) in the case of an Event of Default other than a Monetary Default (a "Non-Monetary Default"), the Event of Default is cured within ninety (90) days after receiving the Notice of Default; provided, that if the nature of the Non-Monetary Default requires, in the exercise of commercially reasonable diligence, more than ninety (90) days to cure then the Defaulting Party shall not be in default as long as it commences performance of the cure within ninety (90) days and thereafter pursues such cure with commercially reasonable diligence. Should an Event of Default remain uncured by the Defaulting Party the Non-Defaulting Party shall have and shall be entitled to at its option and without further notice, but subject to the limitations set forth in the last sentence of this paragraph, to exercise any remedy available at law or equity, including, without limitation, a suit for specific performance of any obligations set forth in this Agreement or any appropriate injunctive or other equitable relief, or for damages resulting from such default (including, without limitation, the cost of obtaining alternative easements). Both Parties agree that remedies at law may be inadequate to protect against any actual or threatened breach of this Agreement. In the event of any breach or threatened breach, either Party shall have the right to apply for the entry of an immediate order to restrain or enjoin the breach and otherwise specifically to enforce the provisions of this Agreement. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, or any rights at law or in equity, in no event shall any default or breach of this Agreement, or any failure to perform any obligations under this Agreement, terminate, or entitle any Party to terminate, this Agreement or any Easement or right granted hereunder. Without limiting the foregoing, no Party may terminate this Agreement, except as expressly described in Paragraphs 2(B) of this Agreement.

6. Assignment. Grantee shall have the right, without Owner's consent, to: (i) encumber, hypothecate, mortgage, pledge, or otherwise finance the Easement (including by mortgage, deed of trust or personal property security instrument) all or any portion of its right, title, or interest under this Agreement, the Easement, and/or the Project to any mortgagee as security for the repayment of any indebtedness and/or the performance of any mortgage (each an "Easement Mortgage"); (ii) grant co-easements, separate easements, sub-easements, licenses, leases, or similar rights (however denominated) to one or more persons

or entities (each an "Assignee"); and (iii) sell, convey, lease, assign, mortgage, encumber, hypothecate or transfer to one or more Assignees or Easement Mortgagees any or all right or interest of Grantee in all or any portion of this Agreement, the Easement Area, or the Easement. Owner shall be provided with a copy of each assignment. No Owner consent shall be required for any change in ownership of Grantee; no Owner consent shall be required for any grant, sale, lease, conveyance or assignment by any lender or mortgagee following foreclosure of such lender or mortgagee of its rights in this Agreement and/or the Easement. All assignees will be subject to all of the obligations, covenants and conditions applicable to the Grantee under this Agreement. Upon Grantee's assignment of its entire interest under this Agreement as to all or any portion of the Easement, or as may otherwise be provided in the applicable grant, sale, lease, conveyance or assignment document, Owner shall recognize the assignee as Grantee's proper successor, the assignee shall have all of the assigned rights, benefits and obligations of Grantee under and pursuant to this Agreement, and Grantee shall be relieved of all of its obligations relating to the assigned interests under this Agreement that relate to acts or omissions which occur or accrue following the effective date of such grant, sale, lease, conveyance or assignment.

7. Cure; Rights of Easement Mortgagee. If Grantee has provided notice to Owner of an Easement Mortgagee, then:

A. Owner and Grantee will not modify, cancel, or terminate this Agreement without the prior written consent of the Easement Mortgagee;

B. Upon any default by Grantee under this Agreement, Owner shall concurrently deliver a copy of the applicable Notice of Default to Grantee and any Easement Mortgagee;

C. The Easement Mortgagee shall have the right, but not the obligation: (i) to do any act or thing required to be performed by Grantee under this Agreement, and any such act or thing performed by an Easement Mortgagee shall be as effective to prevent a default under this Agreement as if done by Grantee, and (ii) to cure any default under this Agreement; and

D. Prior to exercising any right under this Agreement resulting from a default by Grantee, Owner shall give any Easement Mortgagee the same time period as Grantee after receipt of Notice of Default to remedy the default, or cause the same to be remedied, plus, in each instance, the Easement Mortgagee shall have an additional time period of forty-five (45) days to complete such cure.

8. Indemnity. Grantee, to the extent allowed by law, hereby binds itself, its successors and assigns, to indemnify and hold Owner, and Owner's heirs, personal representatives and assigns, harmless from any and all claims, demands and causes of action of any kind or character ("Owner Claims") asserted against Owner, and Owner's heirs, personal representatives, and assigns to the extent that any such Claim is caused by or is the result of (i) the negligent acts and/or omissions of Grantee and its agents and employees, in connection with the exercise of any right or privilege hereunder; and (ii) any condition created, maintained or suffered to exist on or about the Easement Area to the extent same is due to the negligent acts or omissions of Grantee and its agents and employees. This indemnity shall survive termination of this Agreement. In no event shall Grantee be responsible for defending, indemnifying or holding harmless Owner to the extent of any Claim caused by, arising from the negligence or willful misconduct of Owner or Owner's employees, contractors, subcontractors, agents or representatives. Owner, to the extent allowed by law, hereby binds itself, its successors and assigns, to indemnify and hold Grantee, and Grantee's heirs, personal representatives and assigns, harmless from any and all claims, demands and causes of action of any kind or character ("Grantee Claims") asserted against Grantee, and Grantee's heirs, personal representatives, and assigns to the extent that any such Claim is caused by or is the result of (i) the negligent acts and/or omissions of Owner and its agents and employees, in connection with the exercise of any right or privilege hereunder; (ii) any breach by Owner of the terms and conditions of this Agreement; and (iii) any condition created, maintained or suffered to exist on or about the Easement Area to the extent same is due to the negligent acts or omissions of Owner and its agents and employees. This indemnity shall survive termination of this Agreement. In no

event shall Owner be responsible for defending, indemnifying or holding harmless Grantee to the extent of any Claim caused by, arising from the negligence or willful misconduct of Grantee or Grantee's employees, contractors, subcontractors, agents or representatives.

9. Recording of Agreement. Grantee shall cause the recordation of a duplicate original of this Agreement in the Official Public Records where the Easement Area is located promptly after execution of this Agreement.

10. Legal Description. In the event that it is determined that there are any inaccuracies in or changes required to the legal descriptions in Exhibit A, Exhibit B or Exhibit C of this Agreement, the validity of this Agreement shall not be affected, and, upon the request of Grantee, Owner and Grantee shall change the legal descriptions for such Exhibit(s) to reflect the final, as-built legal description of the Property contained in a survey, title commitment or other title report obtained by Grantee for the Easement Area (including without limitation recording an amendment of this Agreement) and/or to reflect updated more precise descriptions of the applicable land areas.

11. Notices. Any notice required or permitted under this agreement must be in writing. Any notice required by this Agreement will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Agreement. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any Party may change its address for purposes of this paragraph by giving written notice of such change to the other parties in the manner provided in this paragraph. The names and addresses for the service of notices, requests, deliveries, or consents referred to in this Paragraph 11 are:

If to Owner:

Deano Merrigan
LM Storage LLC
5309 Gulf Freeway
La Marque, TX 77002

If to Grantee:

Simon Labrosse
Alpha Omega Power Holding LLC
4201 Main St, Suite 200-145
Houston, Texas 77002

12. Partial Invalidity. Should any provision of this Agreement be held, in a final and unappealable decision by a court of competent jurisdiction, to be either invalid, void, or unenforceable, the remaining provisions hereof shall remain in full force and effect, unimpaired by the holding.

13. Estoppel Certificates. Owner shall execute such estoppel certificates certifying as to such matters as Grantee or any Requestor may reasonably request, including, without limitation, that no default then exists under this Agreement, if such be the case. The failure of Owner to deliver any signed estoppel certificate, whether such estoppel certificate indicates agreement or disagreement with the accurateness of the certificate, within ten (10) days after Grantee's or any Requestor's written request therefor shall be conclusive evidence that (i) this Agreement is in full force and effect and has not been modified; (ii) any amounts payable by Grantee to Owner have been paid through the date of such written request; (iii) there are no uncured events of default by Grantee; and (iv) the other certifications requested by Grantee or any Requestor in its estoppel, are in fact, true and correct.

14. Binding Effect. This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns.

15. Legal Matters. This Agreement shall be governed by and interpreted in accordance with the laws of the state in which the Easement Area is located. If the Parties are unable to resolve amicably any

dispute arising out of or in connection with this Agreement, they agree that such dispute shall be resolved in the state district courts with jurisdiction over the county in which any portion of the Easement Area is located. The Parties agree that any rule of construction to the effect that ambiguities are to be resolved in favor of either Party shall not be employed in the interpretation of this Agreement and is hereby waived. The prevailing party in any action or proceeding for the enforcement, protection, or establishment of any right or remedy under this Agreement shall be entitled to recover its reasonable attorneys' fees and costs in connection with such action or proceeding from the non-prevailing party.

16. Headings. The headings of the paragraphs of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part thereof.

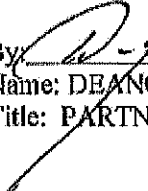
17. Counterparts. This Agreement may be executed in any number of counterparts and evidenced by facsimile and/or electronic scanned signature with the same effect as if all signatory parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

[signatures on following page]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date.

OWNER:

LM Storage LLC,
a TEXAS limited liability company

By: 
Name: DEANO MERRIGAN
Title: PARTNER

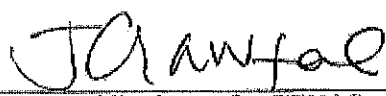
ACKNOWLEDGMENT

THE STATE OF TEXAS
COUNTY OF GALVESTON

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This instrument was acknowledged before me on this 22nd day of JULY, 2024, by DEANO MERRIGAN, PARTNER of LM Storage LLC, a TEXAS limited liability company, on behalf of such limited liability company.




Notary Public, State of TEXAS

My commission expires:
03/17/2026

GRANTEE:

Alpha Omega Power, LLC,
a Delaware limited liability company

By: [Signature]
Name: Paul Choi
Title: CEO

ACKNOWLEDGMENT

STATE OF Texas
COUNTY OF Harris

This instrument was acknowledged before me on the 30 day of JULY, 2024 by Paul Choi, CEO of Alpha Omega Power, LLC, a Delaware limited liability company, on behalf of such limited liability company.

[SEAL]

[Signature]
Notary Public in and for the State of TEXAS
My commission expires: 07/14/2026

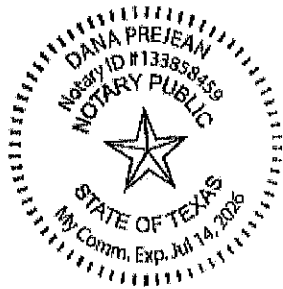


EXHIBIT A
Description and Depiction of the Property

[Pursuant to the terms of the Agreement, the description of the Property contained on this Exhibit A shall, upon request by Grantee, be replaced with a more detailed description approved by Grantee and its Title Company or surveyor]

THE FOLLOWING REAL PROPERTY LOCATED IN THE COUNTY OF GALVESTON, STATE OF TEXAS:

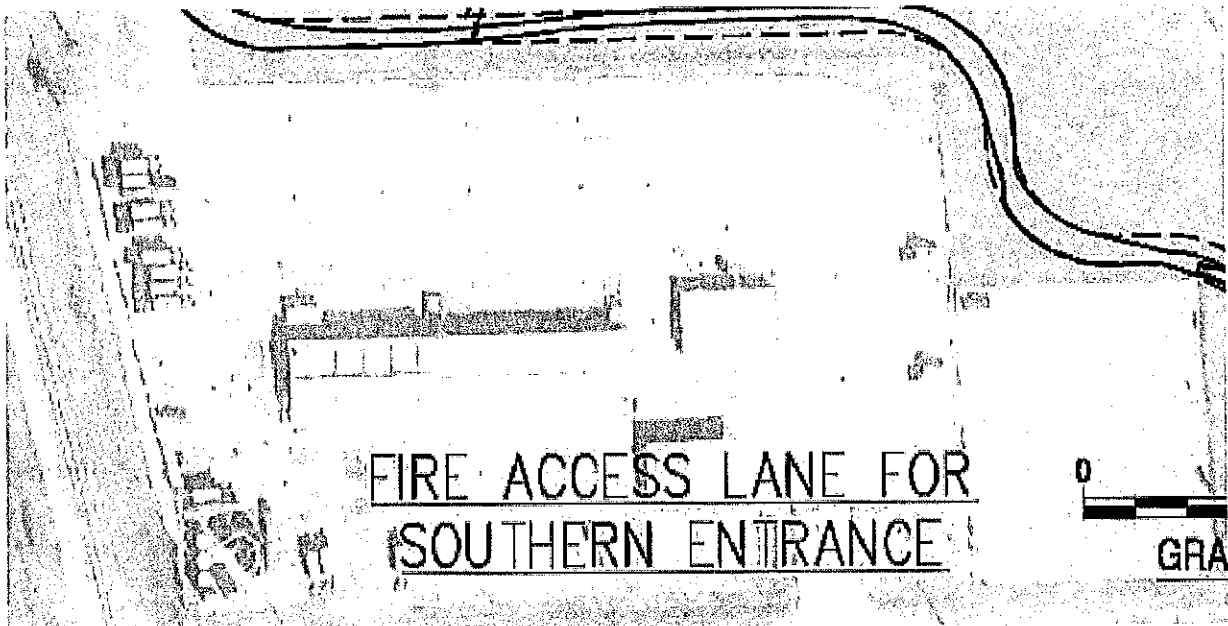


EXHIBIT B
Description and Depiction of the Easement Area

[Pursuant to the terms of the Agreement, the description of the Easement Area contained on this Exhibit B shall, upon request by Grantee, be replaced with a more detailed description approved by Grantee and its Title Company or surveyor.]

THE FOLLOWING REAL PROPERTY LOCATED IN THE COUNTY OF GALVESTON, STATE OF TEXAS:

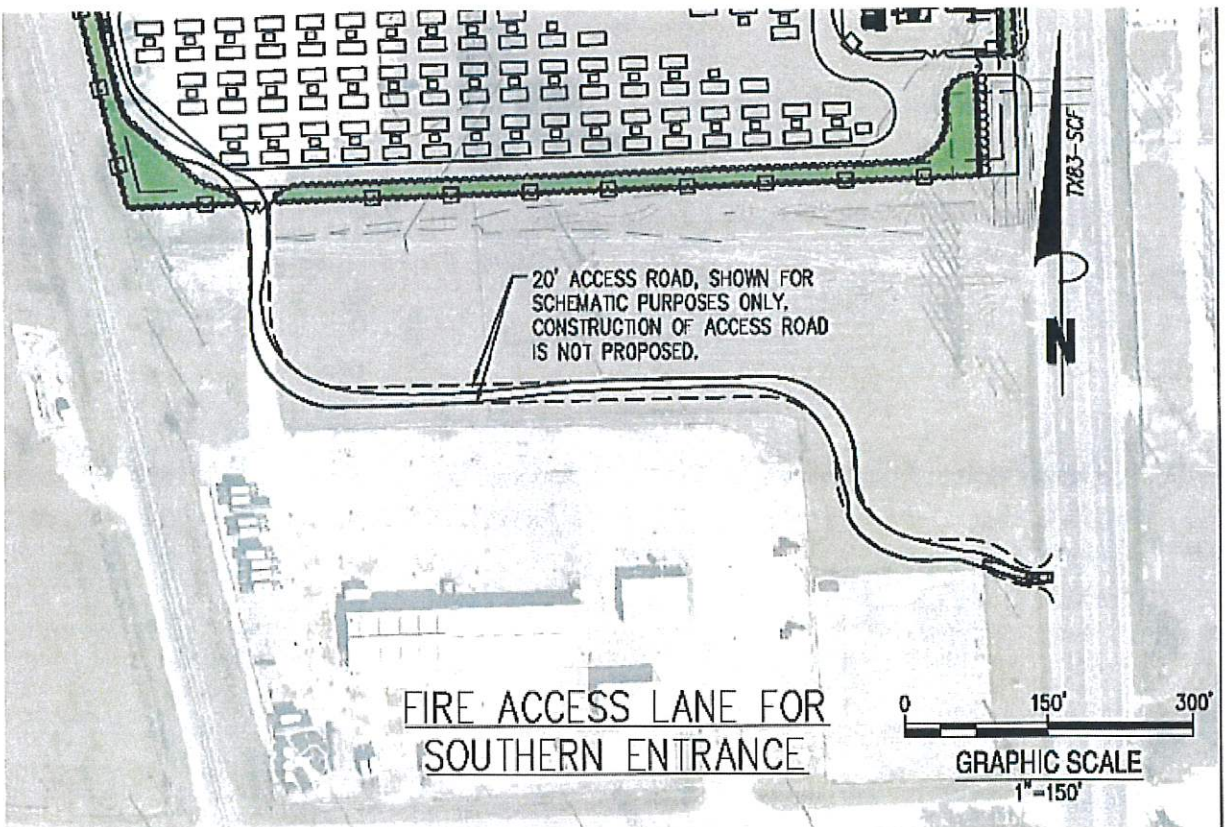


EXHIBIT C

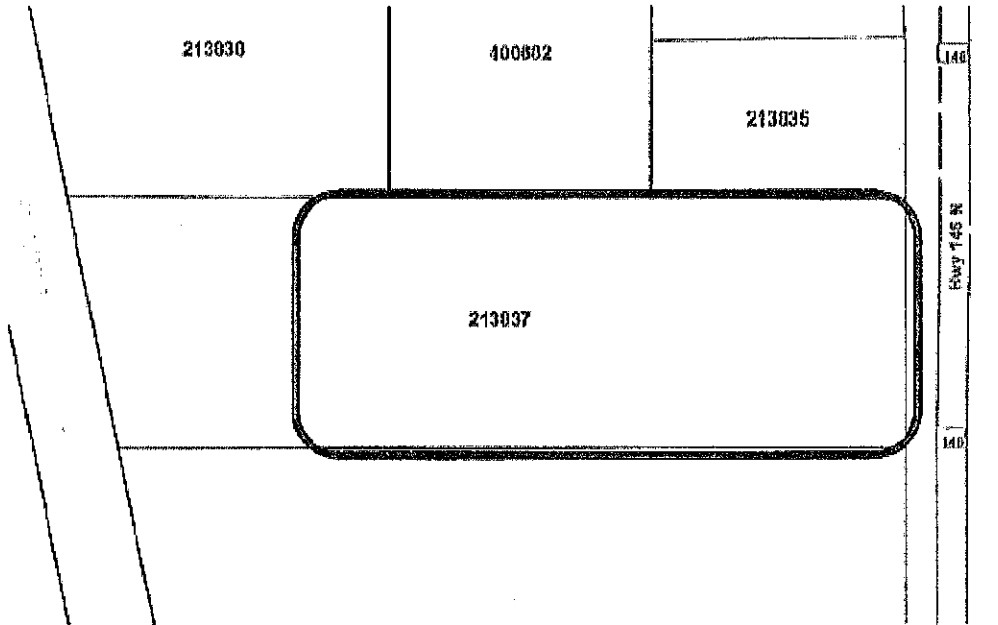
[Pursuant to the terms of the Agreement, the description of the Project Property contained on this Exhibit C shall, upon request by Grantee, be replaced with a more detailed description approved by Grantee and its Title Company or surveyor]

Description and Depletion of the Project Property

THE FOLLOWING REAL PROPERTY LOCATED IN THE COUNTY OF GALVESTON, STATE OF TEXAS:

Overall Premises: A certain tract with County Appraisal District Tract ID#213837 of approximately 6.5 acres.

Property: A certain tract with approximately 5 acres, including approximately 4 Unencumbered Constructible Acres adjacent to the Highway 146 on the Eastern side of the property. Property is approximately delineated in the red rectangle below



BEING all that tract of land located in the James Smith Survey, Abstract No. 176 in Galveston County, Texas, being part of Lot 1 in Subdivision "N" Kohfeldt's Subdivision, recorded in Volume 9, Page 101 of the Deed Records Galveston County Texas (D.R.G.C.T.) and being part of that called 19.059 acres of land as described in a deed to L.M. Storage, LLC as recorded in Instrument 2022013480 of the Official Public Records of Galveston County Texas (O.P.R.G.C.T.), and further described as follows:

BEGINNING at a 1/2 inch steel rod, capped "BOWMAN" set in the common line of 19.059 acres and the west right of way line of Highway 146 North, also being at the approximate common corner of Lot 1 and Lot 4 of the Kohfeldt's Subdivision, from which a 5/8 inch steel rod found, bears South 01 degrees 53 minutes 16 seconds East, a distance of 626.77 feet for reference;

THENCE South 88 degrees 03 minutes 50 seconds West a distance of 931.71 feet with the approximate lot line of Lot 1 and Lot 4 and through said 19.059 acres to a 1/2 inch steel rod, capped "BOWMAN" set at the southwest corner of here described tract of land and being in the common line of said 19.059 acres and the northwest line of Union Pacific Railroad;

THENCE North 13 degrees 37 minutes 27 seconds West a distance of 300.67 feet with said common line of said 19.059 acres and Union Pacific Railroad to a 1/2 inch steel rod found at the northwest corner of said 19.059 acres and being the southwest corner of that called 3.17 acres of land as described in a deed to Mosaic Veranda, LP, recorded in Instrument No. 2018012099 of said O.P.R.G.C.T.

THENCE North 88 degrees 03 minutes 56 seconds East a distance of 992.87 feet with the common line of said 19.059 acres and said 3.17 acres passing the northeast line of said 3.17 acres and with that called 3.41 acres of land as described in a deed to Baty Interest, recorded in Instrument No. 2011034011 of said O.P.R.G.C.T. and with that called 1.267 acres of land as described in a deed to HBB Bradford, LLC recorded in Instrument 2009006293 of said O.P.R.G.C.T., to a 1/2 inch steel rod, capped "BOWMAN" set at the intersection former by the common line of said 19.059 and said 1.267 acres with the west right of way line of Highway 146 North, from which a 1/2 inch steel rod, capped True Meridian, found, bears North 46 degrees 25 minutes 26 seconds West, a distance of 2.07 feet for reference;

THENCE South 01 degrees 53 minutes 16 seconds East a distance of 294.41 feet with the common line of said 19.059 acres and the west right of way line of Highway 146 to the **POINT OF BEGINNING, CONTAINING 6.50 ACRES OF LAND**



Texas City

EST. 1911

ENGINEERING & PLANNING

STAFF REPORT

To: Planning Board – Regular Meeting – July 22, 2024

From: Kim Golden, P.E., City Engineer *KG*

CC: Doug Kneupper, P.E.

Date: July 19, 2024

Re: Southern Select Energy Storage Project (BESS) – 701 Hwy 146 N

Background: The applicant is Alpha Omega Power, LLC. The proposed project will encompass approximately 5.71 acres on 6.29 acres of vacant land. The location of the project is on the west side of S.H 146 N and north of the existing Golden Logistics. The property owner is LM Storage, LLC. The property is zoned District F. The project proposes to develop up to 106 lithium-ion containers for 205MW, 410MWh capacity at the site.

Requested Action: The applicant is requesting approval of a Detailed Site Plan for development of an electric power generating station utilizing lithium-ion battery energy storage system. The application is being processed as a District SP (Site Plan) rezoning consistent with Section 160.051(A)(1)(f) *provide for the development of specific uses which are not normally found in zoning districts, and (h) provide additional information and regulatory controls concerning the proposed use or uses for the protection of the public health, safety, morals and general welfare of the community.* Planning Board recommendation will be presented to the Zoning Commission and City Commission as required for the District SP rezoning.

Staff Review and Recommendation: The project will include up to 106 individual battery containers for 205MW, 410MWh two-hour capacity at the site. The two-hour designation is in reference to the time to fully charge and fully discharge under standardized conditions.

This proposed BESS installation is approximately 20times larger in battery capacity than the previously approved BESS installations. The site is also physically much larger than the previously approved. This site is 6.29 acres with 5.71 acres in use for batteries, as compared to the two previously approved projects which were 0.48 acres and 1.5 acres respectively.

PROPOSED SITE IMPROVEMENTS - The Site improvements will include a 20ft concrete perimeter fire lane with access to all containers and two access roads as required by the Fire Marshal, security fencing, and landscaping of at least 6ft in height to provide screening of the battery containers from S.H. 146. The fencing along SH 146 will be a 6ft masonry wall. Container spacing has been adjusted to the

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15ft minimum required by the Fire Marshal. In addition to the generating station, offsite improvements include electric transmission infrastructure that connects to Texas-New Mexico Power facilities in the vicinity. No water or sewer will be needed for this development. Site drainage will be accomplished using an on-site collection system that outfalls into the adjacent drainage systems.

EXISTING SITE - The project site is part of the former ETC Texas City Trucking Terminal. The site has been determined to have certain environmental concerns affecting the groundwater. Specifically, a barium plume. Monitoring wells have been established and were monitored for a required amount of time. Applicant has indicated and provided documentation that the monitoring has been concluded and the wells have been or will be removed. The location of the monitoring wells have been indicated on the site plan. As part of an approved Response Plan, the property is subject to a deed restriction which limits its use to commercial/industrial use. A Revised Response Action Plan dated June 9, 2021 and prepared for the previous owner, Enterprise Logistic Services, LLC, to provide to TCEQ, represented expected future use to remain a trucking facility. A copy of the Revised Action Plan will be included in the agenda packet with this staff report.

ADJACENT PROPERTIES - The adjacent property to the north is Baker Distributing Company at 801 SH 146. The adjacent property to the south is burdened with an easement to TNMP for the location of transmission poles and wires. No survey has been provided, but the width of the easement when scaled with the Google Maps tool indicates a width of approximately 200ft. However, the existence of overhead power lines in close proximity to the location should be noted. Immediately south and adjacent to the TNMP easement is the Golden Rule Logistics, another distribution entity. Golden Rule Logistics is a tenant on the property. Records show the property south of the proposed site to have common ownership, LM Storage, LLC, with the subject location. It is understood the project owner, Alpha Omega Power, LLC, will also be a tenant. The property is bounded on the west by the railroad. Gulf Coast Water Authority owns the vacant property which is immediately west of the railroad. The site is bounded on the east by S.H. 146. The TNMP substation is located immediately east of SH 146.

TNMP HEIGHTS SUBSTATION - The applicant's submission includes the following information regarding the location in proximity to the TNMP Heights Substation:

The project location near the TNHeights substation was chosen based on detailed power flow analysis of the transmission system within TNMP service area. This analysis identified the TNHeights substation as an ideal candidate for a utility-scale BESS, providing sufficient injection capacity while remaining close to TNMP critical load centers. Injection capacity is a metric used to show how much electrical power (in MW) can be transmitted into a point of interconnection, such as a substation.

The [attached map] shows the individual injection capacity for four of the largest substations within city limits. The TNHeights substation has the

highest injection capacity (over 800MW), making it the ideal point of interconnection for multiple BESS projects to support regional grid reliability and electricity demand. Currently, one BESS project is operational at the TNHeights substation (BRP Heights, 10MW project), while three others are in queue to interconnect (Zeya 256MW, IEP Blackhawk 100 MW, and Southern Select 100MW). The combined capacity of these four projects (466MW) is well below the available injection capacity of the substation, indicating the substation is capable of supporting multiple BESS projects.

BATTERY CHEMISTRY - The application indicates an intent to use LFP (lithium iron phosphate) battery cells which is the less cell chemistry which current available information indicates may be less prone to thermal runaway than the NMO (nickel manganese cobalt) battery cells. Applicant has not indicated the specific cell manufacturer nor the specific manufacturer that will be providing the assembled containers for installation.

FLOOD PLAIN/COASTAL ENVIRONMENT - The site is not located in a flood plain. It is located inside the area protected by the Texas City Hurricane Levee. Container foundations will be placed at elevation 7.0ft in accordance with Texas City ordinances.

Regarding protection from the saltwater/coastal environment, the applicant advises in an email received 7.19.2024 that the containers are fully integrated cabinets and shipped to the site as such, so there is no exposure to the elements during the installation process. The containers will meet the requirements of IP 67 at the Pack level and IP55 at the Battery Container level. IP67 means the individual battery packs do not allow for the ingress of dust particles. They are protected against the ingress of water from spraying/water jets and are rated to be submersed in up to 3' of water for up to 30 minutes without penetration. IP55 means the battery containers themselves provide protection from dust, low pressure water jets and damp and wet weather. The storage units also meet an anti-corrosion class of up to C5-H depending on the local environment. C5 is the highest class of anti-corrosion coating. Air filter maintenance is also a critical element of maintaining the units for optimal operating conditions and will be performed by a regular maintenance crew as often as needed, which may be weekly. Some of the indications in the email are different from the spec sheet provided with the application. The representations of the email are considered to supercede the spec sheet insofar as the conditions being presented to the Planning Board and others for approval at this time. **The codes and standards most appropriate for saltwater/coastal environment will be applied by the Fire Marshal and Chief Building Official during the permitting process.**

FIRE PROTECTION - Fire protection will be provided by on-site systems specifically designed for this application with Fire Marshal coordination. The project will be

subject to the 2024 fire codes and building codes. The Fire Marshal may require additional submittals at the time of permitting and has advised these requirements will include at minimum commissioning and decommissioning plans, site safety plan, all UL test results for the batteries to be installed, a bond or other security for decommissioning and some requirements for insurance. The Chief Building Official is likely to require annual certification and inspection of ventilation systems at minimum. The Applicant acknowledges these, and other requirements must be satisfied to obtain the necessary permits.

SECOND POINT OF ACCESS – ISSUE UNRESOLVED: The secondary access is proposed to be through adjacent property under lease to Golden Rule Logistics. Applicant has indicated we would be provided with a copy of the signed access agreement with the adjoining property owner prior to the Planning Board meeting, but at the time of preparation of this memo we have not received either a draft or a signed version of any agreement. In addition, the form of agreement must ensure the access will be open and available at all times. Fire Marshal has indicated a requirement for lockbox access. We have indicated a requirement for the access to be dedicated by plat or perpetual easement in favor of the public.

APPLICANT'S EXPERIENCE/COMPANY HISTORY – INFORMATION NOT YET RECEIVED. We have requested and not yet received information about applicant, Alpha Omega Power, LLC, regarding its formation and length of existence and regarding key staff's experience and qualifications with BESS installations. As of the time of preparation of this memo we have not yet received that information. In conversation staff have indicated some previous experience with other projects in Texas City.

RECOMMENDATION: City staff has reviewed the submitted Site Plan and provided numerous comments regarding spacing, paving, screening and landscaping standards. All of the site plan specific comments have been resolved, with the exception of the issue regarding the second point of access. Staff cannot make a recommendation regarding the adequacy of the second point of access without more information regarding the specific agreement with the adjacent property owner and tenant. Additionally, staff have not yet received the requested information regarding the Applicant's company history and experience with BESS projects. For that reason, staff are not able to make a recommendation at the time of writing of this staff report.

Staff will update this report as more information is received.

PLANNING BOARD MINUTES

JULY 22, 2024

The Planning Board of the City of Texas City met in a special-called meeting on Monday, July 22, 2024, at 5:00 p.m. Planning Board members present: Chairman Dickey Campbell, Co-Chairman Perry O'Brien, Commissioner Jami Clark, Alternate Member Aric Owens, and Alternate Member Jose Boix. Staff members present: Kimberly Golden (Secretary), Casey Bennett (Chief Building Official), David Kinchen (Deputy Building Official) and Veronica Carreon. Guests were: Joel Rodriguez (Air Products); CW Scheibe and Paula Drnevich (LAN Inc.); Sherri McElwee (Quiddity Engineering); Ricardo Cuellar (RDLR); Daniel Ortiz (RPCR); Carlos Sotelo (Kirksey); Felix Herrera (Awesome Auto Accessories); Andres Delgado; Deano Merrigan; Guillaume Dufay and Karl Harris (AOP Renewables); Jason Richards (Vaughn Construction); Moises Weber (Cannon Design); Stephanie Tabor (A&S Engineers); Carlos Pacas (Dally Associates); Bo Bacon (College of the Mainland); Jerry LeBlanc (Binnacle Development); and Julie Tovar (SHIP Intern).

Chairman Dickey Campbell indicated a quorum was present and called the meeting to order.

1) APPROVAL OF MINUTES

A motion to approve the minutes of July 1, 2024 with corrections noted below, was made by Jose Boix/Commissioner Jami Clark. All other members present voted aye.

- Page 1, paragraph 6 – corrected Chairman Dickey Clark to Chairman Dickey Campbell
- Page 1, paragraph 6 – corrected Mr. Bryan Clark to Mr. Bryan Carnes
- Page 2, paragraphs 1, 2, 3, and 5 - corrected Mr. Clark to Mr. Carnes

2) PUBLIC COMMENTS

There were no public comments.

3) REGULAR AGENDA

a. Consider and take action on the Development Plan Air Products Temporary Modular Construction Offices. Located at 14 4th Street South, Texas City.

Ms. Golden stated this project sits on a little more than a ½ acre site. The site was vacant and previously used for the lunch tents and emergency assembly area. Because Air Products is doing a second project at the facility in Texas City they will need the construction offices for a longer duration. Since the temporary construction facilities will be in place for more than six months, they will be required to meet all the code provisions and zoning requirements, so Air Products has brought a site plan forward. The temporary construction offices are already assembled at the site because Air Products was not aware that a permit was required. When notified of the requirement, Air Products acted immediately to correct the oversight.

Air Products will be paving the lot, adding landscaping, screening the dumpster, and providing an ADA compliant entrance.

The location of the temporary modular offices encroaches over an existing public alley that goes through that area. Rather than require the temporary modular offices be relocated to remove the encroachment, staff recommends Air Products apply for an abandonment of that alley.

The modular offices are currently installed at a 10 ft. setback. Although the IBD district does not have a specific setback stated in the ordinance, staff applies a policy standard of the setbacks which apply to similar uses in the basic districts. For this use, that would be the light industrial setback of 25 ft. for anything permanent. Air Products has indicated if they do something permanent, they will abide by the 25 ft. setback.

Chairman Dickey Campbell asked Joel Rodriguez (Air Products) if he could show them the location on the map, to which he did. He then asked Ms. Golden about the 25 ft. setback from streets and the 10' setback from the property line to which Ms. Golden replied there aren't any setbacks in the IBD ordinance, but staff are trying to adhere to its policy.

Mr. Jose Boix asked where the alley is that will need to be abandoned. Ms. Golden indicated it on the exhibit.

Chairman Campbell than asked if the property is leased or greenbelt, to which Mr. Rodriguez replied it is leased from Eastman Chemical till the end of 2026, fourth quarter.

Chairman Campbell asked if there were any additional questions. There were none.

A motion was made by Alternate Member Jose Boix/Commissioner Jami Clark to approve the Development Plan for Air Products Temporary Modular Construction Offices. All other members present voted aye.

b. Consider and take action on the Development Plan for College of the Mainland Site Projects. Located at 1200 N. Amburn Road, Texas City.

i. Overall Site Plan

Ms. Golden stated College of the Mainland (COM) has a 2023 bond program for which voters approved a property tax back in 2023. There are six projects, but three that will entail brand new buildings that will be constructed fairly close in time over the next three years. Due to this, staff have asked COM to submit an overall site plan so the overall impact could be considered on parking, traffic, landscaping and detention.

Ms. Golden stated that they wanted to do this so that they could accommodate COM's growth without chopping because the program included demolishing some buildings, renovating some existing buildings, extending some existing buildings and adding some new buildings. Staff thought the overall analysis would work better for COM as the effects of the net changes in detention, parking, landscaping and traffic were considered and addressed, rather than looking at each project as a standalone.

COM provided the requested overall site plan. A preliminary analysis of the impact on traffic showed that Monticello Drive is going to need to have some improvements and upgrades to accommodate the new construction south of Monticello and the other developments in the area, specifically the new elementary and junior high schools to the east. Staff is moving forward and scoping this project, but in the meantime, staff knows there is a possibility there will be some issues with vehicles stacking at the stop-controlled intersection with Amburn Street during the morning peak hour. Staff have discussed this with COM and recommended moving the driveways for the new parking lots at least 500 feet away from the intersection. COM declined the recommendation because the parking lots each have secondary means of ingress and egress.

The overall site plan has been tweaked a little per staff's comments. They have looked at landscaping campus wide for compliance with the landscaping ordinance to give COM the greatest flexibility to balance its landscaping throughout the campus for a uniform, beautiful experience.

Staff have no objections to approval of the site plan for COM.

Chairman Campbell stated that he had some questions about the staff memo and then asked the other board members if they had any questions.

Co-Chairman Perry O'Brien stated he had some questions about the timeline and stages of this project. Paula Dnevich (LAN Inc.) replied that there are three parking lot projects and one of the parking lots is currently under construction. This will be a 15-month project that will be done in three phases. Ms. Golden reminded everyone that the parking lot project had been approved by the Planning Board in May 2024 so they could expedite the start of the project this summer.

Mr. CW Scheibe (LAN Inc.) then gave an outline of the other projects, which includes the WELD/IE building renovation that was also approved by the Planning Board in May 2024. This project will start construction this week. There is very minimal impact to the footprint because it is a renovation.

Mr. Scheibe added that the Public Safety Career Center (PSCC) and the Corporate & Continuing Education Center (CCEC) are both new buildings and are being brought to the Planning Board as one development application. The building permits will be issued separately for each building, based upon the approved joint development plan. The timeline of construction on both projects is November 2024. Construction will be self-contained within that site. PSCC will take about 15 months to construct and the CCEC will take about 12 months.

Ms. Drnevich then reported that the Library/Classroom Building would be constructed on the site of the demolished Technical Vocational building, with construction scheduled to begin in April 2025 and would take about two years to complete. This new 4-story building will include a new library, auditorium and classrooms. There will also be a penthouse.

Mr. Boix then asked about a statement in the Staff Report regarding the driveway and entrances and that the design team decided not to accept staff recommendations.

Ms. Golden replied that the intersection at Amburn Road and Monticello Drive is stop-controlled with a 4-way stop. In the future, Monticello Drive will act as a thoroughfare. There has not been a TIA study done because the elementary school east of COM is not in session, so staff plans to do one in the fall. Their prediction is during morning peak there will be a lot of stacking at the stop sign that may interfere with the entrances into the COM parking lots indicated on the exhibit. Staff also anticipates that the morning peak will be when the CCEC building will most likely be starting its sessions. Staff brought this to COM's attention and recommended the driveways into the parking lots be spaced at least 500ft away from the intersection. COM feels that being aware of that information, they did not want to move their driveways further down. Ms. Drnevich replied this is because there is a second entrance between the buildings. Ms. Golden added that this intersection will eventually have to be enhanced with a road improvement project on Monticello Drive. COM is looking at having the issue for a few years until the improvements are made.

Ms. Golden then pointed out an incorrect draft of the site plan was included in the agenda packet. The correct site plan would show no additional parking next to Lot A, but that area is to be retained as additional green space. Additional parking is not required to satisfy the City's requirement and COM is satisfied the parking is adequate. Ms. Drnevich replied they plan to add landscaping there.

Chairman Campbell then asked about the Library Classroom Building. Ms. Golden replied that she was planning to discuss each item separately, but if Chairman Campbell preferred to discuss the items together, she was good with that. Chairman Campbell indicated he would like to consider all of the items together.

ii. Library/Classroom Building

Ms. Golden then stated that the Library Classroom Building is a 160,000 sq. ft. building, which will be four stories. This will be a multi-use building that will include 42 classrooms, a theatre with a capacity of 299, and offices. The schedule for construction of this building is further out and is expected to start in August 2025. There will be approximately a two-year construction period. It will be located where the previously located Technical Vocational building was. The new parking lot for this building will include 283 spaces with entrances from Monticello Drive. The building will have an approximate ground area of 38,715 sq. ft., and a finished floor elevation of 18.55 ft. The approximate building height is estimated to be 80 ft.

The site plan has been modified to provide full circle access by fire lane as requested by the Fire Marshal.

COM has responded to all of staff's comments and staff have no objection to approval of the development plan for the Library and Classroom Building.

Commissioner Jami Clark asked if they would be tearing down the other theatre or was this an addition. Ms. Drnevich replied there is an auditorium inside the existing Limited Resource Center and Library, and that building would be torn down. This building will be slightly larger than the current theatre.

Chairman Campbell asked if there were any additional questions about the Library Classroom Building. There were none and Ms. Golden moved on to the next item.

iii. Continuing & Corporate Education Center (CCEC) and Public Safety Careers Center (PSCC)

Ms. Golden stated that the CCEC and PSCC projects are presented together as a joint application, but there are two different design teams. A joint application was requested due to the shared parking and detention. But the projects will apply for building permits separately when they are ready to move on to construction.

The CCEC building will be 20,400 sq. ft and one-story. The PSCC is 33,681 sq. ft. and also one-store. With the shared parking and shared detention, they have basically offset their impact. Staff have discussed their landscaping requirements, both of which are being accommodated. Staff have also discussed with COM that the landscaping can be extended along Monticello Drive to the west to provide a more uniform effect along the corridor.

All review comments have been addressed. The only thing staff thought to mention to them that is not considered a problem is the location of those driveways. Staff also talked to them about the eventuality of when the city does street improvements to Monticello Drive that, if needed, any additional ROW will have to come from the south side because there are a bunch of pipelines and existing infrastructure north of Monticello Drive. This might be an opportunity for COM to consider pushing their buildings further back, but they were not inclined to do that.

Mr. Boix then asked about the setback and if it complies with the ordinance. Ms. Golden replied that it does and that a 100 ft. ROW is typically enough for a three-lane project. On paper everything they know says it's not a problem, but again it's what's on paper. When they get out there and start digging, they don't know what's actually out there. She just wants everyone to be alert, especially when there are existing pipelines and existing drainage structure so they absolutely know it cannot come from the north side, but COM is compliant with the ordinance.

Chairman Campbell then asked how far the ditch runs. Mr. Carlos Pacas (Dally Associates) indicated the ditch on the exhibit.

Mr. Boix asked if the detention pond is new and how it is managed. Ms. Drnevich replied yes, and it is being constructed because of the two new buildings. Mr. Daniel Ortiz (RPCR) replied that it is a restrictor pipe that would eventually gravity flow into the city's ditch, without pumping.

Ms. Golden also acknowledged that COM is giving a 75 ft. easement on an existing canal that is along the east boundary. Mr. Scheibe added that this was approved by the Board of Trustees earlier in the day. Ms. Golden thanked him for this news.

Chairman Campbell wanted to make sure he understood the recommendation in the staff memo and asked about the last sentence of the memo that read, "For that reason only staff offer no objection to approval of the site plan". He asked if someone did offer objection to which Ms. Golden stated staff is saying they are complying with the ordinance and there is no objection.

A motion was made by Co-Chairman Perry O'Brien/Commissioner Jami Clark to approve the Overall Site Plan and the Development Plans for the following College of the Mainland projects: Library Classroom Building, Continuing & Corporate Education Center and Public Safety Careers Center. All other members present voted aye.

- c. **Consider and take action on the Preliminary Plat for Brookwater Sections 1A and 1B. Located to the east of Park Place Subdivision on FM 2004 and northwest of Mainland City Centre (formerly Mall of the Mainland) in Texas City.**

Ms. Golden stated Brookwater Subdivision Sections 1A and 1B are part of a master planned residential development that will consist of 201 lots and a commercial area on FM 2004. The Master Plan was approved by City Commission in 2021 and it is still a valid master plan to consider this preliminary plat.

Sections 1A and 1B were previously submitted as a preliminary plat for all of it as just Section 1 and was previously approved by the Planning Board as Section 1. The Applicant is changing the Section into Phases 1A and 1B because they want to be able to buildout the smaller sections, record the final plat of the smaller area and sell the lots in Section 1A before then moving on to 1B.

Staff have received a complete set of construction plans for the full section that the Applicant will be presenting in phases. They have their approval for a combination of 50 ft., 60 ft., and 70 ft. wide lots.

Ms. Golden repeated that the only difference between this and what was previously approved is that it is now broken down into Sections 1A and 1B.

Chairman Campbell asked if there were any questions.

Co-Chairman O'Brien asked if the lot sizes changed. Ms. Golden replied they are exactly the same.

Chairman Campbell asked which ditch the rainfall would flow to. Ms. Stephanie Tabor replied that it would flow to the northwest corner. He then asked about an area to the south. Ms. Tabor replied that it is the sanitary sewer easement and also indicated a manhole that the sanitary line would tie in to.

Ms. Golden reminded everyone that the Applicant would have to get an easement, which is a little piece of property owned by the EDC. This is in the process of being worked out, but it will not hold up the preliminary plat. The easement will have to be in place before the final plat can be brought forward for consideration and approval.

Mr. Boix then asked about the mapping of sections. Ms. Tabor indicated on the master plan where Sections 1A and 1B would be located. She then indicated Sections 2 and 3.

Ms. Golden added that the park would be located in Section 1B. Staff do have a suggestion for a schedule as far as that park being built which is only 40% of the building permits would be issued and then construction would commence on the park. There is also a deadline for when the plans for the park will be submitted. Ms. Tabor replied that would happen before Section 2 plat is recorded.

Mr. Boix asked if there were any other amenities. Ms. Tabor stated there would only be the park, but it would include a picnic area, sidewalks and a splash pad.

Staff have no objections to approval.

A motion was made by Commissioner Jami Clark/Alternate Jose Boix to approve the Preliminary Plat for Brookwater Sections 1A and 1B. All other members present voted aye.

d. Consider and take action on the Preliminary Plat for Lago Mar Pod 9 Section 3. Located north of Pod 9 Sections 1, 2 and 4, and west of Pod 10 Section 3 on Hughes Road in Texas City.

Ms. Golden stated this is Lago Mar Pod 9 Section 3 and we are getting to the end of this project on the west side of I-45. This is Phase 3 of their development. This section will include 203 lots on 59.41 acres. Section 1 is almost built out with houses and in Section 2 the infrastructure is under construction. This is helping the Applicant to make progression in Pod 9.

The area being developed as a park in Pod 9 was originally going to be used for a school site, but DISD passed on the smaller scattered sites and instead chose the bigger site and so Pod 9 Section 4, which the board has not yet seen, will now have the community park. Staff have asked the Applicant to provide some construction plans, to which Ms. Sherri McElwee stated they are getting close to submitting those plans.

Chairman Campbell asked if the school was still going on the 30-acre site, to which Ms. McElwee replied it is. He then inquired about Hughes Road and where it meets Lago Mar and understands that Santa Fe has shut down any outlet to Bruce Hall Road, which is correct. He then added that Mr. Collin

Campbell told them they were looking for another outlet further east. Ms. McElwee replied that the city once had her look at Lago Front and maybe connecting to La Marque. She added that Mr. Doug Kneupper had her put together a cost estimate some time back. She did all of that, but she doesn't believe it went anywhere with La Marque, but she did indicate a turnaround and stated that it is ready for a connection to be made.

Ms. McElwee then stated they have four sections left to construct.

Staff have no objections to approval of the preliminary plat for Lago Mar Pod 9 Section 3 upon condition the plans for the park site be finalized before any more plats receive final approval and that construction of the park be commenced before any more plats are recorded.

A motion was made by Alternate Jose Boix/Commissioner Jami Clark to approve the Preliminary Plat for Lago Mar Pod 9 Section 3 upon condition the plans for the park site be finalized before any more plats receive final approval and that construction of the park be commenced before any more plats are recorded. All other members present voted aye.

e. Consider and take action on the Development Plan for Southern Select Energy, a Battery Energy Storage System (BESS). Located at 701 Hwy 146 N., Texas City.

Ms. Golden stated this site is across from the existing TNMP Substation and north of Golden Rule Logistics. This is a BESS project. The site is 6.29 acres, and the Applicant will be using 5.71 acres of the site for this project.

The Applicant has revised the site plan to have the 15 ft. spacing around the batteries that the Fire Marshal requires as part of the city's fire code. They have accommodated a pipeline that runs through the property. They have provided a paved ring road and paved access to all of the batteries. They are providing 15% landscaping, which is what staff is applying to the BESS projects. They are also providing masonry fencing along Hwy 146.

The Applicant is looking at providing a second access. The second access, however, is currently through property they will not own or will have control over, so staff have asked them for an easement plat showing that the second access will actually stay open and be available if the Fire Department ever needs it. These documents are in the works, but staff haven't seen anything signed and they actually haven't had time to review what has been submitted in terms of the first form of it and so there may be some comments staff may want to offer on those.

There has been a lot of progress on this, and the Applicant has provided some of their company information but that was not provided till today, which has been provided to the Planning Board for review. Staff have not had time to digest it or do any due diligence on background information. This is why this project is being brought to the Board without a recommendation.

Ms. Golden stated, in her opinion, that this is the right place to be looking for these types of projects to be placed because they are not interfering with residences, but there are still some concerns about the site that should be considered.

This is a larger project than what the Board has been asked to consider or approve before. The other two that have been approved were 10MG. These are for 200MG, so it is a much larger project. This is the first one that is of the utility size.

For context, Ms. Golden reminded the Board of the Red Egret project that was considered and recommended denial was also a large project. She believes that project was denied because of its location and size.

Ms. Golden then stated that the Developer and Property Owner were in attendance and would be glad to answer any questions the Board may have.

Co-Chairman O'Brien asked if he could hear more information on the secondary access.

Mr. Guillame Dufay introduced himself as one of the cofounders of this BESS project and stated he has built 25 of these BESS projects just in Texas. He added that they are one of the most experienced companies in Texas. Regarding the secondary access, they have worked together with the owner, Mr. Deano Merrigan, and have spec'd out an access easement that goes around the storage property to ensure that they do not disturb any operations of the logistics company and that the access stays open with no obstruction 100% of the time. They also obtained a signed agreement on the easement and will have that in place as needed. He indicated a lockbox for emergency-only access will be provided. Another requirement by the city was to have 15 ft. spacing between containers, which is not a standard requirement, but it allows first responders to go across the site as needed. This is an extra safety design that they have included.

Co-Chairman O'Brien asked what the surface between the batteries is. Mr. Dufay replied that it would be gravel. Chairman O'Brien asked if this would support a fire truck to which Mr. Dufay replied no Fire Marshal would bring a \$1M truck in between containers to get stuck, but they will stick to the concrete road. If they wanted to, they could bring in a smaller vehicle between the batteries.

Mr. Boix expressed his concern and the number of issues about the batteries everywhere. He is concerned about having these concentrated in one area as opposed to being everywhere with one or two little pods here and there. He doesn't know how power is bought and sold, but he's also concerned if there is a power failure, what is the potential of the BESS draining that substation and creating another issue for the city. He also read something about contamination of the ground. He doesn't understand how the monitoring wells will work. He also doesn't understand how the buying and selling of power work if there is a failure of the drainage of power. Is there a check valve? He does not have a full grip on what this will bring or not bring to the city.

Mr. Dufay replied that he was part of the project in 2019 that is currently on 34th Street North in Texas City. It was online during the winter storm of 2021 and this location pushed power when everyone needed it. He stated they are always super open about the way these batteries work. They work with the best insurance companies, lenders and banking companies. He likes to say they are prime developers. With these batteries, which are connected to the grid through that substation, if there is a ground failure, there is a breaker that will shut down the site. There are also some sub-breakers on the median voltage center that will isolate each of the subcircuits. If there is a ground failure that is happening anywhere on the site, they will isolate it. If for some reason they do not isolate it there is a second layer of breakers that will shut down the site. In the case they don't take it, which should never happen, but if it does, the power line that goes into the mid substation from TNMP (another utility breaker), has a protection plan to shut down any issue at their site. The sites are fully vetted and designed and used by TNMP in this case.

Mr. Felix Herrera asked if this is three layers of protection, to which Mr. Dufay stated yes – two by the BESS and one by the TNMP grid.

Chairman Campbell recalled the first BESS and how the power goes into the grid, but it's not really designated for Texas City – it goes wherever it is needed and asked if this is correct. It helps the company and the landowner, and he understands this.

Mr. Dufay replied that the reason they are developing physically in Texas City is because it is one of the largest industrial nodes in Texas - where there is the most power demand in Texas. A lot of the power for Texas PC comes from Fort Bend County, Brazoria and from West Texas. So, there is a rush of power coming to Texas City from all these power lines. The power lines are all congested and it is a major problem in Galveston County. The utilities cannot upgrade fast enough to get all the power needed for industrial use.

When there is a rush of power need (i.e., 5:00 PM) what happens is that the way the grid is set up there is a price signal for every node in the grid, so when's there's a rush of demand the price goes up for all the consumers and there is no way to get more power. These locations charge during the night or when there is plenty of power available and then at 5:00 PM they provide the power to the industries that need it in Texas City. This does two things – 1) it allows for the utility to need less

transmission upgrades in the future, and 2) it cuts millions of dollars, and they are straight across the rate of payers through everybody's power belt. Will this save millions for everybody? Probably not, but this thing probably will contribute to a few dollars of savings on your power bill every month.

Mr. Owens asked if they are doing this for tax credit or are they doing this out of their dollar only. He stated because if not then it's coming out of our pocket regardless, right? He added that if they could tell him that they are funding 100% of this project he can see that, but if they are getting something back in return then what Mr. Dufay is telling them is not accurate.

Mr. Dufay replied that renewable energy projects are qualified under the Inflation Reduction Act that was passed three years ago for a tax credit of 30%. Mr. Owen stated that this doesn't really do much for the local guy as they are suggesting making it cheaper, it makes it beneficial to them as an investor.

Mr. Dufay stated that what it does for the local guys is that you take federal money, and you make a local investment. Mr. Owen replied that he is making his point for him.

Mr. Dufay stated that power in the United States has always benefited from politics and policies, and everybody has their own political view. He added that the Biden administration and the Trump administration have maintained tax credit on renewable energy, and it is what it is. They are funding these projects and the rest of the 70% that does not come from tax credits is funded by a group of investors called Fengate which is also cofounded by the owners of the company, which he is a part of. They have a direct interest in making these projects intrinsically safe and it's going to come back to one of the previous questions.

They also don't really look at proliferation of these assets as a good thing for anybody because when you have twenty 10MW assets anywhere they have to be managed and they usually end up needing a little bit of tender loving care. These 200 MW assets are going to have a dedicated team on the project that will be located in an office that will be somewhere between here and La Marque. These guys are going to be dedicated to this project. Whenever there's something happening at the project it will usually send a message about a small thing like a fuse that is out or a piece of the transducer that needs to be changed. It will come to this location, and they will replace it. They also create more benefit for the local community because you've got 200MW of grid support here as opposed to smaller projects that have a limited impact.

Chairman Campbell asked Mr. Dufay if he stated a few minutes ago that this project would directly put electricity into the local industrial complex.

Mr. Dufay replied that this project provides power at the TNMP Heights substation and as such, all the electrons that come out of this project are not subject to all the congestion. It is going to the grid, but it's going to the grid at this location where it's needed.

Chairman Campbell asked Co-Chairman O'Brien to help the Board understand what is being said about the power going to local industry.

Co-Chairman O'Brien stated that TNMP is in the process of upgrading every station right now by removing 69K and putting up 138K. It has been 69K for a long time. TNMP's power goes all over their service area. Industry within Texas City takes a lot of TNMP's juice from Heights, from Cattail and from the ones that are close to the sites - they directly feed into it. At the same time, TNMP's electricity goes on to the big grid that services all our houses. So, to say that that power exclusively will go to industry is inaccurate. A portion of it may go to industry, especially during peak times. So, where these things are extremely helpful is storm situations and peak times during the extreme high temperature days or cold temperature days and that's where these are beneficial, in his opinion.

Co-Chairman O'Brien continued by saying the nice thing about this project is its size. Mr. Dufay stated it is 200MW, so that's a large one. It's not the little 10K that is on 34th Street North. Co-Chairman O'Brien continued that what he sees in West Texas where they have the large ones - Reeves County is just covered with these things. You see large developments like this, the 100MW and 200MW, and there are always people there in those stations. It seems like when he goes by them, there's some sort of truck with a team working on them. He doesn't know what they're doing there, but the fact is

that they are attended to. The other smaller ones, they're not really attended unless there's a light that goes off somewhere and then somebody has to go to it. From this standpoint he prefers the bigger stations and believes there is a need for this type of development all across our state.

Co-Chairman O'Brien stated TNMP cannot tell them [the BESS project] "no". If a company makes a request for a tie-in, they [TNMP] nor any other provider can't say no. If a developer is willing to make the tie in and pay what it cost to make the tie in, TNMP can't say no. So, if a company or a city or a development or whatever is going to object it is not coming from the power company because they can't say no.

Mr. Owens stated he had two other questions he would like to ask. [First], 10MW was a good thing in your investment a couple years ago and now 200MW is much better. But now 10MW is really not a good thing and we are stuck with it at this point. At what point does 200MW become too small? Do these things grow over time and become maybe less attended? [Second] The huge problem he has with this is the location which is right next to the regional Gulf Coast Water Facility, so this does not impact only Texas City. It impacts League City, Galveston, La Marque, Tiki Island, San Leon, and Dickinson. [The GCWA plant] supplies all the raw water to industry. Let's say there's a problem at the BESS site and that somehow reaches into our water system we've got a massive problem. He just doesn't believe the location is the right place. He doesn't know if anybody has talked to the folks at Gulf Coast Water Authority. If not, he would encourage them to do that. This is the water supply for the entire county.

He added that this might be a great investment for the Applicant, but he does not believe this is a great investment for our community.

Mr. Boix stated that he thinks the city should come up with an overall plan on how to manage these units because there are going to be problems. He asked about the other BESS projects that have been approved. Ms. Golden replied that there is one active site and another that has been approved. If those smaller sites are not manned, he is concerned that the load will be placed upon the city. He loves the technology, but he is concerned there is not a master plan for the Planning Board to either consistently approve or not approve something – and now we have two small BESS approved in the city. He asked what the objective was and how many others will be allowed. For this reason, he is staying away from an approval.

Mr. Dufay asked if he could reply to Mr. Owens' question earlier about contamination and explained that the battery containers that you see there are enclosures that look like a Conex typical shipping container. They are built with IP55 protection or higher at the container level. This means they are waterproof, and the opposite is true, they are leaking proof so if you have a spill inside, they will contain it. The battery container itself is not full, it's stacked with the modules inside. Each module is about the size of a typical suitcase and each of these modules get stacked side by side within the container. Each module is made of cells about the size of a laptop. The cells are made of the lithium-ion technology that everybody talks about mysteriously and they don't know what it is. Lithium-ion technology is kind of like a lead acid battery with a cathode and anode and a solution that flows in the middle. The difference is that the anode and cathode are actually flat. Think about foils and they are very close together and the solution is in the middle and there's 57 cathodes and 57 anodes in each module. It's kind of like a book with pages of cathode and anode. The electrolyte that carries the lithium-ions is in the middle and each cell has an IP67 rating, which is one of the highest IP ratings you can think of. It's not bulletproofed, but it won't take any dust, water, or anything from the outside.

So, what can happen in the case one of these units sets on fire is yes, you may have some spillage, but the fire should actually consume the electrolyte because it's a Hydrocarbon based electrolyte, so you won't have much spillage into the container and the container itself is made to contain the spillage.

All these things are actually tested in real life. They work with several suppliers, but the supplier for this project they expect to be Fluence, which is a US based company and listed on the New York Stock Exchange. The company that makes these enclosures, they're the second biggest after Tesla. He has also worked with Tesla, but they like Fluence better for different reasons. No, they're not cheap.

Affluence gives you a little bit more freedom than Tesla which is very strict, and you can re-cycle them differently, so it's just a matter of flexibility. But price wise, they talk to each other. These guys run these containers through a UL 9458 type of testing. Every container has to be approved for that UL type of testing. They set them on fire, and they see what happens. So, what happens when they set the module on fire is that they see if the next module sets on fire as well. They set a cell on fire to see if the next cell catches on fire and if the fire stays within the module or if it goes to the next module and to the next track, etc.

They also measure the gas coming out of it and they measure the spillage out of it. They have a criterion for passing or failing and they work with the biggest insurance companies in the country to validate all of these results. They are only going to use top-tier-one batteries from either Tesla or Fluence or one of the top five suppliers that makes the best product.

Because the big project has had a lot of scrutiny, it's going to be insured. There will be hundreds of people looking at your project, making sure you're doing things right. On the small project sometimes there are a little bit of shortcuts being made, so you want to be more careful as a jurisdiction. All of this is checked, and Mr. Dufay has never heard of any spillage issue on any of the top-tier battery containers.

Mr. Boix believes that if the city develops a master plan, he would rather see the BESS projects installed on the Greenbelt just by the industry.

Mr. Dufay replied that they aimed for this area because it is industrial.

Chairman Campbell asked Commissioner Clark if she had anything to ask about this project.

Chairman Clark asked what the Fire Marshal had to say about the site plan. Ms. Golden replied that the Fire Marshal asked for the 15 ft. spacing requirement and the Applicant has met that requirement. The Fire Marshal also asked for the two opposite accesses and that requirement has also been met.

When it gets to the actual permitting process, then there's going to be requirements for a decommissioning plan, a security plan, and posting a bond. This is when they will look into their insurance, so they'll get a lot more into the specifics about what exactly is going in there, but from a site plan standpoint, the Fire Marshal's requests have been accommodated in the site plan.

The property owner, Deano Merrigan, added that the property is already polluted and so are the neighboring properties. The property can't be anything but industrial or commercial. He stated that most of the properties along the refineries are polluted. TCEQ came out there and took samples on the monitoring wells he has out there. They came back and told them nobody could build any houses out there, but it could be used as industrial and got a notice of no further action required from the TCEQ. He stated that the water that is out there is in the canal is refinery water, it is not drinking water. Once it goes past the water authority the water is not drinkable.

Mr. Owens stated that this is not 100% accurate because this is north of the water plant.

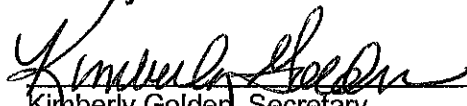
Co-Chairman O'Brien asked if this is coming with no recommendation from the city. Ms. Golden replied that it is coming with no recommendation from staff. She stated that what the Planning Board is doing is making a recommendation to move the site plan forward to the Zoning Commission.

A motion was made by Co-Chairman Perry O'Brien/Commissioner Jami Clark to approve the Site Plan for Southern Select Energy, a Battery Energy Storage System (BESS) rezoning from District F to District SP. Voting by show of hands was 3 – 2 in favor of the motion. Chairman Dickey Campbell, Co-Chairman Perry O'Brien, and Commissioner Jami Clark voted aye. Alternates Aric Owens and Jose Boix voted nay.

4) GENERAL UPDATES

5) OTHER BUSINESS (Any conceptual development proposal requesting to come before the Planning Board)


Chairman Dickey Campbell asked if there was any other business to which there was none. **A motion was made by Commissioner Jami Clark/Alternate Aric Owens to adjourn. All members present voted aye.**


Kimberly Golden, Secretary

8/19/2024
Date

Minutes approved by the Planning Board at its meeting on 8/19/2024.

STAFF REPORT

To: Zoning Commission - Regular Meeting – August 6, 2024
From: Kim Golden, P.E., City Engineer 
CC: Doug Kneupper, P.E.
Date: July 29, 2024
Re: Southern Select Energy Storage Project (BESS) – 701 Hwy 146 N

Background: The applicant is Alpha Omega Power, LLC. The proposed project will encompass approximately 5.71 acres on 6.29 acres of vacant land. The location of the project is on the west side of S.H 146 N and north of the existing Golden Logistics. The property owner is LM Storage, LLC. The property is zoned District F. The project proposes to develop up to 106 lithium-ion containers for 205MW, 410MWh capacity at the site.

At its regular meeting on July 22, 2024, the Planning Board voted 3-2 to approve the proposed Detailed Site Plan and to recommend approval of the zoning change to the Zoning Commission and to the City Commission.

Requested Action: The applicant is requesting approval of a zoning change for development of an electric power generating station utilizing lithium-ion battery energy storage system. The application is being processed as a District SP (Site Plan) rezoning consistent with Section 160.051(A)(1)(f) *provide for the development of specific uses which are not normally found in zoning districts*, and (h) *provide additional information and regulatory controls concerning the proposed use or uses for the protection of the public health, safety, morals and general welfare of the community*. Zoning Commission recommendation will be presented to the City Commission for action regarding the requested zoning change.

Staff Review and Recommendation: The project will include up to 106 individual battery containers for 205MW, 410MWh two-hour capacity at the site. The two-hour designation is in reference to the time to fully charge and fully discharge under standardized conditions.

This proposed BESS installation is approximately 20times larger in battery capacity than the previously approved BESS installations. The site is also physically much larger than the previously approved. This site is 6.29 acres with 5.71 acres in use for batteries, as compared to the two previously approved projects which were 0.48 acres and 1.5 acres respectively.

PROPOSED SITE IMPROVEMENTS - The Site improvements will include a 20ft concrete perimeter fire lane with access to all containers and two access roads as required by the Fire Marshal, security fencing, and landscaping of at least 6ft in

"the place where COMMUNITY MATTERS"

height to provide screening of the battery containers from S.H. 146. The fencing along SH 146 will be a 6ft masonry wall. Container spacing has been adjusted to the 15ft minimum required by the Fire Marshal. In addition to the generating station, offsite improvements include electric transmission infrastructure that connects to Texas-New Mexico Power facilities in the vicinity. No water or sewer will be needed for this development. Site drainage will be accomplished using an on-site collection system that outfalls into the adjacent drainage systems.

EXISTING SITE - The project site is part of the former ETC Texas City Trucking Terminal. The site has been determined to have certain environmental concerns affecting the groundwater. Specifically, a barium plume. Monitoring wells have been established and were monitored for a required amount of time. Applicant has indicated and provided documentation that the monitoring has been concluded and the wells have been or will be removed. The location of the monitoring wells have been indicated on the site plan. As part of an approved Response Plan, the property is subject to a deed restriction which limits its use to commercial/industrial use. A Revised Response Action Plan dated June 9, 2021, and prepared for the previous owner, Enterprise Logistic Services, LLC, to provide to TCEQ, represented expected future use to remain a trucking facility. A copy of the Revised Action Plan will be included in the agenda packet with this staff report.

ADJACENT PROPERTIES - The adjacent property to the north is Baker Distributing Company at 801 SH 146. The adjacent property to the south is burdened with an easement to TNMP for the location of transmission poles and wires. No survey has been provided, but the width of the easement when scaled with the Google Maps tool indicates a width of approximately 200ft. However, the existence of overhead power lines in close proximity to the location should be noted. Immediately south and adjacent to the TNMP easement is Golden Rule Logistics, another distribution entity. Golden Rule Logistics is a tenant on the property. Records show the property south of the proposed site to have common ownership, LM Storage, LLC, with the subject location. It is understood the project owner, Alpha Omega Power, LLC, will also be a tenant. The property is bounded on the west by the railroad. Gulf Coast Water Authority owns the vacant property which is immediately west of the railroad. The site is bounded on the east by S.H. 146. The TNMP substation is located immediately east of SH 146.

TNMP HEIGHTS SUBSTATION - The applicant's submission includes the following information regarding the location in proximity to the TNMP Heights Substation:

The project location near the TNHeights substation was chosen based on detailed power flow analysis of the transmission system within TNMP service area. This analysis identified the TNHeights substation as an ideal candidate for a utility-scale BESS, providing sufficient injection capacity while remaining close to TNMP critical load centers. Injection capacity is a metric used to show how much electrical power (in MW) can be transmitted into a point of interconnection, such as a substation.

The [attached map] shows the individual injection capacity for four of the largest substations within city limits. The TNHeights substation has the highest injection capacity (over 800MW), making it the ideal point of interconnection for multiple BESS projects to support regional grid reliability and electricity demand. Currently, one BESS project is operational at the TNHeights substation (BRP Heights, 10MW project), while three others are in queue to interconnect (Zeya 256MW, IEP Blackhawk 100 MW, and Southern Select 100MW). The combined capacity of these four projects (466MW) is well below the available injection capacity of the substation, indicating the substation is capable of supporting multiple BESS projects.

BATTERY CHEMISTRY and MANUFACTURER - The application indicates an intent to use LFP (lithium iron phosphate) battery cells which is the cell chemistry which currently available information indicates may be less prone to thermal runaway than the NMO (nickel manganese cobalt) battery cells. Applicant has indicated Fluence or Tesla are likely manufacturers, and that they intend to use CATL cells. CATL cells are considered Tier 1 cells.

FLOOD PLAIN/COASTAL ENVIRONMENT - The site is not located in a flood plain. It is located inside the area protected by the Texas City Hurricane Levee. Container foundations will be placed at elevation 7.0ft in accordance with Texas City ordinances.

Regarding protection from the saltwater/coastal environment, the applicant advises in an email received 7.19.2024 that the containers are fully integrated cabinets and shipped to the site as such, so there is no exposure to the elements during the installation process. The containers will meet the requirements of IP 67 at the Pack level and IP55 at the Battery Container level. IP67 means the individual battery packs do not allow for the ingress of dust particles. They are protected against the ingress of water from spraying/water jets and are rated to be submersed in up to 3' of water for up to 30 minutes without penetration. IP55 means the battery containers themselves provide protection from dust, low pressure water jets and damp and wet weather. The storage units also meet an anti-corrosion class of up to C5-H depending on the local environment. C5 is the highest class of anti-corrosion coating. Air filter maintenance is also a critical element of maintaining the units for optimal operating conditions and will be performed by a regular maintenance crew as often as needed, which may be weekly. Some of the indications in the email are different from the spec sheet provided with the application. The representations of the email are considered to supersede the spec sheet insofar as the conditions being presented to the Planning Board and others for approval at this time. **The codes and standards most appropriate for saltwater/coastal environment will be applied by the Fire Marshal and Chief Building Official during the permitting process.**

FIRE PROTECTION - Fire protection will be provided by on-site systems specifically designed for this application with Fire Marshal coordination. The project will be subject to the 2024 fire codes and building codes. The Fire Marshal may require

additional submittals at the time of permitting and has advised these requirements will include at minimum commissioning and decommissioning plans, site safety plan, all UL test results for the batteries to be installed, a bond or other security for decommissioning and some requirements for insurance. The Chief Building Official is likely to require annual certification and inspection of ventilation systems at minimum. The Applicant acknowledges these, and other requirements must be satisfied to obtain the necessary permits.

DECOMMISSIONING - The costs of decommissioning have been identified as an issue of concern for cities because it is known that batteries have a service life which expires. Additionally, as technology evolves, installations become obsolete. A recent article from the Green Clean Solar, January 11, 2023, references some key findings from a study of the Electric Power Research Institute. The study estimated the cost of decommissioning for a 1-MWh NMC lithium-ion based grid energy storage system as \$91,500. Applying this factor to the 410 MWh capacity proposed for this project would estimate the decommissioning cost as \$37,515,000. Although this project is not proposing NMC lithium-ion batteries, the estimated decommissioning cost is based upon 40% dismantling and packaging, 30% transportation and only 30% recycling. The battery chemistry would have the most impact on the cost of recycling. The estimated cost is significant enough to warrant the posting of substantial security.

SECOND POINT OF ACCESS – ISSUE UNRESOLVED: The secondary access is proposed to be through adjacent property under lease to Golden Rule Logistics. Applicant provided a proposed access agreement with the adjoining property owner just before the Planning Board meeting. Staff have subsequently provided comments on the access easement and recommend the final location be dedicated by plat as a fire lane for secondary access to the site. Such platting is necessary to be sure the access can be maintained permanently through the adjacent property which is used for logistics and staging. Fire Marshal has indicated a requirement for lockbox access.

APPLICANT'S EXPERIENCE/COMPANY HISTORY – The applicant is AOP Holdings, LLC d/b/a Alpha Omega Power, was established in 2023. The company profile and resumes of the key personnel are provided with this memo.

Analysis and RECOMMENDATION: City staff have reviewed the submitted Site Plan and provided numerous comments regarding spacing, paving, screening and landscaping standards. All of the site plan specific comments have been resolved, with the exception of the issue regarding the second point of access. Staff cannot make a recommendation regarding the adequacy of the second point of access without more information regarding the specific agreement with the adjacent property owner and tenant. Staff maintains its recommendation that the final location of the second access be approved by the Fire Marshal and granted by plat.

Applicant's information indicates it is a start-up company. Given the magnitude of the potential estimated cost of the decommissioning, the need for posting of a substantial bond should not be overlooked.

Staff makes no recommendation regarding this application for rezoning.

ZONING COMMISSION AUGUST 6, 2024

The Zoning Commission of the City of Texas City met in a regular meeting on Tuesday, August 6, 2024, at 5:00 p.m. Zoning Commission members present: Chairman Perry O'Brien, Aric Owens, Bruce Clawson, Fernando Tello and Alternate Member Lisa Salinas. Staff members present were: Kimberly Golden, Casey Bennett (CBO), David Kinchen (DBO) and Veronica Carreon. Guests were: Ben Baty, Chris Johnson, Felix Herrera, Deano Merrigan, Anthony Neva, Stavan Vora, Guillaume Dufay (AOP Renewables), Simon Labrosse Gelin, Jack Hernandez (Interfield) Jill Crawford, Bob Wittmeyer, and Georgia Meisler.

Chairman O'Brien indicated a quorum was present and called the meeting to order.

1) APPROVAL OF MINUTES

A motion to approve the minutes of July 2, 2024 was made by Bruce Clawson/Aric Owens. All other members present voted aye.

2) PUBLIC COMMENTS

There were no Public Comments.

3) ELECTION OF OFFICERS

Ms. Golden stated that at the last Zoning Commission meeting it was mentioned that Mr. Gary Potter had resigned his position on the board. He was previously one of the co-chairs and so there is now a vacancy in the board's office of co-chairs. Ms. Golden asked those in attendance if they would like to hold an election of a new co-chair and it was agreed to have it on the next meeting agenda.

It is now being brought forward for purposes of members to consider the election of another co-chair. Since this was last discussed, Mr. Bruce Clawson has been appointed back to the Zoning Commission and Ms. Thelma Bowie is not in attendance because she is not feeling well.

Chairman Perry O'Brien asked the Zoning Commission if they would like to nominate anyone.

Mr. Aric Owens asked if it was required that they have a co-chair, to which Chairman O'Brien replied it is nice to have a co-chair to lead a meeting if at any time he is not available to attend a meeting.

Mr. Bruce Clawson made a motion to nominate Mr. Aric Owens as co-chair of the Zoning Commission. Mr. Fernando Tello seconded the motion. All other members present voted aye.

Mr. Owens stated he would be glad to serve as co-chair.

4) Zoning Change Request from The Interfield Group to rezone from District "O" (Open Space to District "E" (General Business) for a proposed Convenience Store and Retail Development. Located at 1414 FM 646 on the east side of Vicksburg Lane and west of Hwy 146 N.

a. STAFF REPORT

Ms. Golden stated the location is a 9.56-acre site located on the east side of Vicksburg Lane at FM 646. The Applicant is requesting a rezoning to be able to build a new 4,700 sq ft convenience store with fuel pumps and a new 12,000 sq ft retail strip.

The property is currently zoned District "O" (Open Space) and that is the zoning in place when you have land that is not developed or subdivided. It is intended that District "O" be rezoned as the city grows into that direction.

For the particular use that they're contemplating, District "E" (General Business) would be the appropriate district for them to be rezoned into. The surrounding property that is not vacant is still zoned District "O". Property that is vacant on the other side of Vicksburg Is zoned District "A" (Single Family Residential).

The District "E" zoning would be appropriate and staff have worked with them on our site plan. The main issue they had was getting some developed drainage because the drainage is pretty poor in the area. What they've done is they're going to subdivide into three lots and one of the lots will actually have a detention pond on it and then there'll be a Property Owners Association that will own and operate their detention pond for the benefit of the other two lots of which one will be the convenience store and the other will be the retail strip.

This project is in the Gateway Overlay District so they will have to comply with the requirements of the Gateway Overlay District which again are masonry construction, some setback requirements, landscaping requirements and some screening requirement. The Applicant has indicated they are compliant with all of this.

If the Zoning Commission does recommend to rezone, staff just suggests it be subject to the subdividing going in place and the creation of the Property Owners Association to own and operate that.

Mr. Bruce Clawson then stated traffic along FM 646 is a heck of a deal. He went through there recently and there was a bad wreck on the road. He couldn't tell if there is a turn lane and asked if there is one at the property.

Ms. Golden doesn't believe there is, but indicated this is the next section of FM 646 to be widened. In fact part of their platting is going to go ahead and be dedicating that additional right of way. TxDOT is also in the process of acquiring that right of way.

Chairman Perry O'Brien asked if the retention pond would constructed at the same time, to which Ms. Golden replied construction of the detention pond will be required when they do the project because that's what is allowing them to have the drainage that they need.

Mr. Clawson then asked what the building is on the property, to which the owner, Mr. Stavan Vora, replied it is just a storage building that the previous owner had used.

Mr. Clawson then asked if there were any wells on the property. [The representative "no" by shake of the head.] Ms. Golden advised the site does not have Texas city water and sewer service available to it, so they're going to have to annex into the Bacliff MUD for purposes of getting their water and sewer service. This does not mean they are going to de-annex from Texas City. The MUDS and the city are on top of each other. The mayor has given them a "comfort letter" indicating that at the appropriate time we will take a request to City Commission to give the necessary consent for the annexation.

Chairman O'Brien then asked if this site plan still needed to be presented to the Planning Board, to which Ms. Golden replied it has been through that process. He then asked what the construction timeline would be. Mr. Vora replied if given the green light he will start tomorrow.

Co-Chairman Aric Owens then asked if there would be fire hydrants installed because he recalled a couple years ago they looked at a storage facility further down the road and they weren't there and would have to install on-site water storage. Ms. Golden replied when this happens, it's not going to be on-site water storage but when they start their process of annexing into Bacliff, that is what will have to be worked out – is the capacity to provide the Fire Protection that's necessary for Texas City Fire Marshall to sign off on.

Chairman O'Brien asked if there any additional questions? There were none.

b. PUBLIC HEARING

A motion was made by Fernando Tello/Co-Chairman Aric Owens to open the Public Hearing. All other members voted aye.

Chairman O'Brien stated if anyone in attendance was for or against the zoning change now would be the time to make a comment.

Ms. Golden stated there were eight Public Hearing Notices mailed to neighboring property owners and no comments were received in favor or against the zoning change request.

There were no questions or further discussion, to which a motion was made by Bruce Clawson/Fernando Tello to close the Public Hearing. All other members voted aye.

c. PRELIMINARY ZONING APPROVAL – Consider and take action on the zoning change request from The Interfield Group.

A motion was made by Bruce Clawson/Fernando Tello to approve the zoning change request from The Interfield Group to rezone from District “O” (Open Space) to District “E” (General Business) for a proposed Convenience Store and Retail Development provided it is subject to the establishment of a Property Owners Association and the recording of a subdivision in proper form. All other members present voted aye.

5) Zoning Change Request from Alpha Omega Power, LLC to rezone from District “F” (Light Industrial) to District “S-P” (Site Plan) for development of an electric power generating station utilizing lithium-ion battery energy storage system (BESS). Located at 701 Hwy 146 N., west of Hwy 146 N., and north of the existing Golden Rule Logistics.

a. STAFF REPORT

Ms. Golden stated Alpha Omega Power LLC is looking at a site that is 6.29 acres of vacant land but will use 5.71 acres to install a Battery Energy Storage System (BESS). This is a large installation. Previously approved BESS' have been 10 MW. This project will include up to 106 individual battery containers for 205 MW or 410 MWh at a two-hour capacity, meaning it takes two hours to charge and two hours to discharge. This is approximately twenty times larger than any of the previously approved BESS projects in Texas City.

They have provided in their site plan for the 15 ft spacing all the way around the battery units as required by the city's updated fire code. They're also providing a paved 20 ft perimeter road with two points of access.

The second access is actually through adjacent property which the applicant does not own or control. The owner has provided an easement. Ms. Golden pointed out the recommendation is

for that secondary access to have some sort of platting to it. Staff's concern is that it remained completely open and accessible over time.

The Applicant is also providing a nice masonry fence and landscaping at least 6 ft in height, which again is the standard that the city is applying to these BESS projects which was also applied to the other two that have been approved.

The project site is part of the former ETC Texas City Trucking Terminal. It had some environmental issues and has been through a process with TCEQ and now has no further action required, but it can never be used for anything but industrial or commercial.

The adjacent property to the north is Baker Distributing. There is common ownership of the property to the South which is a logistics company. The property across Hwy 146 N is the TNMP Substation.

Information was provided to Ms. Golden about why the TNMP Heights Substation is a prime location for these types of projects to tie into, which is basically has to do with the size of the substation and the fact that it's set up to take this kind of interconnect.

Also provide was some information about the type of battery chemistry and the manufacturer that they're proposing to use. The battery chemistry is the Lithium Ion Phosphate, which is considered stable and less prone to the thermal runaway concerns.

The manufacturers of both the battery cells and the battery assembly are considered Tier 1. Ms. Golden believes that means that they work really hard to comply with all the codes. They do the extra testing and things to show that their products are safe and then they maintain good quality control as they're being built.

This location is not in the floodplain, and it is inside the Texas City Hurricane Levee.

The specification they are going to have for the containers are the type that you would have for a corrosive environment, such as coastal area. It's the highest level of corrosion protection and the highest level for both the batteries and containers. She stressed that these are the standards that both the Building Official and Fire Marshall will apply at the time of applying for building permits.

Their fire protection will be an on-site system that is specifically designed for this application. There's also a robust monitoring system that is monitored remotely 24/7, but indicated that for a project this size the operator would have a crew stationed within the nearby area [LaMarque] to make proper response in the event that remote monitoring shows there is something going on.

Information about decommissioning was provided for the Zoning Commission. Staff do anticipate that at the time of permitting some sort of decommissioning bond or security will be required through the permitting and plan review process. This process is still in development by the building official and fire marshals.

Ms. Golden stated that the item that might need consideration is the second point of access. Again, the Applicant has provided a signed easement agreement, but staff would prefer to see it as a plat because those things are usually just easier to keep track of.

This company was formed in 2023, so it would be considered a startup.

The Planning Board has looked at this because the zoning changes to District "S-P" (Site Plan) requires review by the Planning Board first to look at the site plan. The Planning Board approved the site plan conditioned upon the Zoning Commission approving the zoning change. If the zoning change is approved the Applicant would have to be subject to the site plan as approved by the

Planning Board. There could not be any changes to the site plan without approval from the Planning Board.

The Zoning Commission's action is to make a recommendation to the City Commission. The City Commission is the one that approves or disapproves the actual zoning change. The Planning Board approved the site plan on a 3-2 vote.

Ms. Golden completed her report and stated she can answer any questions and that the Applicant was also in attendance to answer any questions.

Chairman O'Brien asked if this project fits the Land Use Plan. Ms. Golden replied she was not sure if there is anything specific in the Land Use Plan about these kinds of uses, but it does fit a light industrial use.

Mr. Clawson then stated he had a question for the developer and one for the landowner. He then asked if this is a brown field. Mr. Deano Merrigan [landowner] replied that it had a leaking tank out there and they had monitoring wells out there. TCEQ monitored the wells for some time, and they said, per TCEQ, whatever is there is there and it's not migrating. The trucking facility that was there was responsible for it the cleanup and the monitoring. They had them [the monitoring wells] pulled out and fill them back in and there's no further action.

Mr. Clawson stated that nothing can be built out there, to which Mr. Merrigan stated that was correct. Only commercial or industrial can be built out there.

Mr. Clawson then added that he is not quite clear on the fire suppression system.

Mr. Guillaume Dufay (AOP Renewables) replied batteries are known for being pretty good devices and are everywhere, but large batteries have always had Fire Protection systems. As Ms. Golden mentioned, the way these things are operated is they comply with every fire rule that you can think of and that exists. There have been dozens of thousands of these containers deployed across the nation and they have A National Fire Protection Agency (NFPA) protocol that's called NFPA 855 and each of these have to meet the requirements. One of the requirements is that they have to have several layers of protection. layer No. 1 is monitoring, and No. 2 is to remove the activation, layer #3 is active suppression of fire in the case of a fire, and then the final element of the NFPA 855 is that every battery that gets installed and that complies with NFPA 55 has to go through a burn test.

The way this works is that you set one battery on fire by putting some fire in it and you see what happens. You see how it propagates; you see how the fire gets extinguished by the system. There are several levels of a burn test that can be done on a cell, on a module, on the full rack or on a full container.

Power suppliers are Tier 1 suppliers and Tier 1 suppliers tend to go the extra mile where they do full container/full unit test, and they test what a fire looks like. They then have a passing or failing criteria that come into play into how much you pay for insurance. All the batteries that they choose from show that fires never propagate to the next unit over and there is never an explosion, so the worst case of fire that you can see that is being tested is when you burn a cell and module, and it doesn't go to the next one. You will then have some smoke and then you're going to have to let it burn because the extinguishing system is going to take care of it.

You do not throw water on it, and they train their fire departments on this all the time. Two months ago, they just went through a full fire department training in the City of La Marque where they have another project. They are very actively engaged with fire departments.

Again, you do not throw water on a fire, you let it burn. Once the reaction stops, which will take a couple of hours, you will then take the container and send it to a recycling area. You check the ones around, making sure that integrity is not compromised, and you replace it or you do whatever needs to be done post-removal.

Mr. Clawson then asked what the fire suppression system would be. Mr. Dufay replied there are two types of fire suppression system and added before going into a thermal runaway, a battery cell just like the one in your phone is going to show some early signs of failures. The voltage is going to be off, the balancing with the other modules is going to be off. Mr. Dufay claims they have the best control system in the world. They use a company called Individuation Austin. They monitor every cell, voltage, charge, temperature, etc. You're talking about several hundreds of thousands of cells in this installation. Every one of them has a temperature and voltage sensor that is being monitored. If one of them is off, they deactivate the module, remove it, and replace it with a new one. The early signs are showing what is going to happen and, if for whatever reason, that fails, the second level is you have an early detection system on the battery. If you feel that there is off-gassing of the cells or if you feel there's a higher temperature in the container itself, the container is going to auto shut down. That should stop any discharging that would cause some further fires. If for whatever reason that fails, they are talking about very low probability events here, then there is a fire suppression system at the battery inside each of the battery container.

Depending on the technology, sometimes it uses a FM 200 or state X aerosol and the modern one that they are using are most likely going to be an aerosol-based extinguisher. They are going to spray into the container on the area that was detected and is going to fill the container with the aerosol and that supposedly is going to stop whatever reaction is causing the problem. 9-1-1 will then be called and like Ms. Golden stated their guys will be nearby to respond to the emergency.

Co-Chairman Owens asked Mr. Dufay if he stated earlier that these batteries never explode because he's seen some videos where they have. He added that another thing Mr. Dufay stated, that he thinks is kind of crazy, is that Mr. Dufay stated "supposedly they put them out". He asked if this was just a choice of words because this is a huge concern to him.

Mr. Dufay replied that he came four years ago in front of these Zoning Commission and it was a pretty long meeting to build a 10MW site, which he indicated on the map. He stated this site has never had any problem and it works well. They are involved in and will be around for a long time. They are investing \$150 million in this project. If this explodes, they are going bankrupt – and there is a lot of their personal money in this too. They are strongly incentivized for these to be safe.

Have there been batteries that have exploded, yes absolutely. That was before the times of NFPA 855. That was before the time when they had clean and clear codes where they were smart people from fire departments across the world and particularly here in the United States that had worked on it. There was a site in Arizona that was known for catching fire and had an explosion when a first responder came into the battery system. It caused several injuries to the first responders and there's been massive changes to the design of the system since then. He believes this happened back in 2017.

There are many changes since then and the chemistry of the batteries has changed. These batteries, lithium iron phosphate, have a lower flammable limit, meaning that they exhaust less gas and they basically catch on fire with less strength and what they are seeing when they do the testing is that when they ignite the cell because they put a resistor in there and overheat it until they ignite the cell.

What you're seeing is that the next cell over ignites too but with less power, and then it just dies out within the module. This is because these batteries are not as reactive as the previous

technologies being used. So that's a major change that makes these batteries much safer. The other thing that was changed was the enclosures, the container of the battery, was rethought and redesigned.

They were talking to the president of Fluence, their main supplier, who is also the #2 US manufacturer for batteries, and he said they have had some failures and they learned from them. That's actually better than having no failures and not learning. Everybody had to redesign and rethink the process because it's possible that a cell is going to have a thermal runaway. What you want to make sure is that it doesn't trigger a catastrophic reaction. The whole mindset of avoiding an accident completely to avoiding catastrophic occurrence has changed in a way that now if a cell goes into a thermal runaway, which again is unlikely because they have 3 levels of suppression, but if cell does go into thermal runaway, there's a deflagration vent at the top of the container according to NFPA 68. There's a deflagration vent at the top, so in the likely event where you have a chain reaction of everything going wrong that possibly could go wrong, and again, it's been tested and showing that it doesn't happen, but, if it happens the deflagration is going to happen overhead, not causing any damages to the first responder or anything. The other main cause of catastrophic consequences to these batteries accidents was if you have first responders getting into the enclosure. It use to be that they would put these batteries into buildings or into enclosures that would allow somebody to walk in there and that's the problem because that puts somebody at risk if there's a thermal runaway.

So yes, there have been batteries that have exploded. Mr. Dufay is not aware of any LFP battery that has exploded. He is aware of some LNO batteries that have had some trouble runaway, but every single time they have self ignited and they have not propagated to the next unit over and they have never caused any accidents.

Co-Chairman Owens then asked in an event they have this gas coming out, are there any studies that show what the carry of that is? For instance, they have approved some generators out here on Humble Camp Road and Attwater Drive and they talked about the decibel noise for like so many feet but if you have a fire what does that plume look like? Is it a quarter mile? Half a mile? A couple 100 feet? Who's in harm's way at that point? And do you have protection for that?

Mr. Dufay replied they work with a company called ESRG. They are a fire consultant everywhere and they are the main fire consultant for battery energy storage. They were actually created by 9-1-1 heroes, so they know about fires. They do the HMA (Hazard Mitigation Analysis), fair mode, and affect analytics which will be part of this project. As they go into the design there will be an HMA down to meet the NFPA 855 requirements and that HMA is going to consider the risk of gas dissipation and any danger for any public or for any walker. All of that is going to be studied in detail from quantitatively and qualitatively.

The qualitative answer is that when one of these thermal runways does happen the common kind of point of comparison, it doesn't create more toxic gas exhaust than a typical office building catching on fire.

Mr. Owens stated that could be put out in a couple hours. How many hours would this project take to burn out?

Mr. Dufay replied that is the whole benefit of the new testing that they do because they show that the fire does not propagate any further than one container. There's a limited quantity that can burn and so the exhaust is going to be limited. He believes the time concept is about a couple of hours, maximum six hours for a fire to be completely out and then you can open the container and start to disassemble the pieces and there will be weeks of investigation. He reiterated that it is not weeks, it's not days, it's hours.

Co-Chairman Owens stated that just seems different than what we we've heard on the other projects.

Chairman O'Brien added that the one in Arizona that Mr. Dufay spoke of was a totally different battery design.

Ms. Georgia Meisler (AOP Renewables) replied that was a different battery chemistry as well. It was a LMC battery instead of LFP, which is part of why this standard has moved to the LFP, because it is less volatile, it's more stable, so the end result of thermal runaway is a lesser outcome. She wanted to make sure one question that was asked was clearly answered was how far all the smoke travels. So obviously that depends on winds, but the important factor to consider is that testing would indicate that it's always within EPA standards. And again, the smoke itself, it's typical. Think about what it is that's going to be burning. What is a battery? It's going to have plastics; it's going to have some metals, the same kind as building materials. And it's relevant, not really unique, in that perspective as far as what will actually catch fire.

Alternate Lisa Salinas stated the concern she has is that this place is going to be upwind of the apartment complex nearby. Here the winds are always out of the South, so anything that's coming out of there is going directly toward those apartment complexes. She asked if there is anything that is going to protect those people or notify them that something is blowing their way.

Mr. Dufay replied there are two things to consider. First, this is a light industrial zoning land and of all the light industrial application you can think of, a battery does not create any pollution at all. So, they don't burn anything. They don't have diesel generators. This is just purely charging and discharging energy. There is a very minimal footprint and exhaust of anything. He believes in this respect, it's beneficial for the community around because those apartment complexes will not have any impact.

As part of the emergency response plan, yes, there will be a concerted response plan with the first responder and the first responder, perhaps the Police Department, will oversee flagging any issue or any concern to the public safety. He thinks that it is going to be their top priority is going to be to protect the citizens in a large apartment complex close by. And again, that they will be in the case of an emergency situation, one of the first measures will be when they are on the site is making sure that it does not exceed the EPA standard. If it does, there will be some steps to be taken that will be all part of this emergency response.

Mr. Fernando Tello asked if there would be a leak detection. Will there be hydrocarbon detectors around the units to catch a leak? If a leak is there what will they use to catch that besides them telling the Zoning Commission that somebody offsite will come by and look.

Mr. Dufay replied they will have an operation and maintenance crew that will be spending time at the site mostly during business hours, but because we have the other site in La Marque that's actually fairly close by, they will be spending their time between the two sites.

As far as leaks, they have never heard of a leak on a operating battery, so the only time when a leak may happen is in the case of a deflagration of the battery, which is thermal runaway. In that case there is really two elements that you need to think of. The first element is that every cell is contained in two modules and these modules are IP67 meaning that they are fully water tight and dust proof. So there is nothing that goes in or out of these of these modules and then the container is a 20 ft Conex container. There is a drip pan at the bottom, so anything that leaks is going to fall in the drip pan. The reason for the drip pan is not really for the toxic elements of it, but there is a cooling system that keeps the batteries cold. The cooling system is water and glycol, so if that gets in the drip pan there is going to be a warning that the Operator is going to take care of.

The final other important element is that our site is going to have a ring road, so if there was a massive leak of something bad, but there is no reason for anything of that magnitude to leak, but the surge of leakage would not go past the ring rug, and certainly not into the higher elevation elements like the canal half a mile away. They have got a lot of layers of protection on that, and this is not an element that has not been seen.

Explosion of batteries is a really important element and Mr. Dufay is glad they are talking about this because they want everybody to be aware of this because it is an important element. Leaking is not something that has been seen as a risk associated to the batteries.

Mr. Chris Johnson (Attorney for Alpha Omega) stated he wanted to address the easement for the second access. One of the things that the Fire Marshal wanted to see for this project was two points of access into the site and they went about doing is obtaining a perpetual and uninterrupted ingress and egress easement from the neighboring landowner.

One of the things that Ms. Golden mentioned is that you'd like to see a plat, but legally speaking, there is no difference between having a permanent ingress and egress easement that cannot be obstructed or a plat and the reason being is he actually thinks this is the better way to go because it is something that what they call "runs with the land" is a superior right of the neighboring property meaning this site will have a superior right for that second point of access to come through that neighbor's land forever.

It is not dependent on owners. It is not dependent on any changes to the site. It exists, so no replat can change the fact that that easement is there, meaning it's a contractual superior right that runs with the land. So regardless of who owns the neighboring property going forward, that right of ingress and egress will exist. Also, it is very difficult to try to get a neighbor to replat their property for the benefit of the neighboring property. He has never seen that happen, but he thinks it is important for the Commission to know that legally speaking, there is no difference as far as the rights that are conveyed via this easement. This easement gives a perpetual right for ingress/egress that cannot be interrupted by any subsequent owner of that property. He thinks it is important to know that that second point of entry is a guaranteed point of entry, and that Alpha Omega has already gone and done the work to obtain that right.

Mr. Clawson asked where this is at. Mr. Johnson indicated it on the site plan. Ms. Golden added that it is on the far west side of the site and then it crosses and follows the northern line of the land.

Mr. Ben Baty stated he has 2.1 acres near this project, and no one has talked to him about an easement. Mr. Johnson replied that he does not believe the property Mr. Baty indicated is his property.

Mr. Johnson then conclude the reason for having a perpetual easement is for that concern that it's not a maybe, it is a recorded document. When you talk about recording it in the real property records, it puts the public on notice that right is going to be there forever.

Chairman O'Brien then asked if there were any other questions?

A motion was made by Fernando Tello/Co-Chairman Aric Owens to open the Public Hearing. All other members voted aye.

Chairman O'Brien explained that the Public Hearing was open, and this is where those in the room, hearing everything that's already been said, has an opportunity to voice whether they are for or against this request. The Zoning Commission would first take any comments from anyone

that is against the zoning change request first and then they would listen to those who are in favor of the request after.

Mr. Baty spoke first and stated he owns the nearby Baker Building and the land immediately west of the Baker building. He recalled that Chernobyl also have all fail safe in place and they had little problem too. As a matter of fact, a week ago today, the Fire Chief of Texas City addressed his Rotary Club and he was asked about the lithium batteries and what do you do if you have a fire with a lithium battery? He said we get everybody away from it because we can't put it out.

Mr. Baty stated that he knows nothing about lithium batteries. He is not a chemist and can only go by what the professionals have told them. Another question during the Rotary Club was what happened if you have a Lexus vehicle - do they have lithium batteries? What if it is on fire on the freeway? What do you do? He said we get away from it to keep people from inhaling the toxins from it.

So again, immediately to the west of his property is the apartment complexes and he has never seen many fires that didn't have smoke. He is sure the southeast winds are going to blow the smoke toward the apartments if there were a fire or chemical reaction. He is just concerned of what will happen in the event of a fire.

He added that this will also kill the value of his property if he tries to sell it and a potential buyer see a lithium battery storage next to it – there goes the tax value.

Chairman O'Brien asked Mr. Baty to indicate his property on the map. He did so and then stated this may just keep the vagrants out.

Chairman O'Brien asked if there were any more comments against the zoning change request. There were none.

Chairman O'Brien then asked if anyone had any comments that are for this request they would take them now. He then introduced Mr. Bob Wittmeyer, who was in attendance, to speak about the benefits of battery energy storage.

Mr. Bob Wittmeyer stated he is a professional engineer and has spent his early life at Ercot and has been doing this for a long time. He then asked if Ms. Veronica Carreon could go to Ercot.com. and then began his presentation.

He then presented why batteries are particularly important to the grid today. He indicated on the website a chart that showed a solar chart in orange, a wind chart in blue, and an aggregate chart in purple. He indicated real time on the site and stated shortly after 8:00 PM, things get really, really tight in the grid, which he also indicated. Five years ago, this was not a problem. He indicated where the grid would peak, and that the generation would be fine the rest of the day.

The problem we have now is we have a ton of wind and solar, and we know every day the solar is going to do that. He indicated in the summertime, the target window for these batteries and stated this is why we need the batteries. We need the batteries because of our demand line; this is our supply line. He promised that they will never serve more load in Ercot than they have generation do so.

What he did not recognize when he got in the power business is every time we turn on appliance at our house, somewhere on the system a generator's fuel valve opens and makes more power. It really is that tight. They measure that with frequency and when it is at 60 Hertz, everything is good. We run out of generation that frequency will fall off 60 Hertz. It doesn't have to fall very far off 60 Hertz and we are all sitting in the dark.

The batteries are particularly helpful now because of all the wind and solar they have on the system, and that's why the batteries are really critical to them. Now, where they weren't so important before, can they raise prices in Texas City by having a battery there? No, they cannot.

The way the ERCOT electric grid works is ERCOT procures services from the least cost resource. Anytime somebody tries to jack with the price a little bit, they'll just move it to someplace else. If the system gets inherently tight, there is an independent market monitor that overlooks the grid and makes sure these guys are playing about it.

Mr. Wittmeyer then asked if there were any Ercot related any questions.

He then added that the other thing batteries are really good for are when there is a load shed event, the operator has to fix the wires first and before they can take the load up, they have to make sure they have enough generation to pick up the load. The problem is the load that was on the system when that load went off causes all of your air conditioners to immediately fire up. If they break that link at 60 Hertz, the load comes back out.

Batteries are a giant shock absorber around the system. They can move from a generator to a load in 1/4 of a second. So they're very important for bringing load back up on the system.

Chairman O'Brien asked if it was appropriate to say that the batteries stabilize this system, to which Mr. Wittmeyer stated that is appropriate and we don't normally need that stabilization, but when we do, we really do.

Chairman O'Brien asked if there were any other comments in favor of?

Mr. Dufay replied that he would like to recommend on the apartment building and the air quality. As part of the emergency response plan in the hazard mitigation analysis, there will be a very quantitative study of all the gassing that's possible from the batteries. There will be a quantitative analysis of how much pollutant can get in the air and may impact the residents. If the studies show that these levels exceed EPA standards that would be a failure and they will not be able to build finance to ensure the assets. So, there are many, many levels of controls on these assets that are here to protect the citizens, to the investors, to thank the first responders and everybody involved in the project.

These HMA documents will be provided to the city as needed and they have to be provided and reviewed by the fire department in order for the project to comply with NFPA 855. They have to comply with NFPA 855, otherwise they do not get insurance on their project.

There are checks and balances control systems in place for these large investments and it's \$150,000,000+ that is being invested. There are a lot of highs and a lot of very expensive lawyers who look at this stuff. There are a lot of eyes on it and very important, like are they going to kill their neighbor is going to be looked at very attentively because no investor wants to be involved with the project that has killed a neighbor. That is how you get a lot of people running away and going bankrupt, so with this being said, this project is going to be intrinsically safe.

Staff will have access to all the documentation they need at the fire department level. The Applicant will also be very happy to discuss any questions. They love batteries so they can talk batteries all day.

Deano Merrigan (Property Owner) then stated that the Zoning Commission approved a battery site exactly across the street and exactly South of the apartments behind Kroger and none of this was brought up. Planning and Zoning voted for it across the street.

Now this project is coming up on his side of the street and it's a little different and it just makes him wonder. He stated that he would like to be treated fair and be shown the same respect. He

stated that he has run into some challenges here and understands the concerns, but he pointed out that across the street is another battery storage facility. He only wants the same questions to be asked when this is presented to City Commission.

He added that this is a \$160,000,000 project. The city makes a lot of money on property taxes and this could make about \$2,000,000 a year for the city and property taxes. It's a light industrial site. This is what it is designed for - light industrial use.

Wind direction has been discussed. He reminded everyone that we live in Texas city, it's not The Woodlands and we everyone in here knows someone who has cancer. This is a safe product and if this building burns down, you got toxic glue and all kinds of stuff that's going to burn in here. And if you put your head over this fire right here on the building to get you some, you probably get sick. And so, it's the same output as a battery.

If they don't do a battery facility and they build a building and it burns down and it is south of the apartments, all that smokes goes towards them. He asked that everyone look at this with an open mind.

There were no questions or further discussion, to which a motion was made by Bruce Clawson/Fernando Tello to close the Public Hearing. All other members voted aye.

c. PRELIMINARY ZONING APPROVAL – Consider and take action on the zoning change request from Alpha Omega Power, LLC.

Co-Chairman Owens asked Ms. Golden about the mitigation study and then they are asked to approve something or not and then say we're going to have this study afterwards to determine if it's good or bad.

Ms. Golden replied what he's talking about the hazard mitigation analysis and a lot of other things will be made available during the building permitting process. That's when the building official will review it, and the Fire Marshall will also review it. We actually are going to contract with a third-party reviewer that specializes in BESS projects to review all of those projects when they come through as building permits.

She believes the reason that it comes later is it's very costly to do it and the Applicant needs to know if they're going to be able to do this site or not. She believes that's the way it comes out. They kind of have to know they can do it here, if they're going to do it anywhere, before they go to the expense of showing models of the factories.

She asked Mr. Dufay if this was correct, to which he replied they are absolutely doing all this level of analysis that they talked about costs them between \$1,000,000 to \$2,000,000. As of today, they are still in a position where if the Zoning Commission denies the project, they have nothing, and the project dies.

They have already invested about \$1,000,000 in the project, but they can't invest another \$2,000,000 for the design and \$2,000,000 for the lawyer fees. They can't invest a lot of money in a project that may die tomorrow.

As much as he would like to come in front of the Zoning Commission with a full package that's fully detailed and fully defined where you can make a strong decision based on very clear criteria, that is impossible to do at that stage. That's where the city staff comes in and they are mandated, and they see this in every jurisdiction that they work with. It is always that process where there's

an initial discretionary approval from the Board of Zoning or Planning and City Council to give an indicative idea of whether the city likes this business, but then the city administration is in charge of enforcing that this project is done well.

Ms. Meisler added that the hazards are known and quantified already. What is unique and what is addressed in the HMA is the site-specific information which is proximity to sensitive receptors and direction some of those other specific things and those drill down and provide detail that may cause some changes in design. The hazards are known and from what has been seen, even in the rare instance of a thermal event, is that the effluent smoke from a thermal event is within EPA standards. That is not something you don't know and that level of detail we absolutely could provide today. It's just what's unique about this specific application in this location that will be addressed, and we'll fine tune the design upon admission of the building permits.

Co-Chairman understand that a vote would be a lot easier to make if you have all this information and wished there was a better way to do this.

Mr. Dufay stated the consultant that Ms. Golden was referring to, he doesn't know if staff will be using this one specifically, but he is a very well-known consultant in this industry. They are in the middle of construction of a project in California right now. That project came through the county of San Luis Obispo, which is very nice wine country. That city was using the same consultant and they went after every single detail. They looked at thousands of pages of studies and documents and into every single line item. That's the kind of scrutiny you get from these guys. They probably charge a lot of money for that, but hopefully permitting fees are going to cover that, but they are good at it, and they are in for the city's best interest.

Chairman O'Brien asked if there were any other questions or comments.

A motion was made by Bruce Clawson/Alternate Lisa Salinas to approve the zoning change request from Alpha Omega Power, LLC to rezone from District "F" (Light Industrial) to District "S-P" (Site Plan) for the development of an electric power generating station utilizing lithium-ion battery energy storage system (BESS). There was a 4 – 1 vote in favor of the zoning change request. Co-Chairman Aric Owens voted against the request.

Chairman O'Brien reminded everyone that the Zoning Commission is seated by volunteers/citizens of the City of Texas City and that City Commission will have the final vote on the zoning change request. He also encouraged those in attendance to be at the City Commission meeting to answer any questions the Commissioners may have.

4. GENERAL UPDATES

There were no updates.

5. OTHER BUSINESS (Any conceptual development proposal requesting to come before the Zoning Commission)

A motion was made by Co-Chairman Aric Owens/Alternate Lisa Salinas to adjourn. All members present voted aye.

Kimberly Golden, Secretary

Date

Minutes approved by the Planning Board at its meeting on _____.

STAFF REPORT

To: Planning Board – Regular Meeting March 16, 2026

From: Kim Golden, P.E., City Engineer 

CC: Doug Kneupper, P.E., Consulting Engineer

Date: March 10, 2026

RE: 701 SH 146 N – Proposed Revised Site Plan – Southern Select Energy BESS Project

UPDATE: This item was tabled at the regular Planning Board meeting on March 2, 2026 to allow additional time for the Applicant to provide renderings based upon the revised site plan. Staff were also asked to mail notice of the meeting to adjacent property owners.

Renderings were received on March 4, 2026 and have been added to Planning Board's agenda packet.

Letters were mailed on Friday, March 6, 2026 to six (6) adjacent property owners. A list of the property owners is included in the agenda packet. No responses have been received as of the date of this staff report.

Background: The Applicant is Alpha Omega Power (AOP). The proposed 205MW, 410MWh Battery Energy Storage System (BESS) project, referred to as the Southern Select BESS Project, will encompass approximately 5.71 acres on 6.29 acres of vacant land located at 701 SH 146 N. At its regular meeting on September 4, 2024, the City Commission held a public hearing upon advertised notice and voted to give Preliminary Zoning Approval upon certain conditions to the request by AOP Holdings, LLC d/b/a Alpha Omega Power, to rezone the site from District "F" (Light Industrial) to District "S-P" (Site Plan). On August 4, 2025 the City Commission voted unanimously to extend the Preliminary Zoning Approval an additional 12 months until September 4, 2026.

Since the Preliminary Zoning Approval, the project has progressed through detailed design engineering, and several revisions have been made to the site plan to improve drainage performance, flood resilience, safety and equipment efficiency. The revisions reflect compliance requirements, insurance considerations and finalized equipment selection, but do not change the approved land use, project footprint or operational characteristics of the project.

Because the District "S-P" zoning designation is tied to a specific site plan, any significant revisions must be reviewed and processed as zoning changes.

Requested Action: The Applicant seeks approval of the revisions to the site plan for purposes of affirming the rezoning to District "S-P" (Site Plan) as required by the Texas City Code of Ordinances for BESS projects.

"the place where COMMUNITY MATTERS"

Staff Analysis and Recommendation: The Applicant seeks approval of changes to the approved site plan to accommodate necessary design changes. Specifically, the following changes must be accommodated with changes to the approved site plan:

- 1) Addition of a detention pond to the site plan to comply with TxDOT drainage requirements to obtain an access permit for the project. The site plan as approved for the rezoning did not contain a detention pond.
- 2) Increase in Site Elevation to + 14.0 feet relative to existing site resulting in a top of container elevation of +23.0 feet.

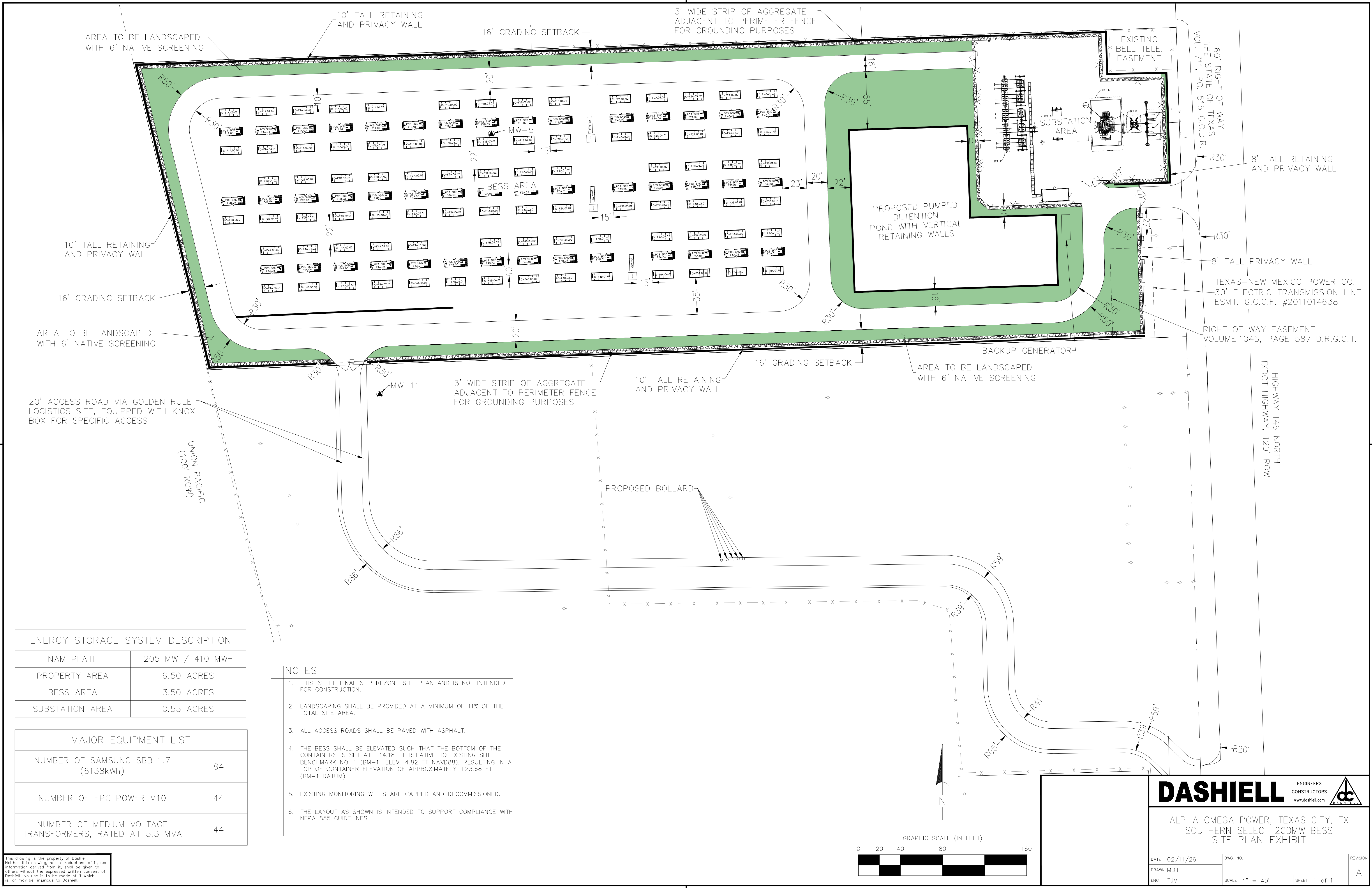
ADDITION OF DETENTION POND – Addition of a detention pond has required the reduction in the number and arrangement of battery containers from 106 to 84. It has also impacted the amount of space available for landscaping with a reduction from 15% to 11% based upon pumped detention. However, Texas City does not accept pumped detention except from institutional stakeholders via Development Agreement. A further reduction in the landscaping component may be necessary to accommodate a non-pumped detention solution. The Applicant has indicated a willingness to work with the City and TxDOT to accommodate a non-pumped detention solution.

INCREASE IN SITE ELEVATION – Height requirements are reviewed and regulated through the "S-P" designation. The previous site plan indicated battery containers would be positioned at or about existing ground level. It has been determined by the Applicant that insurers will require elevation of the battery containers by at least 14.0 ft. above existing ground level. Applicant's current plans are to accommodate this elevation increase with additional fill. The import of so much fill will require some redesign of site drainage to avoid runoff on to adjacent sites. The aesthetics of an elevated site must also be accommodated. Whereas the original site plan provided for a 6ft masonry screening wall along SH 146 and chain link fencing with slats along the side property lines, the increase in elevation will result in masonry retaining walls of 14ft (8ft above the screening walls).

The elevation of the site is most likely to physically impact, if any, the existing business, Hydrokinetics, located adjacent to the north property line. The building is set back approximately 50ft from the property line. The existing apartments are approximately 400ft north of the property line and may have minimal aesthetic impact from the increased elevation. Detrimental aesthetic impact to the traveling public along SH 146 may be minimized by the use of decorative masonry retaining walls.

Recommendation: Measures are available to mitigate the impact of the site plan changes to adjacent properties, such as (1) enhanced landscaping to offset the reduction in the amount of landscaping area; (2) non-pumped detention design; and (3) the use of decorative retaining wall materials where visible to the public or adjacent properties. So long as the Applicant agrees to include these mitigate

measures on the revised site plan, staff have no objection to the changes on the site plan.

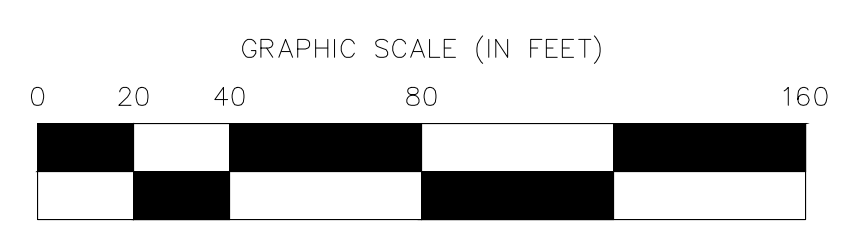


ENERGY STORAGE SYSTEM DESCRIPTION	
NAMEPLATE	205 MW / 410 MWH
PROPERTY AREA	6.50 ACRES
BESS AREA	3.50 ACRES
SUBSTATION AREA	0.55 ACRES

MAJOR EQUIPMENT LIST	
NUMBER OF SAMSUNG SBB 1.7 (6138kWh)	84
NUMBER OF EPC POWER M10	44
NUMBER OF MEDIUM VOLTAGE TRANSFORMERS, RATED AT 5.3 MVA	44

- NOTES**
- THIS IS THE FINAL S-P REZONE SITE PLAN AND IS NOT INTENDED FOR CONSTRUCTION.
 - LANDSCAPING SHALL BE PROVIDED AT A MINIMUM OF 11% OF THE TOTAL SITE AREA.
 - ALL ACCESS ROADS SHALL BE PAVED WITH ASPHALT.
 - THE BESS SHALL BE ELEVATED SUCH THAT THE BOTTOM OF THE CONTAINERS IS SET AT +14.18 FT RELATIVE TO EXISTING SITE BENCHMARK NO. 1 (BM-1; ELEV. 4.82 FT NAVD88), RESULTING IN A TOP OF CONTAINER ELEVATION OF APPROXIMATELY +23.68 FT (BM-1 DATUM).
 - EXISTING MONITORING WELLS ARE CAPPED AND DECOMMISSIONED.
 - THE LAYOUT AS SHOWN IS INTENDED TO SUPPORT COMPLIANCE WITH NFPA 855 GUIDELINES.

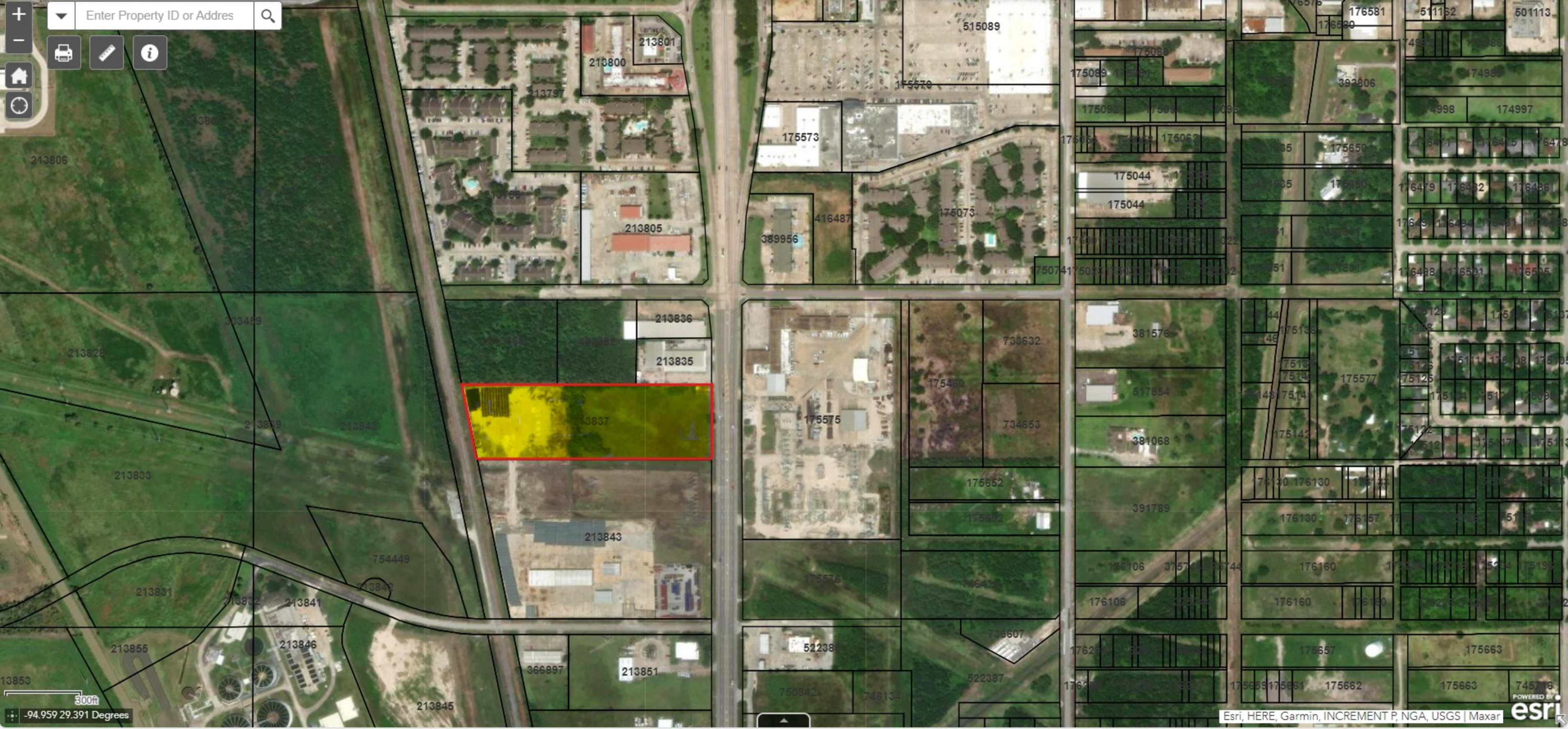
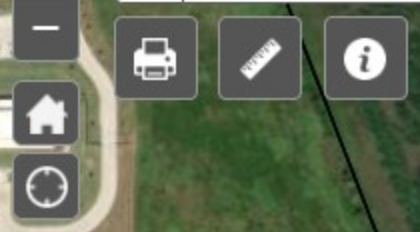
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DASHIELL ENGINEERS CONSTRUCTORS
www.dashiell.com

ALPHA OMEGA POWER, TEXAS CITY, TX
SOUTHERN SELECT 200MW BESS
SITE PLAN EXHIBIT

DATE 02/11/26	DWG. NO.	REVISION
DRAWN MDT	SCALE 1" = 40'	A
ENG. TJM	SHEET 1 of 1	





Date: 2-13-2026

Texas City Engineering
7800 Emmett F Lowry Expy
Texas City, TX 77591

Attn: Kim Golden

Re: Southern Select S-P Rezone – Design Updates

Summary of Design Revisions

Southern Select Energy Storage located at 701 Hwy 146, Texas City, TX 77591 currently has S-P Rezone preliminary approval as of September 2024, with an extension granted by the City in September 2025.

As engineering has progressed from conceptual layout to detailed design, several revisions have been made to improve drainage performance, flood resilience, safety, and equipment efficiency. These revisions reflect compliance requirements, insurance considerations, and finalized equipment selection, and do not change the approved land use, project footprint, or operational characteristics of the project.

1. Detention Pond Addition (Drainage Compliance)

A detention pond has been incorporated into the site design to comply with **applicable TxDOT drainage requirements** identified during detailed drainage analysis. The detention facility maintains post-development runoff rates at or below pre-development conditions and improves overall stormwater management performance. The approved discharge location and downstream drainage assumptions remain unchanged.

As part of incorporating the detention pond into the finalized layout, the project requested a reduction in the landscaping requirement from 15% to 10% to accommodate required drainage infrastructure. The current site plan provides **11% landscaping**, which remains consistent with the requested adjustment while maintaining appropriate site screening and aesthetics.

2. Site Elevation Adjustment (Insurance and Flood Protection)

The BESS equipment area has been elevated as part of finalized grading and drainage design. The bottom of containers will be set at **+14.0 feet relative to existing site Benchmark No. 1 (BM-1; Elev. 4.82 ft NAVD88)**, resulting in a top-of-container elevation of **+23.0 feet (BM-1**



datum). This adjustment is driven by project insurance requirements and flood risk mitigation considerations while maintaining positive site drainage and consistency with the approved site layout.

3. Equipment Configuration Update

The equipment configuration has been updated following final equipment selection and system optimization. The previously submitted layout included **106 battery containers**. The updated design includes **84 battery containers**.

The reduction in the number of containers reflects the selection of newer, higher-capacity battery technology that allows the project to meet required power and operational objectives with fewer units. The battery units are manufactured in the United States. The revised configuration improves equipment spacing, simplifies implementation of the project safety and emergency response plan, and enhances overall site safety while maintaining the approved project capacity and footprint.

Simon Labrosse-Gelinas

Project Developer
Alpha Omega Power LLC

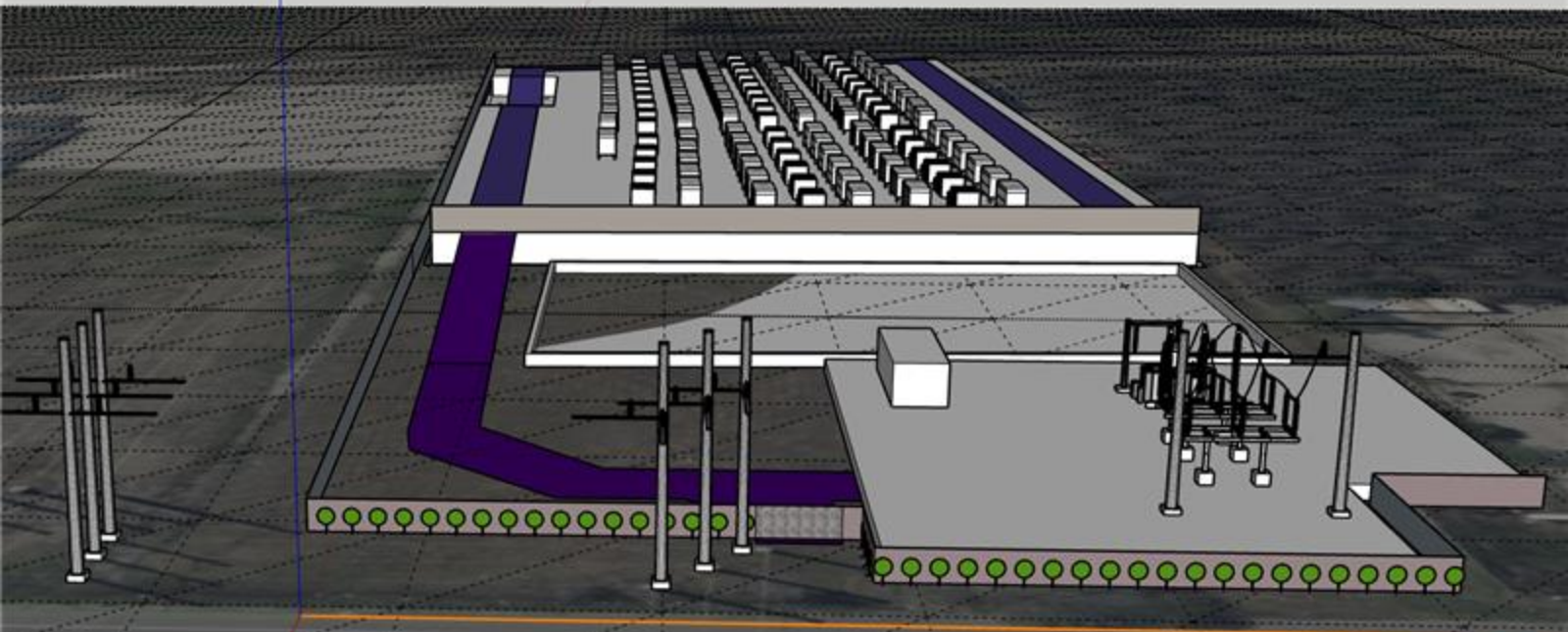
NAME	ADDRESS2	CITY	ST	ZIP
LM STORAGE LLC	5309 INTERSTATE 45	LA MARQUE	TX	77568-3090
HBB BRADFORD LLC	PO BOX 79182	HOUSTON	TX	77279
MOSAIC VERANDA LP	15021 KATY FWY STE 580	HOUSTON	TX	77094-1900
GULF COAST WATER AUTHORITY	3630 TEXAS AVE	TEXAS CITY	TX	77591-4824
BATY INTEREST	2912 FROSTWOOD CR	DICKINSON	TX	77539
TEXAS NEW MEXICO POWER CO	414 SILVER AVE SW, MS TAX 1025	ALBUQUERQUE	NM	87102

Levee wall: NONE
dirt raised BESS yard 12ft
piles 2ft
assume NG is 5ft NAVD88
substation raised 4ft

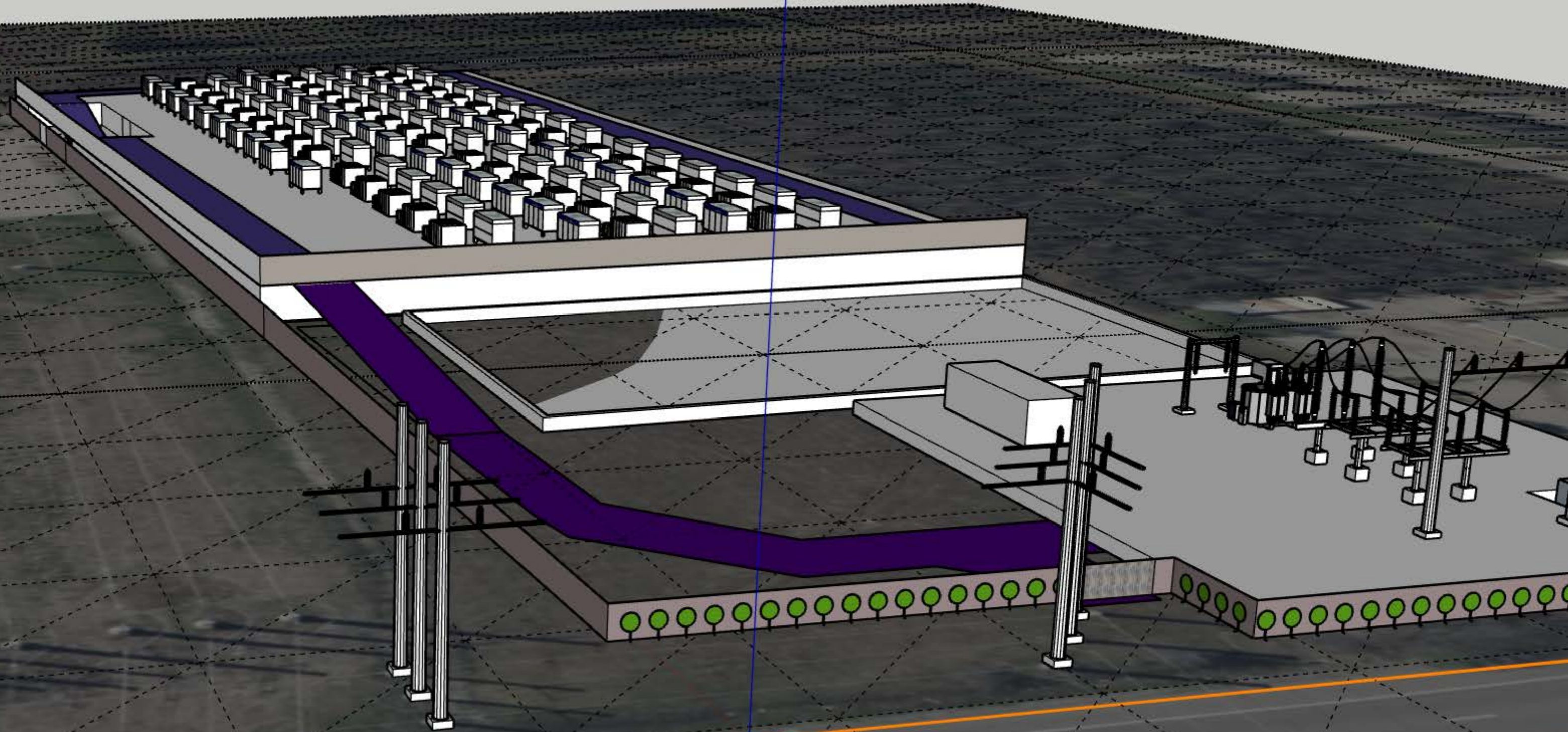




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146

146





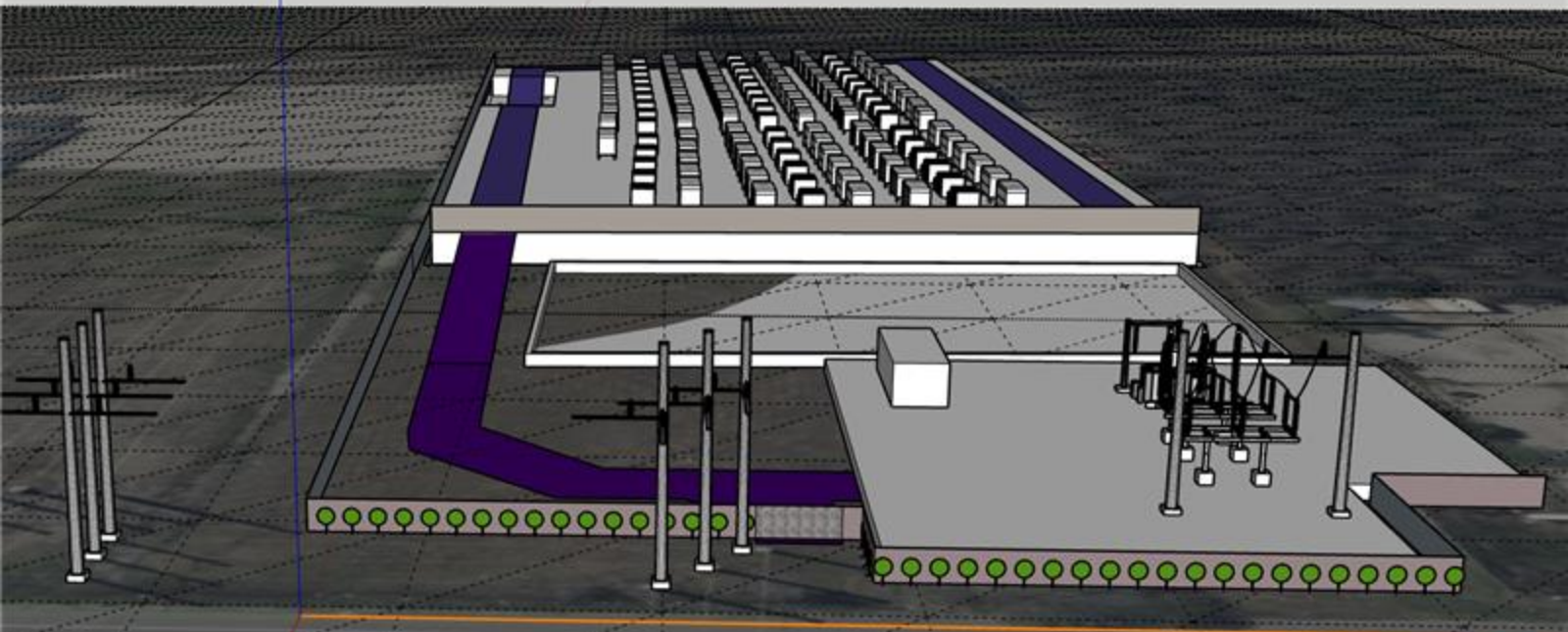


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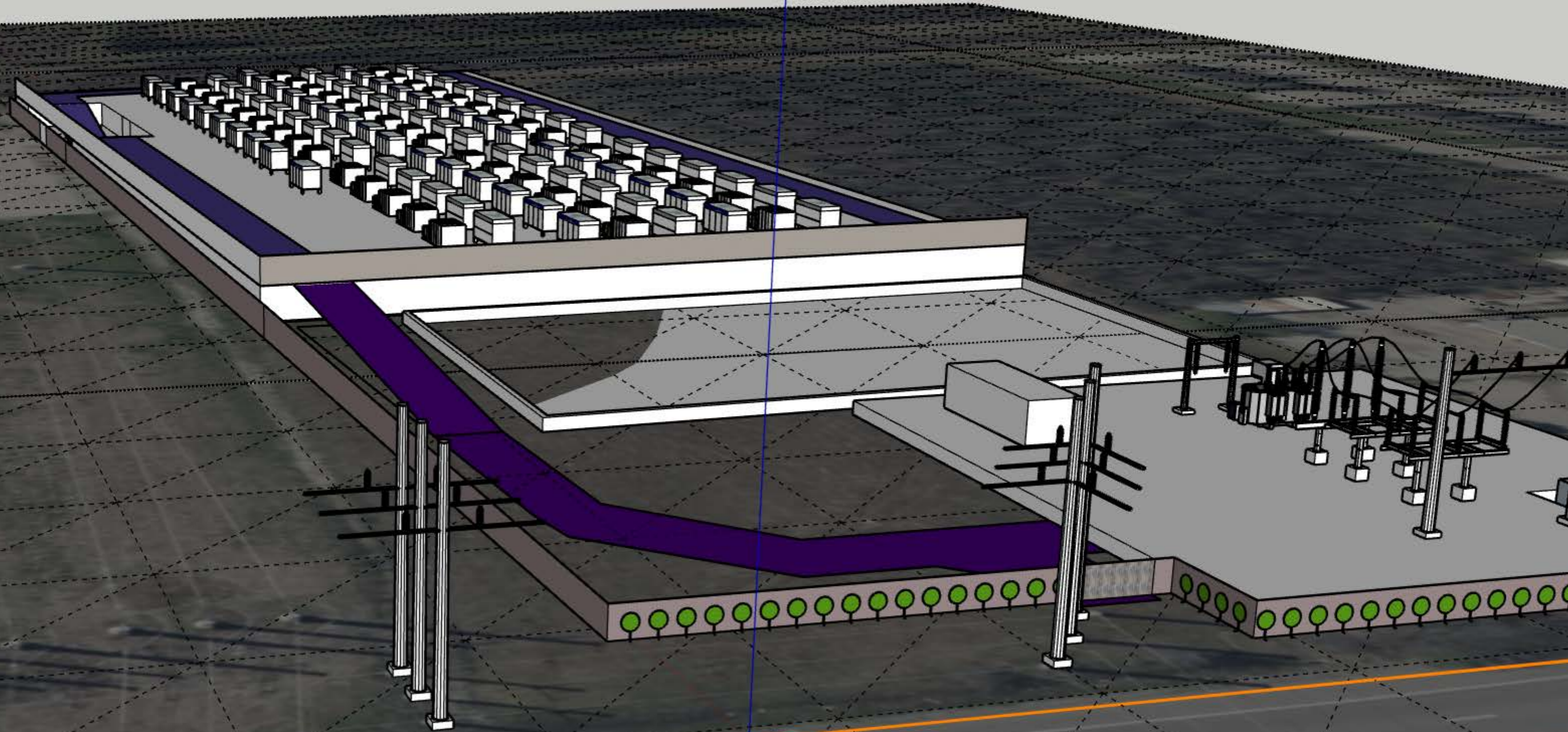




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ZONING COMMISSION

April 7, 2026

The Zoning Commission of the City of Texas City met in a regular meeting on Tuesday, April 7, 2026, at 5:00 p.m. Staff members present were Kim Golden (Secretary), Casey Bennett (Chief Building Official), David Kinchen (Deputy Building Official), Curt Kelly (Engineering & Planning Administrator), Veronica Carreon (Planning & Zoning Technician), Danica Vaughan (Administrative Assistant), and Lauren Atkinson (Plans Examiner). Guests were: Simon Labrosse, Gemy Thomas, and Chris Jonson.

Chairman Perry O'Brien indicated a quorum was present and called the meeting to order at 5:00 pm.

(1) ROLL CALL

The following members answered roll call: Member David Zacherl, Alternate Member Becky McLaughlin, Chairman Perry O'Brien, and Commissioner Thelma Bowie

(2) PUBLIC COMMENTS

There were no public comments.

(3) APPROVAL OF MINUTES

A motion to approve the minutes of February 17, 2026, was made by Member David Zacherl/ Commissioner Thelma Bowie. All other members present voted aye.

(4) RATIFICATION OF MINUTES

A motion to ratify the minutes of OCTOBER 21, 2025, was made by Member David Zacherl/Commissioner Thema Bowie. All other members present voted aye.

At the request of Chair O'Brien Ms. Golden explained the ratification of the minutes for the October 21, 2025, meeting was recommended by the City Attorney because the majority of members who previously voted to approve the minutes at the meeting on February 17, 2026 had not attended or been present at the meeting on October 21, 2025.

5) Alpha Omega Power, LLC seeks to revise the Development Plan (Site Plan) for an electric power generating station utilizing lithium-ion battery energy storage system (BESS) previously approved by the Planning Board at its regular meeting on July 22, 2024. The zoning change from District "F" (Light Industrial) to District "S-P" was previously approved by the Zoning Commission at its meeting on August 6, 2024, and preliminary zoning approval was approved by the City Commission at its meeting on September 4, 2024. Located at 701 Hwy 146 N, west of S.H. 146 N and north of the existing Golden Rule Logistics.

A. Staff Report

Ms. Golden reminded the Commission of the location of this project in Texas City. She pointed out it is on SH-146 across from the current TNMP substation and north of Golden Logistics. She stated it is coming back to the Commission because there have been changes

proposed to the approved Site Plan. The District "S-P" (Site Plan) is tied to a specific site plan so when the site plan changes it must come back through the process for approval as a site plan and as a zoning change.

Ms. Golden explained the site plan is being changed because TxDOT is requiring on-site detention, and the addition of the detention pond caused a change in the number and configuration of the containers. The number of containers is reduced and still maintaining the required fifteen foot separation.

The other required change is an increase in the elevation of the site as a requirement for the developer to obtain insurance which they must have to obtain financing for the project. The elevation is increasing substantially, approximately 14ft above existing ground elevation. The Planning Board expressed concerns at the previous meeting on Monday, March 2, 2026 about the increase in elevation and the impact on nearby properties. The Board requested renderings to show what it would look like from nearby. The developer provided renderings and made a 3D presentation to the Planning Board which was repeated to the Zoning Commission during the staff report. Staff advised notices of the public hearing were sent to adjacent property owners, as required by the Zoning Ordinance.

Alternate Member McLaughlin asked if residents from the nearby apartment complex would be able to see the battery site from their apartments. Mr. Labrosse showed by view of the 3D renderings that the residents will not be able to see from their apartments. The site will be blocked by the trees in the undeveloped land. Ms. Golden stated that the property is not a green space or buffer zone, but it's just a vacant lot, and the property owner could remove the trees if they wanted.

Member Zacherl asked how high the wall was in the detention. Gemy Thomas with AOP stated it depends on which side. The side closer to the battery is about 6 or 7 feet. It is a little shorter on the roadside and will be 12 feet against the back wall. Member Zacherl asked if the middle will drain from there? Mr. Thomas stated that it was the plan.

Member Zacherl asked about installing a dry hydrant on the detention pond for use in case of a fire. Mr. Labrosse stated he would refer that suggestion back to the design team, but the battery containers are designed to burn without water being applied to it. Ms. Golden stated that addition of a dry hydrant could be considered and decided during the permitting process, which the building officials present acknowledged.

B. Public Hearing

A motion to open a public hearing was made by Member David Zacherl/Commissioner Thema Bowie. All other members present voted aye.

At 5:20 pm, Chairman O'Brien declared the Public Hearing to be open. He then invited anyone in opposition to the rezoning to please speak.

No one appeared to speak in opposition. There were no further questions.

A motion was made by Commissioner Bowie/Alternate Member Becky McLaughlin to close the Public Hearing. All other members voted aye.

The public hearing was closed at 5:21pm.

C. Preliminary Zoning Approval - Consider and take action on the zoning change request from Alpha Omega Power.

A motion was made by Commissioner Bowie/ Member David Zacherl to recommend approval of the zoning change request Alpha Omega Power, LLC, to revise the Development Plan (Site Plan) for an electric power generating station utilizing lithium-ion battery energy storage system (BESS) from District "F" (Light Industrial) to District "S-P" with the changes to the previously approved site plan. All Members voted aye.

Motion carried 4 – 0.

(6) GENERAL UPDATES

a. Tabled from the 02/17/2026 meeting – Election of Officers

Chairman O'Brien nominated Member Zacherl to be co-chair, seconded by Commissioner Bowie. All members present voted aye.

Member Zacherl nominated Chairman O'Brien to remain as chair, seconded by Commissioner Bowie. All members present voted aye.

(7) GENERAL UPDATES

Ms. Golden introduced Lauren Atkinson (Plans Examiner) to the commission. Ms. Golden also updated the commission on the start of the building's renovations and noted that the meetings will move to a temporary location around August.

ADJOURNMENT

A motion was made by Member David Zacherl/ Alternate Member Becky McLaughlin to adjourn. All members present voted aye.

Kimberly Golden, Secretary

Date

Minutes approved by the Zoning Commission at its meeting on _____.

CITY COMMISSION REGULAR MTG

(7) (a)

Meeting Date: 04/15/2026

Consider and take action on the request from Alpha Omega Power, LLC to confirm the preliminary approval of the zoning change from District "F" (Light Industrial) to District "S-P" (Site Plan) for development of a BESS (battery energy storage system) project at 701 Hwy 146 N.

Submitted For: Kim Golden, Transportation and Planning

Submitted By: Curt Kelly, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST

Alpha Omega Power, LLC seeks to confirm the preliminary zoning approval for the rezoning of 6.29 acres from District "F" (Light Industrial) to District "SP" Site Plan for the development of a proposed battery energy storage system (BESS) project at 701 S.H. 146. As a BESS installation the application is being processed as a District SP (Site Plan) rezoning per Section 160.051 and Chapter 162.

The Development Plan (Site Plan) for the battery energy storage system (BESS) as previously approved by the Planning Board at its regular meeting on July 22, 2024, has been revised to accommodate necessary engineering design changes. The Planning Board approved the revised site plan at its regular meeting on March 16, 2026. The Zoning Commission is scheduled to consider the rezoning based upon the revised site plan at its meeting on April 7, 2026.

The zoning change from District "F" (Light Industrial) to District "S-P" previously received preliminary zoning approval from the City Commission at its meeting on September 4, 2024. The City Commission extended the preliminary zoning approval to September 4, 2026 at its regular meeting on August 4, 2025.

BACKGROUND (Brief Summary)

The applicant is Alpha Omega Power (AOP). The proposed 205MW, 410MWh battery energy storage system (BESS) project, referred to as the Southern Select BESS Project, will encompass approximately 5.71 acres on 6.29 acres of vacant land located at 701 SH 146 N. At its regular meeting on September 4, 2024, the City Commission held a public hearing upon advertised notice and voted to give preliminary zoning approval upon certain conditions to the request by AOP Holdings, LLC d/b/a Alpha Omega Power, to rezone the site from District "F" (Light Industrial) to District "S-P" (Site Plan). On August 4, 2025 the City Commission voted unanimously to extend the Preliminary Zoning approval an additional 12 months until September 4, 2026.

Since the preliminary zoning approval as extended, the project has progressed through detailed design engineering and several revisions have been made to the site plan to improve drainage performance, flood resilience, safety and equipment efficiency. The revisions reflect compliance requirements, insurance considerations and finalized equipment selection, but do not change the approved land use, project footprint or operational characteristics of the project.

Because the District SP zoning designation is tied to a specific site plan, any significant revisions must be reviewed and processed as zoning changes.

The Planning Board reviewed and considered the proposed changes to the site plan at its meetings on March 2, 2026 and on March 16, 2026. At the meeting on March 16, 2026 it voted 3-0 to approve the revised site plan.

The Zoning Commission is scheduled to have a public hearing and consider this request at its regular meeting on April 7, 2026. The recommendation of the Zoning Commission will be presented during the public hearing for the City Commission.

The Applicant seeks affirmation of the zoning change from District F (Light Industrial) to District SP (Site Plan) based upon the site plan as revised to improve drainage performance, flood resilience, safety and equipment efficiency. Specifically, the following changes must be accommodated with changes to the approved site plan:

1. Addition of a detention pond to the site plan to comply with TxDOT drainage requirements to obtain an access permit for the project. The site plan as approved for the rezoning did not contain a detention pond.
2. Increase in Site Elevation to + 14.0 feet relative to existing site resulting in a top of container elevation of +23.0 feet.

ADDITION OF DETENTION POND – Addition of a detention pond has required the reduction in the number and arrangement of battery containers from 106 to 84. It has also impacted the amount of space available for landscaping with a reduction from 15% to 11% based upon gravity detention. A reduction in the landscaping component is necessary to accommodate a non-pumped detention solution. This reduction can be off set with enhanced landscaping and the use of decorative retaining wall components where visible to the public or adjacent properties. The Applicant has indicated it can accommodate a non-pumped detention solution. The mitigation measures are included on the revised site plan.

INCREASE IN SITE ELEVATION – Height requirements are reviewed and regulated through the SP designation. The previous site plan indicated battery containers would be positioned at or about existing ground level. It has been determined by the Applicant that insurers will require elevation of the battery containers by at least 14.0 ft. above existing ground level. Applicant's current plans are to accommodate this elevation increase with additional fill. The import of so much fill will require some redesign of site drainage to avoid runoff on to adjacent sites. The aesthetics of an elevated site must also be accommodated. Whereas the original site plan provided for a 6ft masonry screening wall along SH 146 and chainlink fencing with slats along the side property lines, the increase in elevation will result in masonry retaining walls of 14ft (8ft screening walls/fences above the retaining walls). Detrimental aesthetic impact to the traveling public along SH 146 may be minimized by the use of decorative masonry retaining walls.

The Applicant has produced 3d renderings and a 3d video to simulate the aesthetic of the elevated site and the effectiveness of the mitigating measures. A copy of the 3d renderings will be included in the agenda packet. The 3d video was shown to the Planning Board and will be made available at the Zoning Commission meeting and City Commission meeting subject to the availability of compatible AV resources.

RECOMMENDATION

At its regular meeting on March 16, the Planning Board voted 3-0 to approve the proposed Detailed Site Plan and to recommend confirmation of the zoning change to the Zoning Commission and to the City Commission.

The Zoning Commission is scheduled to have a public hearing and consider this request at its regular meeting on April 7, 2026. The recommendation of the Zoning Commission will be presented during the public hearing to the City Commission.

Measures are available to mitigate the impact of the site plan changes to adjacent properties, such as (1) enhanced landscaping to offset the reduction in the amount of landscaping area; (2) non-pumped detention design; and (3) the use of decorative retaining wall materials where visible to the public or adjacent properties. So long as the applicant agrees to include these mitigation measures in the revised site plan, staff have no objection to the changes to the site plan.

Fiscal Impact

Funds Available Y/N: N/A

Amount Requested: N/A

Source of Funds: N/A

Account #: N/A

Fiscal Impact:

No fiscal impact

Attachments

Site Plan

Easement

Legal Description

7/22/24 - Planning Board - Staff Report

7/22/24 - Planning Board - Minutes

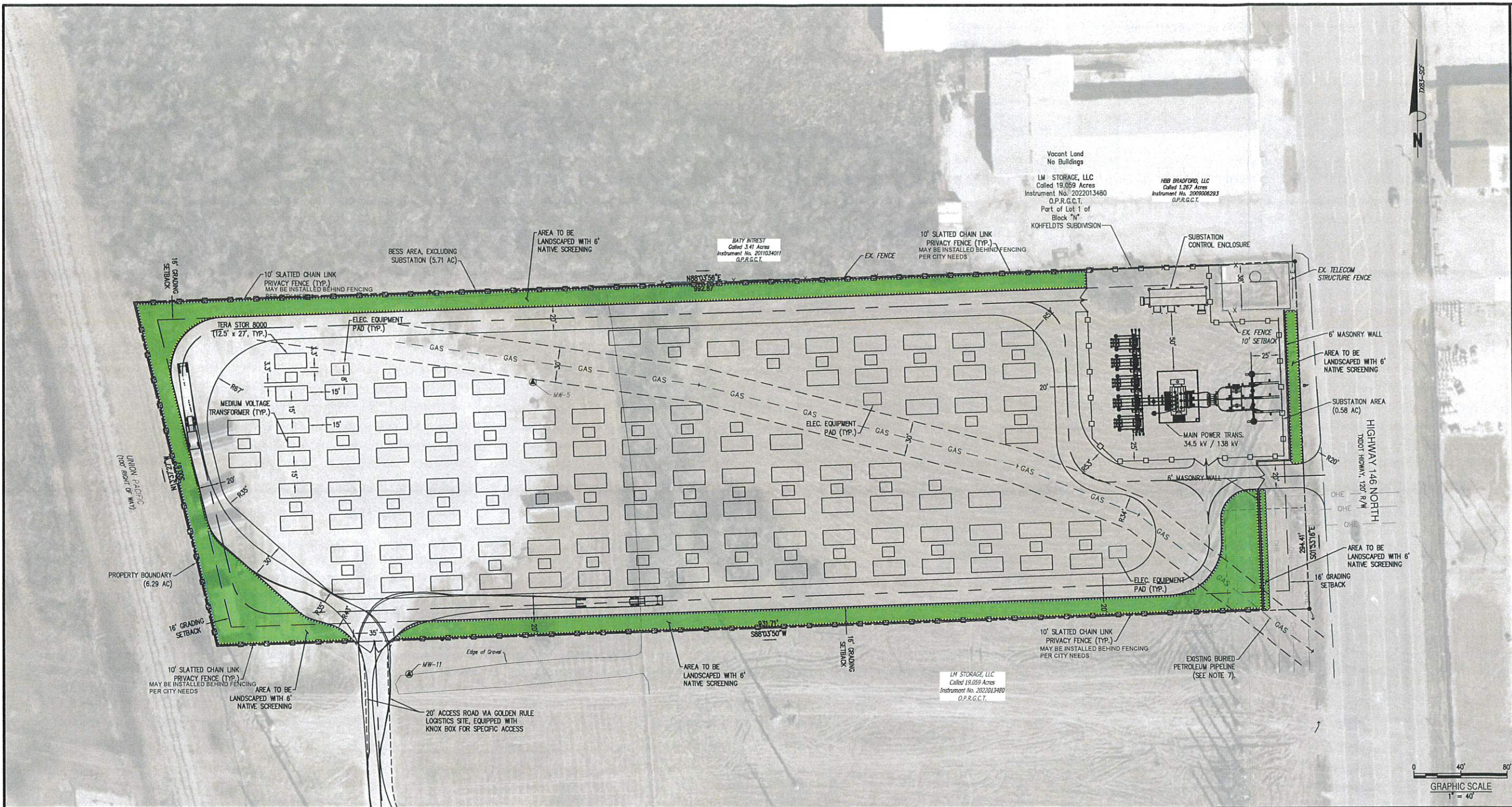
8/6/24 - Zoning Staff Report

8/6/24 - Zoning Minutes

3-10-26 - Planning Board Staff Report

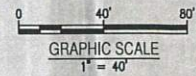
3D Renderings

April 7, 2026 Zoning Commission Minutes



NOT FOR CONSTRUCTION

SPECIAL EXCEPTION SITE PLAN
SOUTHERN SELECT BATTERY SITE
ALPHA OMEGA POWER
 GALVESTON COUNTY, TEXAS
 CITY OF TEXAS CITY

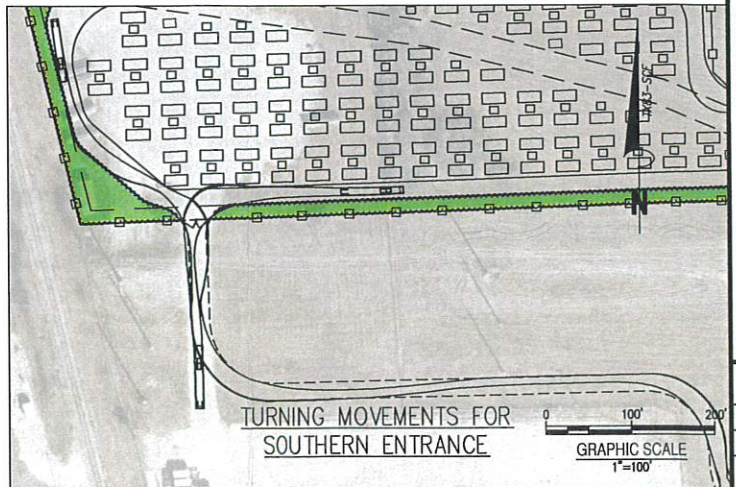
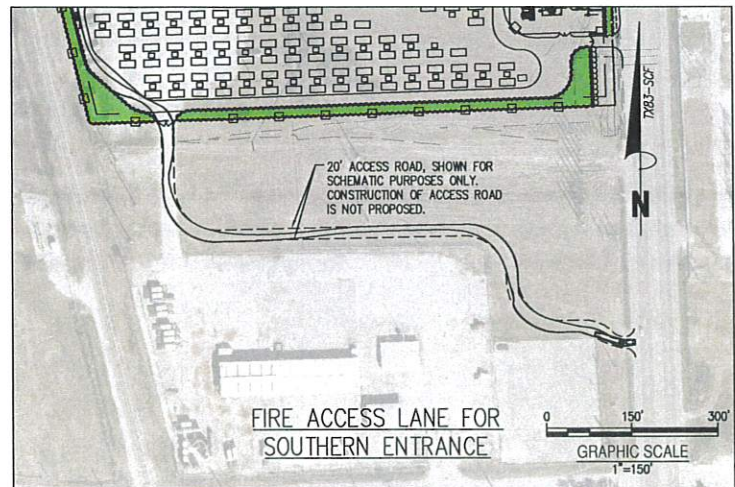


ENERGY STORAGE SYSTEM DESCRIPTION	
NAMEPLATE	205 MW / 410 MWH
PROPERTY AREA	6.29 ACRES
BESS AREA	5.71 ACRES
SUBSTATION AREA	0.58 ACRES

MAJOR EQUIPMENT LIST	
NUMBER OF TERA STOR 8000 SERIES, AC/CP 2 (205 MW / 410 MWH)	106
NUMBER OF EPC POWER 6M (INSIDE BESS UNITS)	106
NUMBER OF MEDIUM VOLTAGE TRANSFORMERS, RATED AT 7.5 MVA	53

- LEGEND:**
- PROPERTY LINE
 - 6" MASONRY WALL
 - FENCE
 - - - EXISTING SETBACK
 - - - CIVIL GRADING SETBACK
 - GAS PIPELINE
 - OVERHEAD POWER LINE GATE
 - MONITORING WELL
- ABBREVIATION LIST:**
- BESS - BATTERY ENERGY STORAGE SYSTEM
 - BOL - BEGINNING OF LIFE
 - EOL - END OF LIFE
 - POI - POINT OF INTERCONNECTION
 - TYP - TYPICAL

- NOTES:**
- THIS IS THE FINAL PERMITTING SITE PLAN, NOT FOR CONSTRUCTION. A SEPARATE DETAILED DESIGN PACKAGE SHALL INCLUDE ALL RELEVANT CIVIL, STRUCTURAL, SAFETY, AND ELECTRICAL DETAILS FOR CONSTRUCTION. EQUIPMENT QUANTITIES AND DIMENSIONS LISTED IN EQUIPMENT LIST ARE PROVIDED BY THE CLIENT AND HAVE NOT BEEN INDEPENDENTLY VERIFIED BY THE CONSULTANT.
 - THE SITE BOUNDARY ON THE EAST WILL HAVE A MASONRY WALL.
 - LANDSCAPING SHALL BE PROVIDED AT 15% OF THE SITE AREA, WHICH IS APPROXIMATELY 41,000 SF.
 - LAYOUT AS SHOWN WOULD BE CONSIDERED NEAR EXPOSURE UNDER THE GUIDELINES OF NFPA 855 AND IFC.
 - AUGMENTATION NOT INCLUDED ON LAYOUT.
 - ALL ACCESS AND DRIVING AREAS ARE PAVED WITH CONCRETE.
 - THE PIPELINE HAS BEEN ABANDONED AND THE GAS COMPANY IS IN THE PROCESS OF RELEASING THE EASEMENT.
 - BOTH ACCESS ROADS TO BE CONCRETE.
 - MONITORING WELLS HAVE BEEN DECOMMISSIONED.



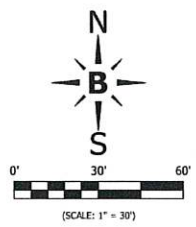
CONSTRUCTION REVISION SUMMARY			
NO.	DATE	DESCRIPTION	BY
A	07/05/24	ISSUED FOR REVIEW	TNC
B	07/06/24	ISSUED FOR SITE ACCEPTANCE PLAN	CAS
C	05/31/24	ISSUED FOR SITE ACCEPTANCE PLAN	TNC

DESIGN: TNC
 DRAWN: CAS
 CHECKED: TNC

JOB No. V:070747-01-0021
 DATE: Jul 11, 2024

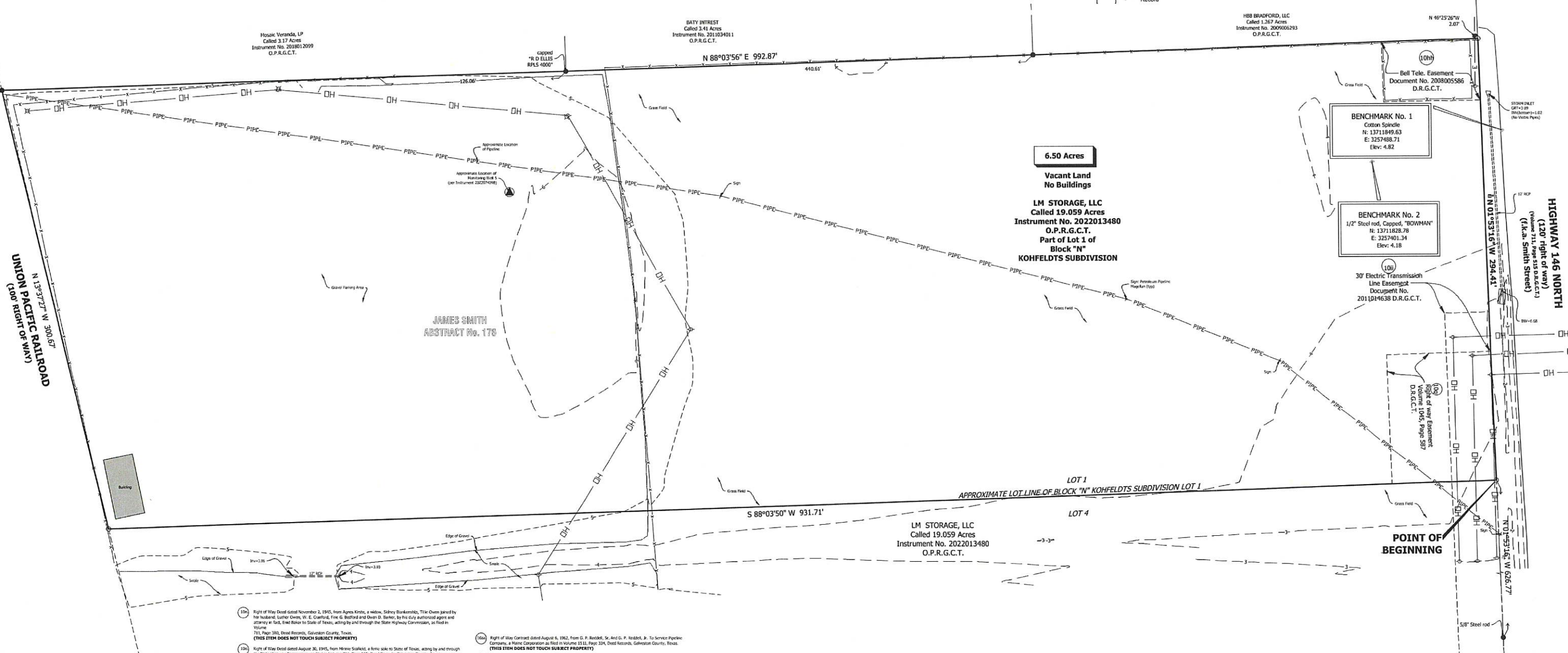
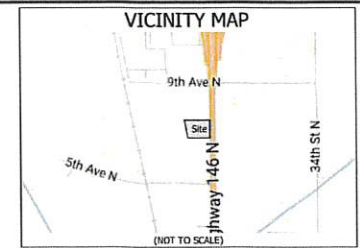
SHEET 1

ALTA/NSPS LAND TITLE SURVEY SOUTHERN SELECT SITE



LEGEND

- 1/2 Inch Steel Rod Capped "TRUE MERIDIAN" Found unless otherwise noted
- 1/2 Inch Steel Rod Capped "BOWMAN" Set
- X — Fence Line
- Aerial utility line
- ⚡ Power Pole
- ⊕ Monitoring Well
- O.P.R.G.C.T. — Official Public Records of Galveston County, Texas
- D.R.G.C.T. — Deed Records of Galveston County, Texas
- [] Record



EXCEPTIONS FROM COVERAGE

- Amtrust Title Insurance Company
Effective Date: October 4, 2023
Issued Date: October 20, 2023
File No. FW-61022-TX
- (10a) Oil and Gas Mineral Leases as filed in Volume 823, Page 121, Volume 828, Page 62, Volume 2090, Page 485, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT SURVEY RELATED)**
 - (10b) Right of Way Deed dated July 13, 1931, from Francis Graham and Mrs. Wila Graham, a widow to the Texas Pipeline Company, as filed in Volume 492, Page 498, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10c) Right of Way Contract dated July 26, 1933, from Minnie Gabels, a widow, and Francis Gabels to Standard Pipeline Company, a Delaware corporation as filed in Volume 487, Page 7, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10d) Right of Way Contract from Minnie Gabels, a widow and Francis Gabels, her son to Pan American Pipeline Company, a Delaware corporation as filed in Volume 547, Page 551, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10e) Pipeline Easement dated December 27, 1935, from Francis Graham and his wife, Mrs. M. Graham, a widow, to Bennett Cude Oil Marketing Company as filed in Volume 562, Page 6, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10f) Right of Way Agreement dated February 26, 1941, from Minnie Juvenia Scovel, a widow, to Pan American Pipeline Company, as filed in Volume 627, Page 554, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10g) Right of Way Agreement dated January 3, 1950, from Minnie Juvenia Scovel to Shell Pipeline Corporation as filed in Volume 893, Page 466, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10h) Right of Way Deed dated November 6, 1943, from Minnie Juvenia Scovel, a female sole to DeLima Plant Corporation, a corporation controlled by the United States of America as filed in Volume 628, Page 519, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**
 - (10i) Right of Way Deed dated November 6, 1943, from Minnie Juvenia Scovel, a female sole to DeLima Plant Corporation, a corporation controlled by the United States of America as filed in Volume 628, Page 519, Deed Records, Galveston County, Texas. **(THIS ITEM IS NOT PLOTTED, BLANKET IN NATURE)**

Legal Description

19.059 ACRES, MORE OR LESS, BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN GALVESTON COUNTY, TEXAS, BEING ALL OF LOT 4 AND PART OF LOT 1 IN SUBDIVISION "N" KOFHELDTS SUBDIVISION OF THE JAMES SMITH SURVEY, ABSTRACT 176, GALVESTON COUNTY, TEXAS, AS DESCRIBED IN THAT CERTAIN SPECIAL WARRANTY DEED WITH VENDOR'S LIES FROM KAG LEASING, INC., A DELAWARE CORPORATION TO LM STORAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, FILED OF RECORD IN DOCUMENT NO. 2022013480 OF THE OFFICIAL DEED RECORDS OF GALVESTON COUNTY, TEXAS. (CAD 1 & 2)

As-Surveyed Description

BEING all that tract of land located in the James Smith Survey, Abstract No. 176 in Galveston County, Texas, being part of Lot 1 in Subdivision "N" Kofheldts Subdivision, recorded in Volume 9, Page 101 of the Deed Records Galveston County Texas (D.R.G.C.T.) and being part of that called 19.059 acres of land as described in a deed to LM Storage, LLC as recorded in Instrument 2022013480 of the Official Public Records of Galveston County Texas (O.P.R.G.C.T.), and further described as follows:

BEGINNING at a 1/2 inch steel rod, capped "BOWMAN" set in the common line of 19.059 acres and the west right of way line of Highway 146 North, also being at the approximate common corner of Lot 1 and Lot 4 of the Kofheldts Subdivision, from which a 5/8 inch steel rod found, bears South 01 degrees 53 minutes 16 seconds East, a distance of 234.41 feet for reference;

THENCE South 88 degrees 03 minutes 56 seconds East a distance of 931.71 feet with the approximate lot line of Lot 1 and Lot 4 and through said 19.059 acres to a 1/2 inch steel rod, capped "BOWMAN" set at the southwest corner of here described tract of land and being in the common line of said 19.059 acres and the northwest line of Union Pacific Railroad;

THENCE North 13 degrees 37 minutes 27 seconds West a distance of 300.67 feet with said common line of said 19.059 acres and Union Pacific Railroad to a 1/2 inch steel rod found at the northwest corner of said 19.059 acres and being the southwest corner of that called 3.17 acres of land as described in a deed to HBB Bradford, LLC, as recorded in Instrument No. 2009005293 of said O.P.R.G.C.T.;

THENCE North 88 degrees 03 minutes 56 seconds East a distance of 992.87 feet with the common line of said 19.059 acres and said 3.17 acres passing the northeast line of said 3.17 acres and with that called 2.41 acres of land as described in a deed to Billy Interco, recorded in Instrument No. 2011034811 of said O.P.R.G.C.T. and with that called 1.357 acres of land as described in a deed to HBB Bradford, LLC, recorded in Instrument 2009005293 of said O.P.R.G.C.T. in a 1/2 inch steel rod, capped "BOWMAN" set at the intersection corner by the common line of said 19.059 acres and said 1.357 acres with the west right of way line of Highway 146 North, from which a 1/2 inch steel rod, capped True Meridian, found, bears North 46 degrees 25 minutes 26 seconds West, a distance of 2.07 feet for reference;

THENCE South 01 degrees 53 minutes 16 seconds East a distance of 234.41 feet with the common line of said 19.059 acres and the west right of way line of Highway 146 to the **POINT OF BEGINNING**, CONTAINING 6.50 ACRES OF LAND

ALTA/NSPS LAND TITLE SURVEY
5.00 ACRES OUT OF THE JAMES SMITH SURVEY,
ABSTRACT 176, GALVESTON COUNTY, TEXAS

BEING PART OF LOT 1, IN SUBDIVISION "N" KOFHELDTS SUBDIVISION OF THE JAMES SMITH SURVEY, ABSTRACT 176, GALVESTON COUNTY, TEXAS, AS DESCRIBED IN THAT CERTAIN SPECIAL WARRANTY DEED WITH VENDOR'S LIES FROM KAG LEASING, INC., A DELAWARE CORPORATION TO LM STORAGE, LLC, A TEXAS LIMITED LIABILITY COMPANY, FILED OF RECORD IN DOCUMENT NO. 2022013480 OF THE OFFICIAL DEED RECORDS OF GALVESTON COUNTY, TEXAS

Bowman
CENTRAL TEXAS | 3054 Franklin Ave., Ste. A, Waco, TX 76710
381.776.0539 | TITLE@BOWMAN.COM

1519 Job No.: 07047-01-002	Drawn By: REP
Sheet 1 of 1	Reviewed By: DWC
Property Address: 3030 5th Avenue North Lubbock, TX 77550	Prepared For: Alpha-Omega
To: Steward Title Guaranty Company:	
This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 2, 3, 4, 5, 7, 8, 11, 13, 14 and 15 of Table A thereof.	
The field work was completed on August 24, 2023.	
Date of Plat or Map: September 15, 2023	
Preliminary, this document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document.	
Darrin Wayne Dugan Registered Professional Land Surveyor Texas Registration No. 6894	
Purpose: Date of Release: _____, 2021	
The survey may only be used for the original transaction for which it was conducted. Digital or photostatic reproductions of this survey may not be used for subsequent transactions. This survey is only valid with the presence of a sealed impression seal.	

After recording return to:

Simon Labrosse
Alpha Omega Power Holding LLC
4201 Main St, Suite 200-145
Houston, Texas 77002

ACCESS EASEMENT AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF GALVESTON §

THIS ACCESS EASEMENT AGREEMENT (this "Agreement") is made, dated and effective as of July 22nd, 2024 (the "Effective Date"), between LM Storage LLC, a Texas limited liability company (together with its successors, assigns and heirs, "Owner"), and Alpha Omega Power, LLC, a Delaware limited liability company (together with its transferees, successors and assigns, "Grantee"), and in connection herewith, Owner and Grantee agree, covenant and contract as set forth in this Agreement. Owner and Grantee are sometimes referred to in this Agreement as a "Party" or collectively as the "Parties".

RECITALS

WHEREAS, Owner owns certain real property located in Galveston County, Texas, described or depicted on Exhibit A, attached hereto and incorporated herein (the "Property"),

WHEREAS, Grantee is developing and intends to construct and operate a battery energy storage development project or projects (the "Project") in the vicinity of or adjacent to the Property, as more particularly described or depicted on Exhibit C, attached hereto and incorporated herein (the "Project Property");

WHEREAS, Grantee desires to obtain an access easements and related rights over that certain portion of the Property more particularly described or depicted on Exhibit B ("Easement Area") in order to access the Project Property across the Easement Area and facilitate the development, construction, operation of the Project, and Owner desires to grant such easement and rights on the terms and conditions set forth herein;

NOW, THEREFORE, for Ten Dollars (\$10.00) and in consideration of the mutual promises of the Parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENTS

1. Grant of Easement. Owner hereby grants to Grantee a permanent easement on, above, along, under, and across, the surface of the Easement Area ("Easement") as more specifically set forth and defined as follows:

A. Conveyance.

i. Access Easement. Owner hereby conveys, transfers and warrants to Grantee, and its employees, contractors, subcontractors, agents, successors and assigns (and for the benefit of and useable by the local fire department and emergency services, and their vehicles, employees, contractors, subcontractors, agents, successor and assigns) a non-exclusive easement ("Access Easement") for the purpose of: (i) vehicular and pedestrian access, including but not limited to a secondary fire access lane, to and from, and ingress to and egress from, the Property Project and Highway 146; (ii) an exclusive right to construct a roadway and driveways, as needed, over and along the Easement Area; (iii) install and maintain knock box for the use of the local fire department to be unlocked as needed; and (iv) the right to undertake any such purposes or other activities that Grantee determines are necessary, useful or appropriate to accomplish any of the purposes or uses set forth in this Agreement or that are compatible with such purposes or uses. Owner acknowledges and agrees that the exact location of the Access Easement may not be determined until final development and construction, and that Grantee may relocate the location and route of the Access Easement. In the event Grantee desires to change the location and route of the Access Easement, Grantee shall consult with Owner before making final siting decisions; provided that, Owner agrees that Grantee shall have sole discretion over final siting decisions so long as the nature and extent of any such relocated or rerouted Access Easement is not materially different and imposes no greater burden on the Property than the original proposed locations or routes.

ii. Clearance Easement. Owner hereby grants, conveys, transfers and warrants to Grantee an exclusive easement and right (the "Clearance Easement") to trim, cut down and remove all trees (whether natural or cultivated), brush, vegetation, and other hazards now or hereafter existing in the Easement Area and to trim, cut down and remove any trees, brush, vegetation or fire or other hazards located outside of the Easement Area now or hereafter, which might interfere with Grantee's rights hereunder, as determined by Grantee. Owner will not, nor will cause Owner's lessees on the Property to, materially interfere the Access Easement Area.

iii. Easement In Gross. The Easement and other rights granted by Owner in this Agreement are EASEMENTS IN GROSS for the benefit of Grantee, its successors and assigns, there being no real property benefiting from the easements and other rights granted in this Agreement, such easements and other rights being independent of any other lands or estates or interests in lands. The Easement and this Agreement shall further run with the land for the Easement Area and Grantor does hereby bind itself and its successors and assigns to the terms of this Agreement.

2. Term.

A. Term. The term of this Agreement shall be perpetual (the "Term"), subject to rights of termination set forth in this Paragraph 2.

B. Grantee Termination. Grantee may, at Grantee's sole discretion and at any time, terminate and release all or any portion of its right, title, and interest in the Easement Area, by executing and causing to be acknowledged and recorded in the real property records, a release describing with particularity the portion of such right, title, or interest so released and the part of the Easement Area to which it applies. Such release shall become effective and shall be deemed delivered to and accepted by Owner upon such recordation. Upon any such release by Grantee, the Parties' respective rights and obligations hereunder shall cease as to the portion of the Easement Area or the right, title, or interest therein to which such release applies, but the Parties' respective rights and obligations hereunder shall remain in full force and effect as to any other portions of the Easement Area and any right, title, and interest of Grantee not so released. Notwithstanding anything to the contrary, from the construction commencement date of the Project until the removal of the Project's facilities, Grantee will not terminate this Agreement without the prior written consent of Texas City (which consent

shall be granted as long as the fire safety purposes are no longer applicable). Grantee may, without needing any consent from Texas City, terminate this Agreement at any time before Project facilities are located on the Property or at any time after Project facilities are removed from the Property.

3. Owner's Representations, Warranties and Covenants. Owner hereby represents, warrants and covenants as follows:

A. Owner's Authority. Owner is the sole owner of the Easement Area, has good and indefeasible title to the Easement Area, and has the unrestricted right and authority to execute this Agreement and to grant to Grantee the rights granted under this Agreement. Each person signing this Agreement on behalf of Owner is authorized to do so, and all persons having any ownership interest in the Easement Area are signing this Agreement as Owner. Grantee shall have the right to quietly and peaceably hold, possess, and enjoy the Easement, without hindrance, and Owner shall defend Grantee's right of use and occupancy to the same against the claims of all persons. When executed by Owner, this Agreement constitutes a valid and binding agreement enforceable against Owner in accordance with its terms.

B. No Interference. Owner shall not, nor allow any other party to, interfere with Grantee's use of the Easement Area for the purposes described in this Agreement or Grantee's rights under this Agreement. Without limiting the foregoing, Owner shall not, within the Easement Area erect or install any buildings, structures, tanks, antennas, or other improvements; place or store flammable materials; plant trees; place water, sewer, or drainage facilities; or alter the elevation of the existing ground surface.

C. Cooperation. From time to time, Grantee may request that, and Owner shall not unreasonably delay or withhold agreement to, assist and cooperate with Grantee, so long as Owner is reimbursed for its out-of-pocket expenses therefor, in reasonably amending this Agreement as required for the financing, construction, installation, replacement, relocation, maintenance, operation or removal of the Project. Owner shall reasonably cooperate with Grantee or any potential lender or mortgagee, title insurance company, hedge provider, power purchaser, tax equity investor, assignee or any other similar entity (collectively "Requestor") in the execution and delivery of such consents, stoppage certificates and other documents as Grantee or any Requestor may reasonably request, including, without limitation, any instruments reasonably required to evidence such Requestor's rights under this Agreement.

D. Liens. Except as disclosed in the official land title records office of the county in which the Easement Area is located (the "Records Office"), or as disclosed in writing by Owner to Grantee prior to the Effective Date, Owner's fee simple title to the Easement Area is free and clear of all liens, encumbrances, easements, leases, mortgages, deeds of trust, security interests, mineral, oil or gas rights, rights of first refusal, options to purchase, contracts, energy development rights, claims and disputes (collectively, "Liens"). Grantee shall be entitled to obtain, and Owner shall fully cooperate with and assist Grantee in obtaining, a subordination agreement, non-disturbance agreement or other appropriate agreement from each party holding a Lien that might interfere with Grantee's rights under this Agreement, at no out of pocket expense to Owner.

E. Hazardous Materials. To the best of Owner's knowledge, as of the Effective Date, there are no Hazardous Materials located on the Property or Easement Area and the Property has not been used for the generation, treatment, storage or disposal of Hazardous Materials, no underground storage tanks have ever been located on the Property nor are any underground storage tanks presently located on the Property. So long as this Agreement is in place Owner shall not violate, and shall indemnify Grantee against any violation by Owner or any Owner Party of, any federal, state or local law, ordinance or regulation relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any Hazardous Materials, in, on, under or about the Property or Easement Area, including without limitation any such violation which may have occurred by Owner or any other person prior to the Effective Date. Owner's violation of the foregoing prohibition shall constitute a material breach and default under this Agreement and Owner shall indemnify and hold harmless and defend Grantee from and against any claims, damages, penalties, liabilities or costs caused by or arising out of said violation. In

conformance with the requirements of applicable law, Owner shall clean up, remove, remedy and repair any soil or ground water contamination and damage caused by the release or disposal of any Hazardous Materials by Owner or any Owner Party in, on, under, or about the Property or Easement Area.

F. Confidentiality. Owner shall maintain in the strictest confidence, for the benefit of Grantee, all information pertaining to the financial terms of or payments under this Agreement, Grantee's site or product design, methods of operation, methods of construction, availability of the Project Facilities, and the like, whether disclosed by Grantee, or discovered by Owner, unless such information either (i) is in the public domain by reason of prior publication through no act or omission of Owner or any Owner Party, or (ii) was already known to Owner at the time of disclosure and which Owner is free to use or disclose without breach of any obligation to any person or entity. Owner shall not use such information for its own benefit, publish or otherwise disclose it to others, or permit its use by others for their benefit or to the detriment of Grantee. Notwithstanding the foregoing, Owner may disclose such information to Owner's lenders, attorneys, accountants and other personal advisors; any prospective purchaser of the Property; or pursuant to lawful process, subpoena or court order; provided Owner in making such disclosure advises the party receiving the information of the confidentiality of the information and obtains the agreement of said party not to disclose the information.

4. Reservation of Rights. Owner reserves for Owner and Owner's heirs, successors, and assigns the right to continue to use and enjoy the Easement Area for all purposes that do not unreasonably interfere with or interrupt the use or enjoyment of the Easement by Grantee for the Easement Purpose.

5. Default; Remedies. If a Party (the "Defaulting Party") fails to perform an obligation under this Agreement (an "Event of Default") such Defaulting Party shall not be in default of the terms of this Agreement if, (a) in the case of the failure to pay when due any amounts payable under this Agreement (a "Monetary Default") the Defaulting Party pays the past due amount within forty-five (45) days after receiving written notice of the Event of Default (a "Notice of Default") from the other Party (the "Non-Defaulting Party"), and (b) in the case of an Event of Default other than a Monetary Default (a "Non-Monetary Default"), the Event of Default is cured within ninety (90) days after receiving the Notice of Default; provided, that if the nature of the Non-Monetary Default requires, in the exercise of commercially reasonable diligence, more than ninety (90) days to cure then the Defaulting Party shall not be in default as long as it commences performance of the cure within ninety (90) days and thereafter pursues such cure with commercially reasonable diligence. Should an Event of Default remain uncured by the Defaulting Party the Non-Defaulting Party shall have and shall be entitled to at its option and without further notice, but subject to the limitations set forth in the last sentence of this paragraph, to exercise any remedy available at law or equity, including, without limitation, a suit for specific performance of any obligations set forth in this Agreement or any appropriate injunctive or other equitable relief, or for damages resulting from such default (including, without limitation, the cost of obtaining alternative easements). Both Parties agree that remedies at law may be inadequate to protect against any actual or threatened breach of this Agreement. In the event of any breach or threatened breach, either Party shall have the right to apply for the entry of an immediate order to restrain or enjoin the breach and otherwise specifically to enforce the provisions of this Agreement. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, or any rights at law or in equity, in no event shall any default or breach of this Agreement, or any failure to perform any obligations under this Agreement, terminate, or entitle any Party to terminate, this Agreement or any Easement or right granted hereunder. Without limiting the foregoing, no Party may terminate this Agreement, except as expressly described in Paragraphs 2(B) of this Agreement.

6. Assignment. Grantee shall have the right, without Owner's consent, to: (i) encumber, hypothecate, mortgage, pledge, or otherwise finance the Easement (including by mortgage, deed of trust or personal property security instrument) all or any portion of its right, title, or interest under this Agreement, the Easement, and/or the Project to any mortgagee as security for the repayment of any indebtedness and/or the performance of any mortgage (each an "Easement Mortgage"); (ii) grant co-easements, separate easements, sub-easements, licenses, leases, or similar rights (however denominated) to one or more persons

or entities (each an "Assignee"); and (iii) sell, convey, lease, assign, mortgage, encumber, hypothecate or transfer to one or more Assignees or Easement Mortgagees any or all right or interest of Grantee in all or any portion of this Agreement, the Easement Area, or the Easement. Owner shall be provided with a copy of each assignment. No Owner consent shall be required for any change in ownership of Grantee; no Owner consent shall be required for any grant, sale, lease, conveyance or assignment by any lender or mortgagee following foreclosure of such lender or mortgagee of its rights in this Agreement and/or the Easement. All assignees will be subject to all of the obligations, covenants and conditions applicable to the Grantee under this Agreement. Upon Grantee's assignment of its entire interest under this Agreement as to all or any portion of the Easement, or as may otherwise be provided in the applicable grant, sale, lease, conveyance or assignment document, Owner shall recognize the assignee as Grantee's proper successor, the assignee shall have all of the assigned rights, benefits and obligations of Grantee under and pursuant to this Agreement, and Grantee shall be relieved of all of its obligations relating to the assigned interests under this Agreement that relate to acts or omissions which occur or accrue following the effective date of such grant, sale, lease, conveyance or assignment.

7. Cure; Rights of Easement Mortgagee. If Grantee has provided notice to Owner of an Easement Mortgagee, then:

A. Owner and Grantee will not modify, cancel, or terminate this Agreement without the prior written consent of the Easement Mortgagee;

B. Upon any default by Grantee under this Agreement, Owner shall concurrently deliver a copy of the applicable Notice of Default to Grantee and any Easement Mortgagee;

C. The Easement Mortgagee shall have the right, but not the obligation: (i) to do any act or thing required to be performed by Grantee under this Agreement, and any such act or thing performed by an Easement Mortgagee shall be as effective to prevent a default under this Agreement as if done by Grantee, and (ii) to cure any default under this Agreement; and

D. Prior to exercising any right under this Agreement resulting from a default by Grantee, Owner shall give any Easement Mortgagee the same time period as Grantee after receipt of Notice of Default to remedy the default, or cause the same to be remedied, plus, in each instance, the Easement Mortgagee shall have an additional time period of forty-five (45) days to complete such cure.

8. Indemnity. Grantee, to the extent allowed by law, hereby binds itself, its successors and assigns, to indemnify and hold Owner, and Owner's heirs, personal representatives and assigns, harmless from any and all claims, demands and causes of action of any kind or character ("Owner Claims") asserted against Owner, and Owner's heirs, personal representatives, and assigns to the extent that any such Claim is caused by or is the result of (i) the negligent acts and/or omissions of Grantee and its agents and employees, in connection with the exercise of any right or privilege hereunder; and (ii) any condition created, maintained or suffered to exist on or about the Easement Area to the extent same is due to the negligent acts or omissions of Grantee and its agents and employees. This indemnity shall survive termination of this Agreement. In no event shall Grantee be responsible for defending, indemnifying or holding harmless Owner to the extent of any Claim caused by, arising from the negligence or willful misconduct of Owner or Owner's employees, contractors, subcontractors, agents or representatives. Owner, to the extent allowed by law, hereby binds itself, its successors and assigns, to indemnify and hold Grantee, and Grantee's heirs, personal representatives and assigns, harmless from any and all claims, demands and causes of action of any kind or character ("Grantee Claims") asserted against Grantee, and Grantee's heirs, personal representatives, and assigns to the extent that any such Claim is caused by or is the result of (i) the negligent acts and/or omissions of Owner and its agents and employees, in connection with the exercise of any right or privilege hereunder; (ii) any breach by Owner of the terms and conditions of this Agreement; and (iii) any condition created, maintained or suffered to exist on or about the Easement Area to the extent same is due to the negligent acts or omissions of Owner and its agents and employees. This indemnity shall survive termination of this Agreement. In no

event shall Owner be responsible for defending, indemnifying or holding harmless Grantee to the extent of any Claim caused by, arising from the negligence or willful misconduct of Grantee or Grantee's employees, contractors, subcontractors, agents or representatives.

9. Recording of Agreement. Grantee shall cause the recordation of a duplicate original of this Agreement in the Official Public Records where the Easement Area is located promptly after execution of this Agreement.

10. Legal Description. In the event that it is determined that there are any inaccuracies in or changes required to the legal descriptions in Exhibit A, Exhibit B or Exhibit C of this Agreement, the validity of this Agreement shall not be affected, and, upon the request of Grantee, Owner and Grantee shall change the legal descriptions for such Exhibit(s) to reflect the final, as-built legal description of the Property contained in a survey, title commitment or other title report obtained by Grantee for the Easement Area (including without limitation recording an amendment of this Agreement) and/or to reflect updated more precise descriptions of the applicable land areas.

11. Notices. Any notice required or permitted under this agreement must be in writing. Any notice required by this Agreement will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Agreement. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any Party may change its address for purposes of this paragraph by giving written notice of such change to the other parties in the manner provided in this paragraph. The names and addresses for the service of notices, requests, deliveries, or consents referred to in this Paragraph 11 are:

If to Owner:

Deano Merrigan
LM Storage LLC
5309 Gulf Freeway
La Marque, TX 77002

If to Grantee:

Simon Labrosse
Alpha Omega Power Holding LLC
4201 Main St, Suite 200-145
Houston, Texas 77002

12. Partial Invalidity. Should any provision of this Agreement be held, in a final and unappealable decision by a court of competent jurisdiction, to be either invalid, void, or unenforceable, the remaining provisions hereof shall remain in full force and effect, unimpaired by the holding.

13. Estoppel Certificates. Owner shall execute such estoppel certificates certifying as to such matters as Grantee or any Requestor may reasonably request, including, without limitation, that no default then exists under this Agreement, if such be the case. The failure of Owner to deliver any signed estoppel certificate, whether such estoppel certificate indicates agreement or disagreement with the accurateness of the certificate, within ten (10) days after Grantee's or any Requestor's written request therefor shall be conclusive evidence that (i) this Agreement is in full force and effect and has not been modified; (ii) any amounts payable by Grantee to Owner have been paid through the date of such written request; (iii) there are no uncured events of default by Grantee; and (iv) the other certifications requested by Grantee or any Requestor in its estoppel, are in fact, true and correct.

14. Binding Effect. This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns.

15. Legal Matters. This Agreement shall be governed by and interpreted in accordance with the laws of the state in which the Easement Area is located. If the Parties are unable to resolve amicably any

dispute arising out of or in connection with this Agreement, they agree that such dispute shall be resolved in the state district courts with jurisdiction over the county in which any portion of the Easement Area is located. The Parties agree that any rule of construction to the effect that ambiguities are to be resolved in favor of either Party shall not be employed in the interpretation of this Agreement and is hereby waived. The prevailing party in any action or proceeding for the enforcement, protection, or establishment of any right or remedy under this Agreement shall be entitled to recover its reasonable attorneys' fees and costs in connection with such action or proceeding from the non-prevailing party.

16. Headings. The headings of the paragraphs of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part thereof.

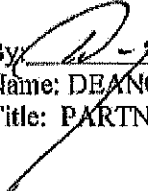
17. Counterparts. This Agreement may be executed in any number of counterparts and evidenced by facsimile and/or electronic scanned signature with the same effect as if all signatory parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

[signatures on following page]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date.

OWNER:

LM Storage LLC,
a TEXAS limited liability company

By: 
Name: DEANO MERRIGAN
Title: PARTNER

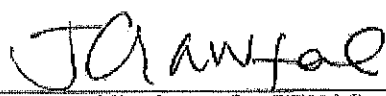
ACKNOWLEDGMENT

THE STATE OF TEXAS
COUNTY OF GALVESTON

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This instrument was acknowledged before me on this 22nd day of JULY, 2024, by DEANO MERRIGAN, PARTNER of LM Storage LLC, a TEXAS limited liability company, on behalf of such limited liability company.




Notary Public, State of TEXAS

My commission expires:
03/17/2026

GRANTEE:

Alpha Omega Power, LLC,
a Delaware limited liability company

By: [Signature]
Name: Paul Choi
Title: CEO

ACKNOWLEDGMENT

STATE OF Texas
COUNTY OF Harris

This instrument was acknowledged before me on the 30 day of JULY, 2024 by Paul Choi, CEO of Alpha Omega Power, LLC, a Delaware limited liability company, on behalf of such limited liability company.

[SEAL]

[Signature]
Notary Public in and for the State of TEXAS
My commission expires: 07/14/2026

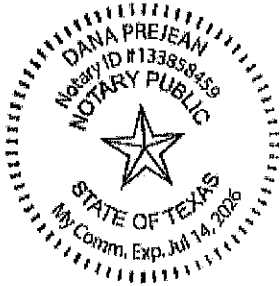


EXHIBIT A
Description and Depiction of the Property

[Pursuant to the terms of the Agreement, the description of the Property contained on this Exhibit A shall, upon request by Grantee, be replaced with a more detailed description approved by Grantee and its Title Company or surveyor]

THE FOLLOWING REAL PROPERTY LOCATED IN THE COUNTY OF GALVESTON, STATE OF TEXAS:

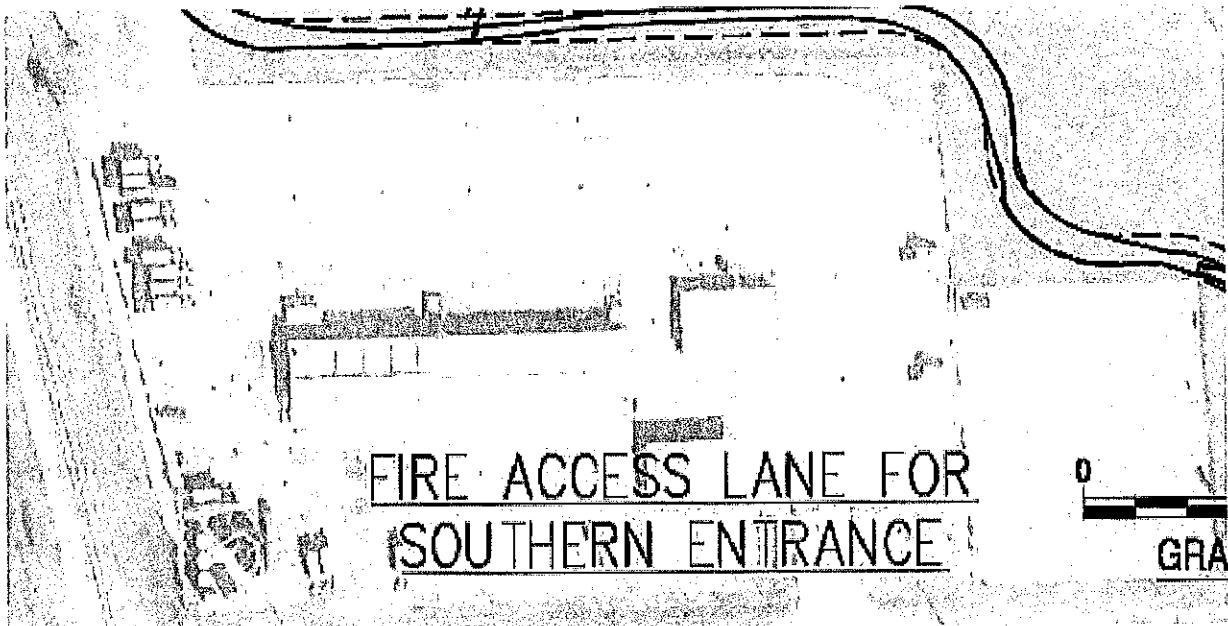


EXHIBIT B
Description and Depiction of the Easement Area

[Pursuant to the terms of the Agreement, the description of the Easement Area contained on this Exhibit B shall, upon request by Grantee, be replaced with a more detailed description approved by Grantee and its Title Company or surveyor.]

THE FOLLOWING REAL PROPERTY LOCATED IN THE COUNTY OF GALVESTON, STATE OF TEXAS:

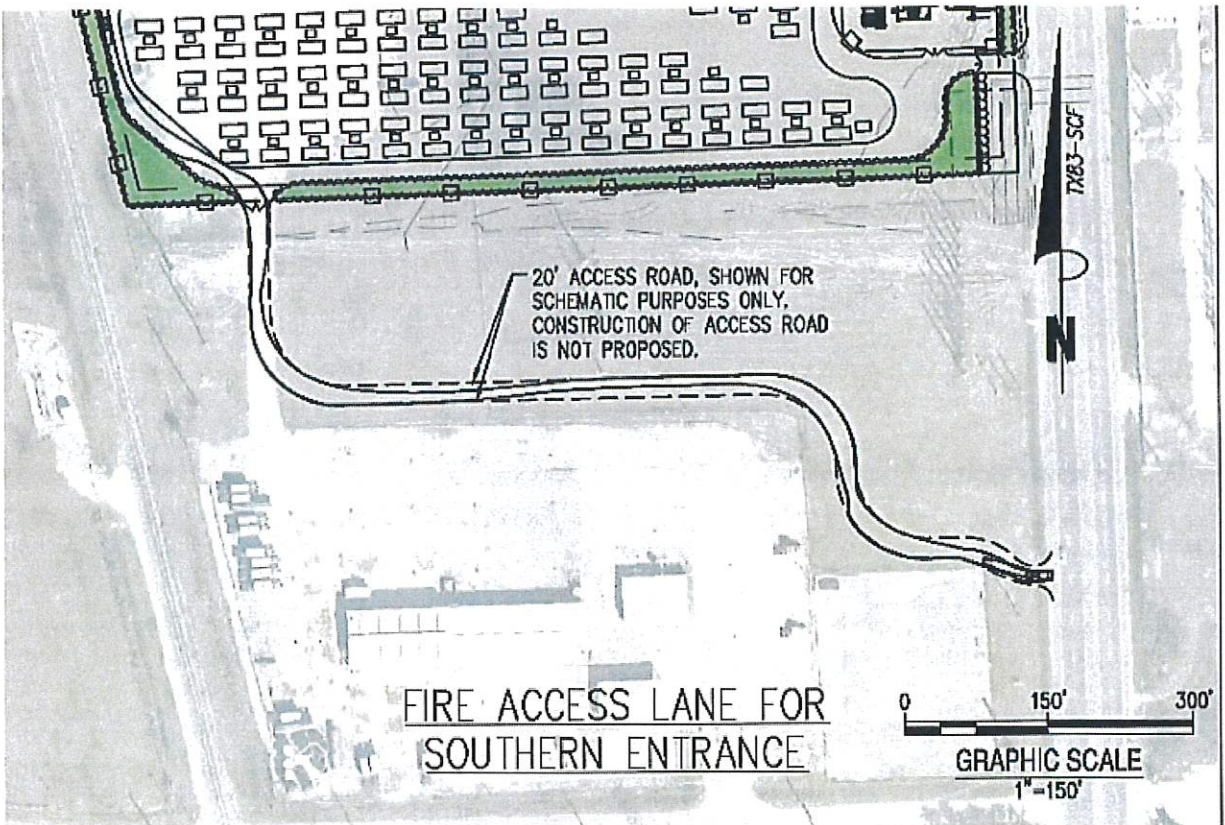


EXHIBIT C

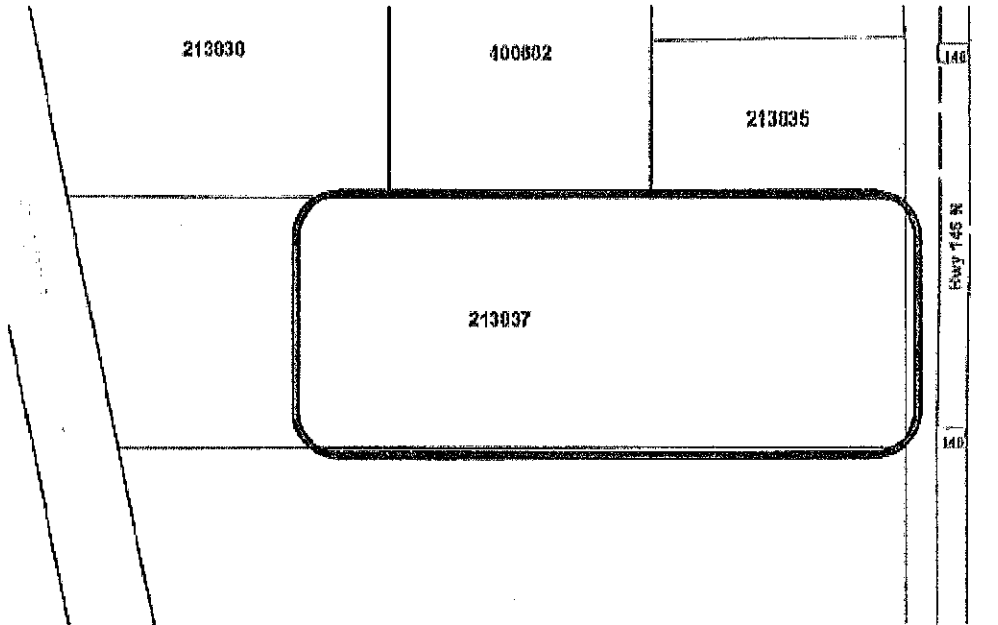
[Pursuant to the terms of the Agreement, the description of the Project Property contained on this Exhibit C shall, upon request by Grantee, be replaced with a more detailed description approved by Grantee and its Title Company or surveyor]

Description and Depletion of the Project Property

THE FOLLOWING REAL PROPERTY LOCATED IN THE COUNTY OF GALVESTON, STATE OF TEXAS:

Overall Premises: A certain tract with County Appraisal District Tract ID#213837 of approximately 6.5 acres.

Property: A certain tract with approximately 5 acres, including approximately 4 Unencumbered Constructible Acres adjacent to the Highway 146 on the Eastern side of the property. Property is approximately delineated in the red rectangle below



BEING all that tract of land located in the James Smith Survey, Abstract No. 176 in Galveston County, Texas, being part of Lot 1 in Subdivision "N" Kohfeldt's Subdivision, recorded in Volume 9, Page 101 of the Deed Records Galveston County Texas (D.R.G.C.T.) and being part of that called 19.059 acres of land as described in a deed to L.M. Storage, LLC as recorded in Instrument 2022013480 of the Official Public Records of Galveston County Texas (O.P.R.G.C.T.), and further described as follows:

BEGINNING at a 1/2 inch steel rod, capped "BOWMAN" set in the common line of 19.059 acres and the west right of way line of Highway 146 North, also being at the approximate common corner of Lot 1 and Lot 4 of the Kohfeldt's Subdivision, from which a 5/8 inch steel rod found, bears South 01 degrees 53 minutes 16 seconds East, a distance of 626.77 feet for reference;

THENCE South 88 degrees 03 minutes 50 seconds West a distance of 931.71 feet with the approximate lot line of Lot 1 and Lot 4 and through said 19.059 acres to a 1/2 inch steel rod, capped "BOWMAN" set at the southwest corner of here described tract of land and being in the common line of said 19.059 acres and the northwest line of Union Pacific Railroad;

THENCE North 13 degrees 37 minutes 27 seconds West a distance of 300.67 feet with said common line of said 19.059 acres and Union Pacific Railroad to a 1/2 inch steel rod found at the northwest corner of said 19.059 acres and being the southwest corner of that called 3.17 acres of land as described in a deed to Mosaic Veranda, LP, recorded in Instrument No. 2018012099 of said O.P.R.G.C.T.

THENCE North 88 degrees 03 minutes 56 seconds East a distance of 992.87 feet with the common line of said 19.059 acres and said 3.17 acres passing the northeast line of said 3.17 acres and with that called 3.41 acres of land as described in a deed to Baty Interest, recorded in Instrument No. 2011034011 of said O.P.R.G.C.T. and with that called 1.267 acres of land as described in a deed to HBB Bradford, LLC recorded in Instrument 2009006293 of said O.P.R.G.C.T., to a 1/2 inch steel rod, capped "BOWMAN" set at the intersection former by the common line of said 19.059 and said 1.267 acres with the west right of way line of Highway 146 North, from which a 1/2 inch steel rod, capped True Meridian, found, bears North 46 degrees 25 minutes 26 seconds West, a distance of 2.07 feet for reference;

THENCE South 01 degrees 53 minutes 16 seconds East a distance of 294.41 feet with the common line of said 19.059 acres and the west right of way line of Highway 146 to the **POINT OF BEGINNING, CONTAINING 6.50 ACRES OF LAND**



Texas City

EST. 1911

ENGINEERING & PLANNING

STAFF REPORT

To: Planning Board – Regular Meeting – July 22, 2024

From: Kim Golden, P.E., City Engineer *KG*

CC: Doug Kneupper, P.E.

Date: July 19, 2024

Re: Southern Select Energy Storage Project (BESS) – 701 Hwy 146 N

Background: The applicant is Alpha Omega Power, LLC. The proposed project will encompass approximately 5.71 acres on 6.29 acres of vacant land. The location of the project is on the west side of S.H 146 N and north of the existing Golden Logistics. The property owner is LM Storage, LLC. The property is zoned District F. The project proposes to develop up to 106 lithium-ion containers for 205MW, 410MWh capacity at the site.

Requested Action: The applicant is requesting approval of a Detailed Site Plan for development of an electric power generating station utilizing lithium-ion battery energy storage system. The application is being processed as a District SP (Site Plan) rezoning consistent with Section 160.051(A)(1)(f) *provide for the development of specific uses which are not normally found in zoning districts, and (h) provide additional information and regulatory controls concerning the proposed use or uses for the protection of the public health, safety, morals and general welfare of the community.* Planning Board recommendation will be presented to the Zoning Commission and City Commission as required for the District SP rezoning.

Staff Review and Recommendation: The project will include up to 106 individual battery containers for 205MW, 410MWh two-hour capacity at the site. The two-hour designation is in reference to the time to fully charge and fully discharge under standardized conditions.

This proposed BESS installation is approximately 20times larger in battery capacity than the previously approved BESS installations. The site is also physically much larger than the previously approved. This site is 6.29 acres with 5.71 acres in use for batteries, as compared to the two previously approved projects which were 0.48 acres and 1.5 acres respectively.

PROPOSED SITE IMPROVEMENTS - The Site improvements will include a 20ft concrete perimeter fire lane with access to all containers and two access roads as required by the Fire Marshal, security fencing, and landscaping of at least 6ft in height to provide screening of the battery containers from S.H. 146. The fencing along SH 146 will be a 6ft masonry wall. Container spacing has been adjusted to the

"the place where COMMUNITY MATTERS"

1801 9th Avenue North * P.O. Drawer 2608 * Texas City, TX 77592-2608

(409) 948-3111 * www.texascitytx.gov

15ft minimum required by the Fire Marshal. In addition to the generating station, offsite improvements include electric transmission infrastructure that connects to Texas-New Mexico Power facilities in the vicinity. No water or sewer will be needed for this development. Site drainage will be accomplished using an on-site collection system that outfalls into the adjacent drainage systems.

EXISTING SITE - The project site is part of the former ETC Texas City Trucking Terminal. The site has been determined to have certain environmental concerns affecting the groundwater. Specifically, a barium plume. Monitoring wells have been established and were monitored for a required amount of time. Applicant has indicated and provided documentation that the monitoring has been concluded and the wells have been or will be removed. The location of the monitoring wells have been indicated on the site plan. As part of an approved Response Plan, the property is subject to a deed restriction which limits its use to commercial/industrial use. A Revised Response Action Plan dated June 9, 2021 and prepared for the previous owner, Enterprise Logistic Services, LLC, to provide to TCEQ, represented expected future use to remain a trucking facility. A copy of the Revised Action Plan will be included in the agenda packet with this staff report.

ADJACENT PROPERTIES - The adjacent property to the north is Baker Distributing Company at 801 SH 146. The adjacent property to the south is burdened with an easement to TNMP for the location of transmission poles and wires. No survey has been provided, but the width of the easement when scaled with the Google Maps tool indicates a width of approximately 200ft. However, the existence of overhead power lines in close proximity to the location should be noted. Immediately south and adjacent to the TNMP easement is the Golden Rule Logistics, another distribution entity. Golden Rule Logistics is a tenant on the property. Records show the property south of the proposed site to have common ownership, LM Storage, LLC, with the subject location. It is understood the project owner, Alpha Omega Power, LLC, will also be a tenant. The property is bounded on the west by the railroad. Gulf Coast Water Authority owns the vacant property which is immediately west of the railroad. The site is bounded on the east by S.H. 146. The TNMP substation is located immediately east of SH 146.

TNMP HEIGHTS SUBSTATION - The applicant's submission includes the following information regarding the location in proximity to the TNMP Heights Substation:

The project location near the TNHeights substation was chosen based on detailed power flow analysis of the transmission system within TNMP service area. This analysis identified the TNHeights substation as an ideal candidate for a utility-scale BESS, providing sufficient injection capacity while remaining close to TNMP critical load centers. Injection capacity is a metric used to show how much electrical power (in MW) can be transmitted into a point of interconnection, such as a substation.

The [attached map] shows the individual injection capacity for four of the largest substations within city limits. The TNHeights substation has the

highest injection capacity (over 800MW), making it the ideal point of interconnection for multiple BESS projects to support regional grid reliability and electricity demand. Currently, one BESS project is operational at the TNHeights substation (BRP Heights, 10MW project), while three others are in queue to interconnect (Zeya 256MW, IEP Blackhawk 100 MW, and Southern Select 100MW). The combined capacity of these four projects (466MW) is well below the available injection capacity of the substation, indicating the substation is capable of supporting multiple BESS projects.

BATTERY CHEMISTRY - The application indicates an intent to use LFP (lithium iron phosphate) battery cells which is the less cell chemistry which current available information indicates may be less prone to thermal runaway than the NMO (nickel manganese cobalt) battery cells. Applicant has not indicated the specific cell manufacturer nor the specific manufacturer that will be providing the assembled containers for installation.

FLOOD PLAIN/COASTAL ENVIRONMENT - The site is not located in a flood plain. It is located inside the area protected by the Texas City Hurricane Levee. Container foundations will be placed at elevation 7.0ft in accordance with Texas City ordinances.

Regarding protection from the saltwater/coastal environment, the applicant advises in an email received 7.19.2024 that the containers are fully integrated cabinets and shipped to the site as such, so there is no exposure to the elements during the installation process. The containers will meet the requirements of IP 67 at the Pack level and IP55 at the Battery Container level. IP67 means the individual battery packs do not allow for the ingress of dust particles. They are protected against the ingress of water from spraying/water jets and are rated to be submersed in up to 3' of water for up to 30 minutes without penetration. IP55 means the battery containers themselves provide protection from dust, low pressure water jets and damp and wet weather. The storage units also meet an anti-corrosion class of up to C5-H depending on the local environment. C5 is the highest class of anti-corrosion coating. Air filter maintenance is also a critical element of maintaining the units for optimal operating conditions and will be performed by a regular maintenance crew as often as needed, which may be weekly. Some of the indications in the email are different from the spec sheet provided with the application. The representations of the email are considered to supercede the spec sheet insofar as the conditions being presented to the Planning Board and others for approval at this time. **The codes and standards most appropriate for saltwater/coastal environment will be applied by the Fire Marshal and Chief Building Official during the permitting process.**

FIRE PROTECTION - Fire protection will be provided by on-site systems specifically designed for this application with Fire Marshal coordination. The project will be

subject to the 2024 fire codes and building codes. The Fire Marshal may require additional submittals at the time of permitting and has advised these requirements will include at minimum commissioning and decommissioning plans, site safety plan, all UL test results for the batteries to be installed, a bond or other security for decommissioning and some requirements for insurance. The Chief Building Official is likely to require annual certification and inspection of ventilation systems at minimum. The Applicant acknowledges these, and other requirements must be satisfied to obtain the necessary permits.

SECOND POINT OF ACCESS – ISSUE UNRESOLVED: The secondary access is proposed to be through adjacent property under lease to Golden Rule Logistics. Applicant has indicated we would be provided with a copy of the signed access agreement with the adjoining property owner prior to the Planning Board meeting, but at the time of preparation of this memo we have not received either a draft or a signed version of any agreement. In addition, the form of agreement must ensure the access will be open and available at all times. Fire Marshal has indicated a requirement for lockbox access. We have indicated a requirement for the access to be dedicated by plat or perpetual easement in favor of the public.

APPLICANT'S EXPERIENCE/COMPANY HISTORY – INFORMATION NOT YET RECEIVED. We have requested and not yet received information about applicant, Alpha Omega Power, LLC, regarding its formation and length of existence and regarding key staff's experience and qualifications with BESS installations. As of the time of preparation of this memo we have not yet received that information. In conversation staff have indicated some previous experience with other projects in Texas City.

RECOMMENDATION: City staff has reviewed the submitted Site Plan and provided numerous comments regarding spacing, paving, screening and landscaping standards. All of the site plan specific comments have been resolved, with the exception of the issue regarding the second point of access. Staff cannot make a recommendation regarding the adequacy of the second point of access without more information regarding the specific agreement with the adjacent property owner and tenant. Additionally, staff have not yet received the requested information regarding the Applicant's company history and experience with BESS projects. For that reason, staff are not able to make a recommendation at the time of writing of this staff report.

Staff will update this report as more information is received.

PLANNING BOARD MINUTES

JULY 22, 2024

The Planning Board of the City of Texas City met in a special-called meeting on Monday, July 22, 2024, at 5:00 p.m. Planning Board members present: Chairman Dickey Campbell, Co-Chairman Perry O'Brien, Commissioner Jami Clark, Alternate Member Aric Owens, and Alternate Member Jose Boix. Staff members present: Kimberly Golden (Secretary), Casey Bennett (Chief Building Official), David Kinchen (Deputy Building Official) and Veronica Carreon. Guests were: Joel Rodriguez (Air Products); CW Scheibe and Paula Drnevich (LAN Inc.); Sherri McElwee (Quiddity Engineering); Ricardo Cuellar (RDLR); Daniel Ortiz (RPCR); Carlos Sotelo (Kirksey); Felix Herrera (Awesome Auto Accessories); Andres Delgado; Deano Merrigan; Guillaume Dufay and Karl Harris (AOP Renewables); Jason Richards (Vaughn Construction); Moises Weber (Cannon Design); Stephanie Tabor (A&S Engineers); Carlos Pacas (Dally Associates); Bo Bacon (College of the Mainland); Jerry LeBlanc (Binnacle Development); and Julie Tovar (SHIP Intern).

Chairman Dickey Campbell indicated a quorum was present and called the meeting to order.

1) APPROVAL OF MINUTES

A motion to approve the minutes of July 1, 2024 with corrections noted below, was made by Jose Boix/Commissioner Jami Clark. All other members present voted aye.

- Page 1, paragraph 6 – corrected Chairman Dickey Clark to Chairman Dickey Campbell
- Page 1, paragraph 6 – corrected Mr. Bryan Clark to Mr. Bryan Carnes
- Page 2, paragraphs 1, 2, 3, and 5 - corrected Mr. Clark to Mr. Carnes

2) PUBLIC COMMENTS

There were no public comments.

3) REGULAR AGENDA

a. Consider and take action on the Development Plan Air Products Temporary Modular Construction Offices. Located at 14 4th Street South, Texas City.

Ms. Golden stated this project sits on a little more than a ½ acre site. The site was vacant and previously used for the lunch tents and emergency assembly area. Because Air Products is doing a second project at the facility in Texas City they will need the construction offices for a longer duration. Since the temporary construction facilities will be in place for more than six months, they will be required to meet all the code provisions and zoning requirements, so Air Products has brought a site plan forward. The temporary construction offices are already assembled at the site because Air Products was not aware that a permit was required. When notified of the requirement, Air Products acted immediately to correct the oversight.

Air Products will be paving the lot, adding landscaping, screening the dumpster, and providing an ADA compliant entrance.

The location of the temporary modular offices encroaches over an existing public alley that goes through that area. Rather than require the temporary modular offices be relocated to remove the encroachment, staff recommends Air Products apply for an abandonment of that alley.

The modular offices are currently installed at a 10 ft. setback. Although the IBD district does not have a specific setback stated in the ordinance, staff applies a policy standard of the setbacks which apply to similar uses in the basic districts. For this use, that would be the light industrial setback of 25 ft. for anything permanent. Air Products has indicated if they do something permanent, they will abide by the 25 ft. setback.

Chairman Dickey Campbell asked Joel Rodriguez (Air Products) if he could show them the location on the map, to which he did. He then asked Ms. Golden about the 25 ft. setback from streets and the 10' setback from the property line to which Ms. Golden replied there aren't any setbacks in the IBD ordinance, but staff are trying to adhere to its policy.

Mr. Jose Boix asked where the alley is that will need to be abandoned. Ms. Golden indicated it on the exhibit.

Chairman Campbell than asked if the property is leased or greenbelt, to which Mr. Rodriguez replied it is leased from Eastman Chemical till the end of 2026, fourth quarter.

Chairman Campbell asked if there were any additional questions. There were none.

A motion was made by Alternate Member Jose Boix/Commissioner Jami Clark to approve the Development Plan for Air Products Temporary Modular Construction Offices. All other members present voted aye.

b. Consider and take action on the Development Plan for College of the Mainland Site Projects. Located at 1200 N. Amburn Road, Texas City.

i. Overall Site Plan

Ms. Golden stated College of the Mainland (COM) has a 2023 bond program for which voters approved a property tax back in 2023. There are six projects, but three that will entail brand new buildings that will be constructed fairly close in time over the next three years. Due to this, staff have asked COM to submit an overall site plan so the overall impact could be considered on parking, traffic, landscaping and detention.

Ms. Golden stated that they wanted to do this so that they could accommodate COM's growth without chopping because the program included demolishing some buildings, renovating some existing buildings, extending some existing buildings and adding some new buildings. Staff thought the overall analysis would work better for COM as the effects of the net changes in detention, parking, landscaping and traffic were considered and addressed, rather than looking at each project as a standalone.

COM provided the requested overall site plan. A preliminary analysis of the impact on traffic showed that Monticello Drive is going to need to have some improvements and upgrades to accommodate the new construction south of Monticello and the other developments in the area, specifically the new elementary and junior high schools to the east. Staff is moving forward and scoping this project, but in the meantime, staff knows there is a possibility there will be some issues with vehicles stacking at the stop-controlled intersection with Amburn Street during the morning peak hour. Staff have discussed this with COM and recommended moving the driveways for the new parking lots at least 500 feet away from the intersection. COM declined the recommendation because the parking lots each have secondary means of ingress and egress.

The overall site plan has been tweaked a little per staff's comments. They have looked at landscaping campus wide for compliance with the landscaping ordinance to give COM the greatest flexibility to balance its landscaping throughout the campus for a uniform, beautiful experience.

Staff have no objections to approval of the site plan for COM.

Chairman Campbell stated that he had some questions about the staff memo and then asked the other board members if they had any questions.

Co-Chairman Perry O'Brien stated he had some questions about the timeline and stages of this project. Paula Dnevich (LAN Inc.) replied that there are three parking lot projects and one of the parking lots is currently under construction. This will be a 15-month project that will be done in three phases. Ms. Golden reminded everyone that the parking lot project had been approved by the Planning Board in May 2024 so they could expedite the start of the project this summer.

Mr. CW Scheibe (LAN Inc.) then gave an outline of the other projects, which includes the WELD/IE building renovation that was also approved by the Planning Board in May 2024. This project will start construction this week. There is very minimal impact to the footprint because it is a renovation.

Mr. Scheibe added that the Public Safety Career Center (PSCC) and the Corporate & Continuing Education Center (CCEC) are both new buildings and are being brought to the Planning Board as one development application. The building permits will be issued separately for each building, based upon the approved joint development plan. The timeline of construction on both projects is November 2024. Construction will be self-contained within that site. PSCC will take about 15 months to construct and the CCEC will take about 12 months.

Ms. Drnevich then reported that the Library/Classroom Building would be constructed on the site of the demolished Technical Vocational building, with construction scheduled to begin in April 2025 and would take about two years to complete. This new 4-story building will include a new library, auditorium and classrooms. There will also be a penthouse.

Mr. Boix then asked about a statement in the Staff Report regarding the driveway and entrances and that the design team decided not to accept staff recommendations.

Ms. Golden replied that the intersection at Amburn Road and Monticello Drive is stop-controlled with a 4-way stop. In the future, Monticello Drive will act as a thoroughfare. There has not been a TIA study done because the elementary school east of COM is not in session, so staff plans to do one in the fall. Their prediction is during morning peak there will be a lot of stacking at the stop sign that may interfere with the entrances into the COM parking lots indicated on the exhibit. Staff also anticipates that the morning peak will be when the CCEC building will most likely be starting its sessions. Staff brought this to COM's attention and recommended the driveways into the parking lots be spaced at least 500ft away from the intersection. COM feels that being aware of that information, they did not want to move their driveways further down. Ms. Drnevich replied this is because there is a second entrance between the buildings. Ms. Golden added that this intersection will eventually have to be enhanced with a road improvement project on Monticello Drive. COM is looking at having the issue for a few years until the improvements are made.

Ms. Golden then pointed out an incorrect draft of the site plan was included in the agenda packet. The correct site plan would show no additional parking next to Lot A, but that area is to be retained as additional green space. Additional parking is not required to satisfy the City's requirement and COM is satisfied the parking is adequate. Ms. Drnevich replied they plan to add landscaping there.

Chairman Campbell then asked about the Library Classroom Building. Ms. Golden replied that she was planning to discuss each item separately, but if Chairman Campbell preferred to discuss the items together, she was good with that. Chairman Campbell indicated he would like to consider all of the items together.

ii. Library/Classroom Building

Ms. Golden then stated that the Library Classroom Building is a 160,000 sq. ft. building, which will be four stories. This will be a multi-use building that will include 42 classrooms, a theatre with a capacity of 299, and offices. The schedule for construction of this building is further out and is expected to start in August 2025. There will be approximately a two-year construction period. It will be located where the previously located Technical Vocational building was. The new parking lot for this building will include 283 spaces with entrances from Monticello Drive. The building will have an approximate ground area of 38,715 sq. ft., and a finished floor elevation of 18.55 ft. The approximate building height is estimated to be 80 ft.

The site plan has been modified to provide full circle access by fire lane as requested by the Fire Marshal.

COM has responded to all of staff's comments and staff have no objection to approval of the development plan for the Library and Classroom Building.

Commissioner Jami Clark asked if they would be tearing down the other theatre or was this an addition. Ms. Drnevich replied there is an auditorium inside the existing Limited Resource Center and Library, and that building would be torn down. This building will be slightly larger than the current theatre.

Chairman Campbell asked if there were any additional questions about the Library Classroom Building. There were none and Ms. Golden moved on to the next item.

iii. Continuing & Corporate Education Center (CCEC) and Public Safety Careers Center (PSCC)

Ms. Golden stated that the CCEC and PSCC projects are presented together as a joint application, but there are two different design teams. A joint application was requested due to the shared parking and detention. But the projects will apply for building permits separately when they are ready to move on to construction.

The CCEC building will be 20,400 sq. ft and one-story. The PSCC is 33,681 sq. ft. and also one-store. With the shared parking and shared detention, they have basically offset their impact. Staff have discussed their landscaping requirements, both of which are being accommodated. Staff have also discussed with COM that the landscaping can be extended along Monticello Drive to the west to provide a more uniform effect along the corridor.

All review comments have been addressed. The only thing staff thought to mention to them that is not considered a problem is the location of those driveways. Staff also talked to them about the eventuality of when the city does street improvements to Monticello Drive that, if needed, any additional ROW will have to come from the south side because there are a bunch of pipelines and existing infrastructure north of Monticello Drive. This might be an opportunity for COM to consider pushing their buildings further back, but they were not inclined to do that.

Mr. Boix then asked about the setback and if it complies with the ordinance. Ms. Golden replied that it does and that a 100 ft. ROW is typically enough for a three-lane project. On paper everything they know says it's not a problem, but again it's what's on paper. When they get out there and start digging, they don't know what's actually out there. She just wants everyone to be alert, especially when there are existing pipelines and existing drainage structure so they absolutely know it cannot come from the north side, but COM is compliant with the ordinance.

Chairman Campbell then asked how far the ditch runs. Mr. Carlos Pacas (Dally Associates) indicated the ditch on the exhibit.

Mr. Boix asked if the detention pond is new and how it is managed. Ms. Drnevich replied yes, and it is being constructed because of the two new buildings. Mr. Daniel Ortiz (RPCR) replied that it is a restrictor pipe that would eventually gravity flow into the city's ditch, without pumping.

Ms. Golden also acknowledged that COM is giving a 75 ft. easement on an existing canal that is along the east boundary. Mr. Scheibe added that this was approved by the Board of Trustees earlier in the day. Ms. Golden thanked him for this news.

Chairman Campbell wanted to make sure he understood the recommendation in the staff memo and asked about the last sentence of the memo that read, "For that reason only staff offer no objection to approval of the site plan". He asked if someone did offer objection to which Ms. Golden stated staff is saying they are complying with the ordinance and there is no objection.

A motion was made by Co-Chairman Perry O'Brien/Commissioner Jami Clark to approve the Overall Site Plan and the Development Plans for the following College of the Mainland projects: Library Classroom Building, Continuing & Corporate Education Center and Public Safety Careers Center. All other members present voted aye.

- c. **Consider and take action on the Preliminary Plat for Brookwater Sections 1A and 1B. Located to the east of Park Place Subdivision on FM 2004 and northwest of Mainland City Centre (formerly Mall of the Mainland) in Texas City.**

Ms. Golden stated Brookwater Subdivision Sections 1A and 1B are part of a master planned residential development that will consist of 201 lots and a commercial area on FM 2004. The Master Plan was approved by City Commission in 2021 and it is still a valid master plan to consider this preliminary plat.

Sections 1A and 1B were previously submitted as a preliminary plat for all of it as just Section 1 and was previously approved by the Planning Board as Section 1. The Applicant is changing the Section into Phases 1A and 1B because they want to be able to buildout the smaller sections, record the final plat of the smaller area and sell the lots in Section 1A before then moving on to 1B.

Staff have received a complete set of construction plans for the full section that the Applicant will be presenting in phases. They have their approval for a combination of 50 ft., 60 ft., and 70 ft. wide lots.

Ms. Golden repeated that the only difference between this and what was previously approved is that it is now broken down into Sections 1A and 1B.

Chairman Campbell asked if there were any questions.

Co-Chairman O'Brien asked if the lot sizes changed. Ms. Golden replied they are exactly the same.

Chairman Campbell asked which ditch the rainfall would flow to. Ms. Stephanie Tabor replied that it would flow to the northwest corner. He then asked about an area to the south. Ms. Tabor replied that it is the sanitary sewer easement and also indicated a manhole that the sanitary line would tie in to.

Ms. Golden reminded everyone that the Applicant would have to get an easement, which is a little piece of property owned by the EDC. This is in the process of being worked out, but it will not hold up the preliminary plat. The easement will have to be in place before the final plat can be brought forward for consideration and approval.

Mr. Boix then asked about the mapping of sections. Ms. Tabor indicated on the master plan where Sections 1A and 1B would be located. She then indicated Sections 2 and 3.

Ms. Golden added that the park would be located in Section 1B. Staff do have a suggestion for a schedule as far as that park being built which is only 40% of the building permits would be issued and then construction would commence on the park. There is also a deadline for when the plans for the park will be submitted. Ms. Tabor replied that would happen before Section 2 plat is recorded.

Mr. Boix asked if there were any other amenities. Ms. Tabor stated there would only be the park, but it would include a picnic area, sidewalks and a splash pad.

Staff have no objections to approval.

A motion was made by Commissioner Jami Clark/Alternate Jose Boix to approve the Preliminary Plat for Brookwater Sections 1A and 1B. All other members present voted aye.

d. Consider and take action on the Preliminary Plat for Lago Mar Pod 9 Section 3. Located north of Pod 9 Sections 1, 2 and 4, and west of Pod 10 Section 3 on Hughes Road in Texas City.

Ms. Golden stated this is Lago Mar Pod 9 Section 3 and we are getting to the end of this project on the west side of I-45. This is Phase 3 of their development. This section will include 203 lots on 59.41 acres. Section 1 is almost built out with houses and in Section 2 the infrastructure is under construction. This is helping the Applicant to make progression in Pod 9.

The area being developed as a park in Pod 9 was originally going to be used for a school site, but DISD passed on the smaller scattered sites and instead chose the bigger site and so Pod 9 Section 4, which the board has not yet seen, will now have the community park. Staff have asked the Applicant to provide some construction plans, to which Ms. Sherri McElwee stated they are getting close to submitting those plans.

Chairman Campbell asked if the school was still going on the 30-acre site, to which Ms. McElwee replied it is. He then inquired about Hughes Road and where it meets Lago Mar and understands that Santa Fe has shut down any outlet to Bruce Hall Road, which is correct. He then added that Mr. Collin

Campbell told them they were looking for another outlet further east. Ms. McElwee replied that the city once had her look at Lago Front and maybe connecting to La Marque. She added that Mr. Doug Kneupper had her put together a cost estimate some time back. She did all of that, but she doesn't believe it went anywhere with La Marque, but she did indicate a turnaround and stated that it is ready for a connection to be made.

Ms. McElwee then stated they have four sections left to construct.

Staff have no objections to approval of the preliminary plat for Lago Mar Pod 9 Section 3 upon condition the plans for the park site be finalized before any more plats receive final approval and that construction of the park be commenced before any more plats are recorded.

A motion was made by Alternate Jose Boix/Commissioner Jami Clark to approve the Preliminary Plat for Lago Mar Pod 9 Section 3 upon condition the plans for the park site be finalized before any more plats receive final approval and that construction of the park be commenced before any more plats are recorded. All other members present voted aye.

e. Consider and take action on the Development Plan for Southern Select Energy, a Battery Energy Storage System (BESS). Located at 701 Hwy 146 N., Texas City.

Ms. Golden stated this site is across from the existing TNMP Substation and north of Golden Rule Logistics. This is a BESS project. The site is 6.29 acres, and the Applicant will be using 5.71 acres of the site for this project.

The Applicant has revised the site plan to have the 15 ft. spacing around the batteries that the Fire Marshal requires as part of the city's fire code. They have accommodated a pipeline that runs through the property. They have provided a paved ring road and paved access to all of the batteries. They are providing 15% landscaping, which is what staff is applying to the BESS projects. They are also providing masonry fencing along Hwy 146.

The Applicant is looking at providing a second access. The second access, however, is currently through property they will not own or will have control over, so staff have asked them for an easement plat showing that the second access will actually stay open and be available if the Fire Department ever needs it. These documents are in the works, but staff haven't seen anything signed and they actually haven't had time to review what has been submitted in terms of the first form of it and so there may be some comments staff may want to offer on those.

There has been a lot of progress on this, and the Applicant has provided some of their company information but that was not provided till today, which has been provided to the Planning Board for review. Staff have not had time to digest it or do any due diligence on background information. This is why this project is being brought to the Board without a recommendation.

Ms. Golden stated, in her opinion, that this is the right place to be looking for these types of projects to be placed because they are not interfering with residences, but there are still some concerns about the site that should be considered.

This is a larger project than what the Board has been asked to consider or approve before. The other two that have been approved were 10MG. These are for 200MG, so it is a much larger project. This is the first one that is of the utility size.

For context, Ms. Golden reminded the Board of the Red Egret project that was considered and recommended denial was also a large project. She believes that project was denied because of its location and size.

Ms. Golden then stated that the Developer and Property Owner were in attendance and would be glad to answer any questions the Board may have.

Co-Chairman O'Brien asked if he could hear more information on the secondary access.

Mr. Guillame Dufay introduced himself as one of the cofounders of this BESS project and stated he has built 25 of these BESS projects just in Texas. He added that they are one of the most experienced companies in Texas. Regarding the secondary access, they have worked together with the owner, Mr. Deano Merrigan, and have spec'd out an access easement that goes around the storage property to ensure that they do not disturb any operations of the logistics company and that the access stays open with no obstruction 100% of the time. They also obtained a signed agreement on the easement and will have that in place as needed. He indicated a lockbox for emergency-only access will be provided. Another requirement by the city was to have 15 ft. spacing between containers, which is not a standard requirement, but it allows first responders to go across the site as needed. This is an extra safety design that they have included.

Co-Chairman O'Brien asked what the surface between the batteries is. Mr. Dufay replied that it would be gravel. Chairman O'Brien asked if this would support a fire truck to which Mr. Dufay replied no Fire Marshal would bring a \$1M truck in between containers to get stuck, but they will stick to the concrete road. If they wanted to, they could bring in a smaller vehicle between the batteries.

Mr. Boix expressed his concern and the number of issues about the batteries everywhere. He is concerned about having these concentrated in one area as opposed to being everywhere with one or two little pods here and there. He doesn't know how power is bought and sold, but he's also concerned if there is a power failure, what is the potential of the BESS draining that substation and creating another issue for the city. He also read something about contamination of the ground. He doesn't understand how the monitoring wells will work. He also doesn't understand how the buying and selling of power work if there is a failure of the drainage of power. Is there a check valve? He does not have a full grip on what this will bring or not bring to the city.

Mr. Dufay replied that he was part of the project in 2019 that is currently on 34th Street North in Texas City. It was online during the winter storm of 2021 and this location pushed power when everyone needed it. He stated they are always super open about the way these batteries work. They work with the best insurance companies, lenders and banking companies. He likes to say they are prime developers. With these batteries, which are connected to the grid through that substation, if there is a ground failure, there is a breaker that will shut down the site. There are also some sub-breakers on the median voltage center that will isolate each of the subcircuits. If there is a ground failure that is happening anywhere on the site, they will isolate it. If for some reason they do not isolate it there is a second layer of breakers that will shut down the site. In the case they don't take it, which should never happen, but if it does, the power line that goes into the mid substation from TNMP (another utility breaker), has a protection plan to shut down any issue at their site. The sites are fully vetted and designed and used by TNMP in this case.

Mr. Felix Herrera asked if this is three layers of protection, to which Mr. Dufay stated yes – two by the BESS and one by the TNMP grid.

Chairman Campbell recalled the first BESS and how the power goes into the grid, but it's not really designated for Texas City – it goes wherever it is needed and asked if this is correct. It helps the company and the landowner, and he understands this.

Mr. Dufay replied that the reason they are developing physically in Texas City is because it is one of the largest industrial nodes in Texas - where there is the most power demand in Texas. A lot of the power for Texas PC comes from Fort Bend County, Brazoria and from West Texas. So, there is a rush of power coming to Texas City from all these power lines. The power lines are all congested and it is a major problem in Galveston County. The utilities cannot upgrade fast enough to get all the power needed for industrial use.

When there is a rush of power need (i.e., 5:00 PM) what happens is that the way the grid is set up there is a price signal for every node in the grid, so when's there's a rush of demand the price goes up for all the consumers and there is no way to get more power. These locations charge during the night or when there is plenty of power available and then at 5:00 PM they provide the power to the industries that need it in Texas City. This does two things – 1) it allows for the utility to need less

transmission upgrades in the future, and 2) it cuts millions of dollars, and they are straight across the rate of payers through everybody's power belt. Will this save millions for everybody? Probably not, but this thing probably will contribute to a few dollars of savings on your power bill every month.

Mr. Owens asked if they are doing this for tax credit or are they doing this out of their dollar only. He stated because if not then it's coming out of our pocket regardless, right? He added that if they could tell him that they are funding 100% of this project he can see that, but if they are getting something back in return then what Mr. Dufay is telling them is not accurate.

Mr. Dufay replied that renewable energy projects are qualified under the Inflation Reduction Act that was passed three years ago for a tax credit of 30%. Mr. Owen stated that this doesn't really do much for the local guy as they are suggesting making it cheaper, it makes it beneficial to them as an investor.

Mr. Dufay stated that what it does for the local guys is that you take federal money, and you make a local investment. Mr. Owen replied that he is making his point for him.

Mr. Dufay stated that power in the United States has always benefited from politics and policies, and everybody has their own political view. He added that the Biden administration and the Trump administration have maintained tax credit on renewable energy, and it is what it is. They are funding these projects and the rest of the 70% that does not come from tax credits is funded by a group of investors called Fengate which is also cofounded by the owners of the company, which he is a part of. They have a direct interest in making these projects intrinsically safe and it's going to come back to one of the previous questions.

They also don't really look at proliferation of these assets as a good thing for anybody because when you have twenty 10MW assets anywhere they have to be managed and they usually end up needing a little bit of tender loving care. These 200 MW assets are going to have a dedicated team on the project that will be located in an office that will be somewhere between here and La Marque. These guys are going to be dedicated to this project. Whenever there's something happening at the project it will usually send a message about a small thing like a fuse that is out or a piece of the transducer that needs to be changed. It will come to this location, and they will replace it. They also create more benefit for the local community because you've got 200MW of grid support here as opposed to smaller projects that have a limited impact.

Chairman Campbell asked Mr. Dufay if he stated a few minutes ago that this project would directly put electricity into the local industrial complex.

Mr. Dufay replied that this project provides power at the TNMP Heights substation and as such, all the electrons that come out of this project are not subject to all the congestion. It is going to the grid, but it's going to the grid at this location where it's needed.

Chairman Campbell asked Co-Chairman O'Brien to help the Board understand what is being said about the power going to local industry.

Co-Chairman O'Brien stated that TNMP is in the process of upgrading every station right now by removing 69K and putting up 138K. It has been 69K for a long time. TNMP's power goes all over their service area. Industry within Texas City takes a lot of TNMP's juice from Heights, from Cattail and from the ones that are close to the sites - they directly feed into it. At the same time, TNMP's electricity goes on to the big grid that services all our houses. So, to say that that power exclusively will go to industry is inaccurate. A portion of it may go to industry, especially during peak times. So, where these things are extremely helpful is storm situations and peak times during the extreme high temperature days or cold temperature days and that's where these are beneficial, in his opinion.

Co-Chairman O'Brien continued by saying the nice thing about this project is its size. Mr. Dufay stated it is 200MW, so that's a large one. It's not the little 10K that is on 34th Street North. Co-Chairman O'Brien continued that what he sees in West Texas where they have the large ones - Reeves County is just covered with these things. You see large developments like this, the 100MW and 200MW, and there are always people there in those stations. It seems like when he goes by them, there's some sort of truck with a team working on them. He doesn't know what they're doing there, but the fact is

that they are attended to. The other smaller ones, they're not really attended unless there's a light that goes off somewhere and then somebody has to go to it. From this standpoint he prefers the bigger stations and believes there is a need for this type of development all across our state.

Co-Chairman O'Brien stated TNMP cannot tell them [the BESS project] "no". If a company makes a request for a tie-in, they [TNMP] nor any other provider can't say no. If a developer is willing to make the tie in and pay what it cost to make the tie in, TNMP can't say no. So, if a company or a city or a development or whatever is going to object it is not coming from the power company because they can't say no.

Mr. Owens stated he had two other questions he would like to ask. [First], 10MW was a good thing in your investment a couple years ago and now 200MW is much better. But now 10MW is really not a good thing and we are stuck with it at this point. At what point does 200MW become too small? Do these things grow over time and become maybe less attended? [Second] The huge problem he has with this is the location which is right next to the regional Gulf Coast Water Facility, so this does not impact only Texas City. It impacts League City, Galveston, La Marque, Tiki Island, San Leon, and Dickinson. [The GCWA plant] supplies all the raw water to industry. Let's say there's a problem at the BESS site and that somehow reaches into our water system we've got a massive problem. He just doesn't believe the location is the right place. He doesn't know if anybody has talked to the folks at Gulf Coast Water Authority. If not, he would encourage them to do that. This is the water supply for the entire county.

He added that this might be a great investment for the Applicant, but he does not believe this is a great investment for our community.

Mr. Boix stated that he thinks the city should come up with an overall plan on how to manage these units because there are going to be problems. He asked about the other BESS projects that have been approved. Ms. Golden replied that there is one active site and another that has been approved. If those smaller sites are not manned, he is concerned that the load will be placed upon the city. He loves the technology, but he is concerned there is not a master plan for the Planning Board to either consistently approve or not approve something – and now we have two small BESS approved in the city. He asked what the objective was and how many others will be allowed. For this reason, he is staying away from an approval.

Mr. Dufay asked if he could reply to Mr. Owens' question earlier about contamination and explained that the battery containers that you see there are enclosures that look like a Conex typical shipping container. They are built with IP55 protection or higher at the container level. This means they are waterproof, and the opposite is true, they are leaking proof so if you have a spill inside, they will contain it. The battery container itself is not full, it's stacked with the modules inside. Each module is about the size of a typical suitcase and each of these modules get stacked side by side within the container. Each module is made of cells about the size of a laptop. The cells are made of the lithium-ion technology that everybody talks about mysteriously and they don't know what it is. Lithium-ion technology is kind of like a lead acid battery with a cathode and anode and a solution that flows in the middle. The difference is that the anode and cathode are actually flat. Think about foils and they are very close together and the solution is in the middle and there's 57 cathodes and 57 anodes in each module. It's kind of like a book with pages of cathode and anode. The electrolyte that carries the lithium-ions is in the middle and each cell has an IP67 rating, which is one of the highest IP ratings you can think of. It's not bulletproofed, but it won't take any dust, water, or anything from the outside.

So, what can happen in the case one of these units sets on fire is yes, you may have some spillage, but the fire should actually consume the electrolyte because it's a Hydrocarbon based electrolyte, so you won't have much spillage into the container and the container itself is made to contain the spillage.

All these things are actually tested in real life. They work with several suppliers, but the supplier for this project they expect to be Fluence, which is a US based company and listed on the New York Stock Exchange. The company that makes these enclosures, they're the second biggest after Tesla. He has also worked with Tesla, but they like Fluence better for different reasons. No, they're not cheap.

Affluence gives you a little bit more freedom than Tesla which is very strict, and you can re-cycle them differently, so it's just a matter of flexibility. But price wise, they talk to each other. These guys run these containers through a UL 9458 type of testing. Every container has to be approved for that UL type of testing. They set them on fire, and they see what happens. So, what happens when they set the module on fire is that they see if the next module sets on fire as well. They set a cell on fire to see if the next cell catches on fire and if the fire stays within the module or if it goes to the next module and to the next track, etc.

They also measure the gas coming out of it and they measure the spillage out of it. They have a criterion for passing or failing and they work with the biggest insurance companies in the country to validate all of these results. They are only going to use top-tier-one batteries from either Tesla or Fluence or one of the top five suppliers that makes the best product.

Because the big project has had a lot of scrutiny, it's going to be insured. There will be hundreds of people looking at your project, making sure you're doing things right. On the small project sometimes there are a little bit of shortcuts being made, so you want to be more careful as a jurisdiction. All of this is checked, and Mr. Dufay has never heard of any spillage issue on any of the top-tier battery containers.

Mr. Boix believes that if the city develops a master plan, he would rather see the BESS projects installed on the Greenbelt just by the industry.

Mr. Dufay replied that they aimed for this area because it is industrial.

Chairman Campbell asked Commissioner Clark if she had anything to ask about this project.

Chairman Clark asked what the Fire Marshal had to say about the site plan. Ms. Golden replied that the Fire Marshal asked for the 15 ft. spacing requirement and the Applicant has met that requirement. The Fire Marshal also asked for the two opposite accesses and that requirement has also been met.

When it gets to the actual permitting process, then there's going to be requirements for a decommissioning plan, a security plan, and posting a bond. This is when they will look into their insurance, so they'll get a lot more into the specifics about what exactly is going in there, but from a site plan standpoint, the Fire Marshal's requests have been accommodated in the site plan.

The property owner, Deano Merrigan, added that the property is already polluted and so are the neighboring properties. The property can't be anything but industrial or commercial. He stated that most of the properties along the refineries are polluted. TCEQ came out there and took samples on the monitoring wells he has out there. They came back and told them nobody could build any houses out there, but it could be used as industrial and got a notice of no further action required from the TCEQ. He stated that the water that is out there is in the canal is refinery water, it is not drinking water. Once it goes past the water authority the water is not drinkable.

Mr. Owens stated that this is not 100% accurate because this is north of the water plant.

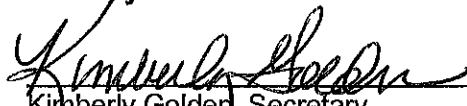
Co-Chairman O'Brien asked if this is coming with no recommendation from the city. Ms. Golden replied that it is coming with no recommendation from staff. She stated that what the Planning Board is doing is making a recommendation to move the site plan forward to the Zoning Commission.

A motion was made by Co-Chairman Perry O'Brien/Commissioner Jami Clark to approve the Site Plan for Southern Select Energy, a Battery Energy Storage System (BESS) rezoning from District F to District SP. Voting by show of hands was 3 – 2 in favor of the motion. Chairman Dickey Campbell, Co-Chairman Perry O'Brien, and Commissioner Jami Clark voted aye. Alternates Aric Owens and Jose Boix voted nay.

4) GENERAL UPDATES

5) OTHER BUSINESS (Any conceptual development proposal requesting to come before the Planning Board)


Chairman Dickey Campbell asked if there was any other business to which there was none. **A motion was made by Commissioner Jami Clark/Alternate Aric Owens to adjourn. All members present voted aye.**


Kimberly Golden, Secretary

8/19/2024
Date

Minutes approved by the Planning Board at its meeting on 8/19/2024.

STAFF REPORT

To: Zoning Commission - Regular Meeting – August 6, 2024
From: Kim Golden, P.E., City Engineer 
CC: Doug Kneupper, P.E.
Date: July 29, 2024
Re: Southern Select Energy Storage Project (BESS) – 701 Hwy 146 N

Background: The applicant is Alpha Omega Power, LLC. The proposed project will encompass approximately 5.71 acres on 6.29 acres of vacant land. The location of the project is on the west side of S.H 146 N and north of the existing Golden Logistics. The property owner is LM Storage, LLC. The property is zoned District F. The project proposes to develop up to 106 lithium-ion containers for 205MW, 410MWh capacity at the site.

At its regular meeting on July 22, 2024, the Planning Board voted 3-2 to approve the proposed Detailed Site Plan and to recommend approval of the zoning change to the Zoning Commission and to the City Commission.

Requested Action: The applicant is requesting approval of a zoning change for development of an electric power generating station utilizing lithium-ion battery energy storage system. The application is being processed as a District SP (Site Plan) rezoning consistent with Section 160.051(A)(1)(f) *provide for the development of specific uses which are not normally found in zoning districts*, and (h) *provide additional information and regulatory controls concerning the proposed use or uses for the protection of the public health, safety, morals and general welfare of the community*. Zoning Commission recommendation will be presented to the City Commission for action regarding the requested zoning change.

Staff Review and Recommendation: The project will include up to 106 individual battery containers for 205MW, 410MWh two-hour capacity at the site. The two-hour designation is in reference to the time to fully charge and fully discharge under standardized conditions.

This proposed BESS installation is approximately 20times larger in battery capacity than the previously approved BESS installations. The site is also physically much larger than the previously approved. This site is 6.29 acres with 5.71 acres in use for batteries, as compared to the two previously approved projects which were 0.48 acres and 1.5 acres respectively.

PROPOSED SITE IMPROVEMENTS - The Site improvements will include a 20ft concrete perimeter fire lane with access to all containers and two access roads as required by the Fire Marshal, security fencing, and landscaping of at least 6ft in

"the place where COMMUNITY MATTERS"

height to provide screening of the battery containers from S.H. 146. The fencing along SH 146 will be a 6ft masonry wall. Container spacing has been adjusted to the 15ft minimum required by the Fire Marshal. In addition to the generating station, offsite improvements include electric transmission infrastructure that connects to Texas-New Mexico Power facilities in the vicinity. No water or sewer will be needed for this development. Site drainage will be accomplished using an on-site collection system that outfalls into the adjacent drainage systems.

EXISTING SITE - The project site is part of the former ETC Texas City Trucking Terminal. The site has been determined to have certain environmental concerns affecting the groundwater. Specifically, a barium plume. Monitoring wells have been established and were monitored for a required amount of time. Applicant has indicated and provided documentation that the monitoring has been concluded and the wells have been or will be removed. The location of the monitoring wells have been indicated on the site plan. As part of an approved Response Plan, the property is subject to a deed restriction which limits its use to commercial/industrial use. A Revised Response Action Plan dated June 9, 2021, and prepared for the previous owner, Enterprise Logistic Services, LLC, to provide to TCEQ, represented expected future use to remain a trucking facility. A copy of the Revised Action Plan will be included in the agenda packet with this staff report.

ADJACENT PROPERTIES - The adjacent property to the north is Baker Distributing Company at 801 SH 146. The adjacent property to the south is burdened with an easement to TNMP for the location of transmission poles and wires. No survey has been provided, but the width of the easement when scaled with the Google Maps tool indicates a width of approximately 200ft. However, the existence of overhead power lines in close proximity to the location should be noted. Immediately south and adjacent to the TNMP easement is Golden Rule Logistics, another distribution entity. Golden Rule Logistics is a tenant on the property. Records show the property south of the proposed site to have common ownership, LM Storage, LLC, with the subject location. It is understood the project owner, Alpha Omega Power, LLC, will also be a tenant. The property is bounded on the west by the railroad. Gulf Coast Water Authority owns the vacant property which is immediately west of the railroad. The site is bounded on the east by S.H. 146. The TNMP substation is located immediately east of SH 146.

TNMP HEIGHTS SUBSTATION - The applicant's submission includes the following information regarding the location in proximity to the TNMP Heights Substation:

The project location near the TNHeights substation was chosen based on detailed power flow analysis of the transmission system within TNMP service area. This analysis identified the TNHeights substation as an ideal candidate for a utility-scale BESS, providing sufficient injection capacity while remaining close to TNMP critical load centers. Injection capacity is a metric used to show how much electrical power (in MW) can be transmitted into a point of interconnection, such as a substation.

The [attached map] shows the individual injection capacity for four of the largest substations within city limits. The TNHeights substation has the highest injection capacity (over 800MW), making it the ideal point of interconnection for multiple BESS projects to support regional grid reliability and electricity demand. Currently, one BESS project is operational at the TNHeights substation (BRP Heights, 10MW project), while three others are in queue to interconnect (Zeya 256MW, IEP Blackhawk 100 MW, and Southern Select 100MW). The combined capacity of these four projects (466MW) is well below the available injection capacity of the substation, indicating the substation is capable of supporting multiple BESS projects.

BATTERY CHEMISTRY and MANUFACTURER - The application indicates an intent to use LFP (lithium iron phosphate) battery cells which is the cell chemistry which currently available information indicates may be less prone to thermal runaway than the NMO (nickel manganese cobalt) battery cells. Applicant has indicated Fluence or Tesla are likely manufacturers, and that they intend to use CATL cells. CATL cells are considered Tier 1 cells.

FLOOD PLAIN/COASTAL ENVIRONMENT - The site is not located in a flood plain. It is located inside the area protected by the Texas City Hurricane Levee. Container foundations will be placed at elevation 7.0ft in accordance with Texas City ordinances.

Regarding protection from the saltwater/coastal environment, the applicant advises in an email received 7.19.2024 that the containers are fully integrated cabinets and shipped to the site as such, so there is no exposure to the elements during the installation process. The containers will meet the requirements of IP 67 at the Pack level and IP55 at the Battery Container level. IP67 means the individual battery packs do not allow for the ingress of dust particles. They are protected against the ingress of water from spraying/water jets and are rated to be submersed in up to 3' of water for up to 30 minutes without penetration. IP55 means the battery containers themselves provide protection from dust, low pressure water jets and damp and wet weather. The storage units also meet an anti-corrosion class of up to C5-H depending on the local environment. C5 is the highest class of anti-corrosion coating. Air filter maintenance is also a critical element of maintaining the units for optimal operating conditions and will be performed by a regular maintenance crew as often as needed, which may be weekly. Some of the indications in the email are different from the spec sheet provided with the application. The representations of the email are considered to supersede the spec sheet insofar as the conditions being presented to the Planning Board and others for approval at this time. **The codes and standards most appropriate for saltwater/coastal environment will be applied by the Fire Marshal and Chief Building Official during the permitting process.**

FIRE PROTECTION - Fire protection will be provided by on-site systems specifically designed for this application with Fire Marshal coordination. The project will be subject to the 2024 fire codes and building codes. The Fire Marshal may require

additional submittals at the time of permitting and has advised these requirements will include at minimum commissioning and decommissioning plans, site safety plan, all UL test results for the batteries to be installed, a bond or other security for decommissioning and some requirements for insurance. The Chief Building Official is likely to require annual certification and inspection of ventilation systems at minimum. The Applicant acknowledges these, and other requirements must be satisfied to obtain the necessary permits.

DECOMMISSIONING - The costs of decommissioning have been identified as an issue of concern for cities because it is known that batteries have a service life which expires. Additionally, as technology evolves, installations become obsolete. A recent article from the Green Clean Solar, January 11, 2023, references some key findings from a study of the Electric Power Research Institute. The study estimated the cost of decommissioning for a 1-MWh NMC lithium-ion based grid energy storage system as \$91,500. Applying this factor to the 410 MWh capacity proposed for this project would estimate the decommissioning cost as \$37,515,000. Although this project is not proposing NMC lithium-ion batteries, the estimated decommissioning cost is based upon 40% dismantling and packaging, 30% transportation and only 30% recycling. The battery chemistry would have the most impact on the cost of recycling. The estimated cost is significant enough to warrant the posting of substantial security.

SECOND POINT OF ACCESS – ISSUE UNRESOLVED: The secondary access is proposed to be through adjacent property under lease to Golden Rule Logistics. Applicant provided a proposed access agreement with the adjoining property owner just before the Planning Board meeting. Staff have subsequently provided comments on the access easement and recommend the final location be dedicated by plat as a fire lane for secondary access to the site. Such platting is necessary to be sure the access can be maintained permanently through the adjacent property which is used for logistics and staging. Fire Marshal has indicated a requirement for lockbox access.

APPLICANT'S EXPERIENCE/COMPANY HISTORY – The applicant is AOP Holdings, LLC d/b/a Alpha Omega Power, was established in 2023. The company profile and resumes of the key personnel are provided with this memo.

Analysis and RECOMMENDATION: City staff have reviewed the submitted Site Plan and provided numerous comments regarding spacing, paving, screening and landscaping standards. All of the site plan specific comments have been resolved, with the exception of the issue regarding the second point of access. Staff cannot make a recommendation regarding the adequacy of the second point of access without more information regarding the specific agreement with the adjacent property owner and tenant. Staff maintains its recommendation that the final location of the second access be approved by the Fire Marshal and granted by plat.

Applicant's information indicates it is a start-up company. Given the magnitude of the potential estimated cost of the decommissioning, the need for posting of a substantial bond should not be overlooked.

Staff makes no recommendation regarding this application for rezoning.

ZONING COMMISSION AUGUST 6, 2024

The Zoning Commission of the City of Texas City met in a regular meeting on Tuesday, August 6, 2024, at 5:00 p.m. Zoning Commission members present: Chairman Perry O'Brien, Aric Owens, Bruce Clawson, Fernando Tello and Alternate Member Lisa Salinas. Staff members present were: Kimberly Golden, Casey Bennett (CBO), David Kinchen (DBO) and Veronica Carreon. Guests were: Ben Baty, Chris Johnson, Felix Herrera, Deano Merrigan, Anthony Neva, Stavan Vora, Guillaume Dufay (AOP Renewables), Simon Labrosse Gelin, Jack Hernandez (Interfield) Jill Crawford, Bob Wittmeyer, and Georgia Meisler.

Chairman O'Brien indicated a quorum was present and called the meeting to order.

1) APPROVAL OF MINUTES

A motion to approve the minutes of July 2, 2024 was made by Bruce Clawson/Aric Owens. All other members present voted aye.

2) PUBLIC COMMENTS

There were no Public Comments.

3) ELECTION OF OFFICERS

Ms. Golden stated that at the last Zoning Commission meeting it was mentioned that Mr. Gary Potter had resigned his position on the board. He was previously one of the co-chairs and so there is now a vacancy in the board's office of co-chairs. Ms. Golden asked those in attendance if they would like to hold an election of a new co-chair and it was agreed to have it on the next meeting agenda.

It is now being brought forward for purposes of members to consider the election of another co-chair. Since this was last discussed, Mr. Bruce Clawson has been appointed back to the Zoning Commission and Ms. Thelma Bowie is not in attendance because she is not feeling well.

Chairman Perry O'Brien asked the Zoning Commission if they would like to nominate anyone.

Mr. Aric Owens asked if it was required that they have a co-chair, to which Chairman O'Brien replied it is nice to have a co-chair to lead a meeting if at any time he is not available to attend a meeting.

Mr. Bruce Clawson made a motion to nominate Mr. Aric Owens as co-chair of the Zoning Commission. Mr. Fernando Tello seconded the motion. All other members present voted aye.

Mr. Owens stated he would be glad to serve as co-chair.

4) Zoning Change Request from The Interfield Group to rezone from District "O" (Open Space to District "E" (General Business) for a proposed Convenience Store and Retail Development. Located at 1414 FM 646 on the east side of Vicksburg Lane and west of Hwy 146 N.

a. STAFF REPORT

Ms. Golden stated the location is a 9.56-acre site located on the east side of Vicksburg Lane at FM 646. The Applicant is requesting a rezoning to be able to build a new 4,700 sq ft convenience store with fuel pumps and a new 12,000 sq ft retail strip.

The property is currently zoned District "O" (Open Space) and that is the zoning in place when you have land that is not developed or subdivided. It is intended that District "O" be rezoned as the city grows into that direction.

For the particular use that they're contemplating, District "E" (General Business) would be the appropriate district for them to be rezoned into. The surrounding property that is not vacant is still zoned District "O". Property that is vacant on the other side of Vicksburg Is zoned District "A" (Single Family Residential).

The District "E" zoning would be appropriate and staff have worked with them on our site plan. The main issue they had was getting some developed drainage because the drainage is pretty poor in the area. What they've done is they're going to subdivide into three lots and one of the lots will actually have a detention pond on it and then there'll be a Property Owners Association that will own and operate their detention pond for the benefit of the other two lots of which one will be the convenience store and the other will be the retail strip.

This project is in the Gateway Overlay District so they will have to comply with the requirements of the Gateway Overlay District which again are masonry construction, some setback requirements, landscaping requirements and some screening requirement. The Applicant has indicated they are compliant with all of this.

If the Zoning Commission does recommend to rezone, staff just suggests it be subject to the subdividing going in place and the creation of the Property Owners Association to own and operate that.

Mr. Bruce Clawson then stated traffic along FM 646 is a heck of a deal. He went through there recently and there was a bad wreck on the road. He couldn't tell if there is a turn lane and asked if there is one at the property.

Ms. Golden doesn't believe there is, but indicated this is the next section of FM 646 to be widened. In fact part of their platting is going to go ahead and be dedicating that additional right of way. TxDOT is also in the process of acquiring that right of way.

Chairman Perry O'Brien asked if the retention pond would constructed at the same time, to which Ms. Golden replied construction of the detention pond will be required when they do the project because that's what is allowing them to have the drainage that they need.

Mr. Clawson then asked what the building is on the property, to which the owner, Mr. Stavan Vora, replied it is just a storage building that the previous owner had used.

Mr. Clawson then asked if there were any wells on the property. [The representative "no" by shake of the head.] Ms. Golden advised the site does not have Texas city water and sewer service available to it, so they're going to have to annex into the Bacliff MUD for purposes of getting their water and sewer service. This does not mean they are going to de-annex from Texas City. The MUDS and the city are on top of each other. The mayor has given them a "comfort letter" indicating that at the appropriate time we will take a request to City Commission to give the necessary consent for the annexation.

Chairman O'Brien then asked if this site plan still needed to be presented to the Planning Board, to which Ms. Golden replied it has been through that process. He then asked what the construction timeline would be. Mr. Vora replied if given the green light he will start tomorrow.

Co-Chairman Aric Owens then asked if there would be fire hydrants installed because he recalled a couple years ago they looked at a storage facility further down the road and they weren't there and would have to install on-site water storage. Ms. Golden replied when this happens, it's not going to be on-site water storage but when they start their process of annexing into Bacliff, that is what will have to be worked out – is the capacity to provide the Fire Protection that's necessary for Texas City Fire Marshall to sign off on.

Chairman O'Brien asked if there any additional questions? There were none.

b. PUBLIC HEARING

A motion was made by Fernando Tello/Co-Chairman Aric Owens to open the Public Hearing. All other members voted aye.

Chairman O'Brien stated if anyone in attendance was for or against the zoning change now would be the time to make a comment.

Ms. Golden stated there were eight Public Hearing Notices mailed to neighboring property owners and no comments were received in favor or against the zoning change request.

There were no questions or further discussion, to which a motion was made by Bruce Clawson/Fernando Tello to close the Public Hearing. All other members voted aye.

c. PRELIMINARY ZONING APPROVAL – Consider and take action on the zoning change request from The Interfield Group.

A motion was made by Bruce Clawson/Fernando Tello to approve the zoning change request from The Interfield Group to rezone from District “O” (Open Space) to District “E” (General Business) for a proposed Convenience Store and Retail Development provided it is subject to the establishment of a Property Owners Association and the recording of a subdivision in proper form. All other members present voted aye.

5) Zoning Change Request from Alpha Omega Power, LLC to rezone from District “F” (Light Industrial) to District “S-P” (Site Plan) for development of an electric power generating station utilizing lithium-ion battery energy storage system (BESS). Located at 701 Hwy 146 N., west of Hwy 146 N., and north of the existing Golden Rule Logistics.

a. STAFF REPORT

Ms. Golden stated Alpha Omega Power LLC is looking at a site that is 6.29 acres of vacant land but will use 5.71 acres to install a Battery Energy Storage System (BESS). This is a large installation. Previously approved BESS' have been 10 MW. This project will include up to 106 individual battery containers for 205 MW or 410 MWh at a two-hour capacity, meaning it takes two hours to charge and two hours to discharge. This is approximately twenty times larger than any of the previously approved BESS projects in Texas City.

They have provided in their site plan for the 15 ft spacing all the way around the battery units as required by the city's updated fire code. They're also providing a paved 20 ft perimeter road with two points of access.

The second access is actually through adjacent property which the applicant does not own or control. The owner has provided an easement. Ms. Golden pointed out the recommendation is

for that secondary access to have some sort of platting to it. Staff's concern is that it remained completely open and accessible over time.

The Applicant is also providing a nice masonry fence and landscaping at least 6 ft in height, which again is the standard that the city is applying to these BESS projects which was also applied to the other two that have been approved.

The project site is part of the former ETC Texas City Trucking Terminal. It had some environmental issues and has been through a process with TCEQ and now has no further action required, but it can never be used for anything but industrial or commercial.

The adjacent property to the north is Baker Distributing. There is common ownership of the property to the South which is a logistics company. The property across Hwy 146 N is the TNMP Substation.

Information was provided to Ms. Golden about why the TNMP Heights Substation is a prime location for these types of projects to tie into, which is basically has to do with the size of the substation and the fact that it's set up to take this kind of interconnect.

Also provide was some information about the type of battery chemistry and the manufacturer that they're proposing to use. The battery chemistry is the Lithium Ion Phosphate, which is considered stable and less prone to the thermal runaway concerns.

The manufacturers of both the battery cells and the battery assembly are considered Tier 1. Ms. Golden believes that means that they work really hard to comply with all the codes. They do the extra testing and things to show that their products are safe and then they maintain good quality control as they're being built.

This location is not in the floodplain, and it is inside the Texas City Hurricane Levee.

The specification they are going to have for the containers are the type that you would have for a corrosive environment, such as coastal area. It's the highest level of corrosion protection and the highest level for both the batteries and containers. She stressed that these are the standards that both the Building Official and Fire Marshall will apply at the time of applying for building permits.

Their fire protection will be an on-site system that is specifically designed for this application. There's also a robust monitoring system that is monitored remotely 24/7, but indicated that for a project this size the operator would have a crew stationed within the nearby area [LaMarque] to make proper response in the event that remote monitoring shows there is something going on.

Information about decommissioning was provided for the Zoning Commission. Staff do anticipate that at the time of permitting some sort of decommissioning bond or security will be required through the permitting and plan review process. This process is still in development by the building official and fire marshals.

Ms. Golden stated that the item that might need consideration is the second point of access. Again, the Applicant has provided a signed easement agreement, but staff would prefer to see it as a plat because those things are usually just easier to keep track of.

This company was formed in 2023, so it would be considered a startup.

The Planning Board has looked at this because the zoning changes to District "S-P" (Site Plan) requires review by the Planning Board first to look at the site plan. The Planning Board approved the site plan conditioned upon the Zoning Commission approving the zoning change. If the zoning change is approved the Applicant would have to be subject to the site plan as approved by the

Planning Board. There could not be any changes to the site plan without approval from the Planning Board.

The Zoning Commission's action is to make a recommendation to the City Commission. The City Commission is the one that approves or disapproves the actual zoning change. The Planning Board approved the site plan on a 3-2 vote.

Ms. Golden completed her report and stated she can answer any questions and that the Applicant was also in attendance to answer any questions.

Chairman O'Brien asked if this project fits the Land Use Plan. Ms. Golden replied she was not sure if there is anything specific in the Land Use Plan about these kinds of uses, but it does fit a light industrial use.

Mr. Clawson then stated he had a question for the developer and one for the landowner. He then asked if this is a brown field. Mr. Deano Merrigan [landowner] replied that it had a leaking tank out there and they had monitoring wells out there. TCEQ monitored the wells for some time, and they said, per TCEQ, whatever is there is there and it's not migrating. The trucking facility that was there was responsible for it the cleanup and the monitoring. They had them [the monitoring wells] pulled out and fill them back in and there's no further action.

Mr. Clawson stated that nothing can be built out there, to which Mr. Merrigan stated that was correct. Only commercial or industrial can be built out there.

Mr. Clawson then added that he is not quite clear on the fire suppression system.

Mr. Guillaume Dufay (AOP Renewables) replied batteries are known for being pretty good devices and are everywhere, but large batteries have always had Fire Protection systems. As Ms. Golden mentioned, the way these things are operated is they comply with every fire rule that you can think of and that exists. There have been dozens of thousands of these containers deployed across the nation and they have A National Fire Protection Agency (NFPA) protocol that's called NFPA 855 and each of these have to meet the requirements. One of the requirements is that they have to have several layers of protection. layer No. 1 is monitoring, and No. 2 is to remove the activation, layer #3 is active suppression of fire in the case of a fire, and then the final element of the NFPA 855 is that every battery that gets installed and that complies with NFPA 55 has to go through a burn test.

The way this works is that you set one battery on fire by putting some fire in it and you see what happens. You see how it propagates; you see how the fire gets extinguished by the system. There are several levels of a burn test that can be done on a cell, on a module, on the full rack or on a full container.

Power suppliers are Tier 1 suppliers and Tier 1 suppliers tend to go the extra mile where they do full container/full unit test, and they test what a fire looks like. They then have a passing or failing criteria that come into play into how much you pay for insurance. All the batteries that they choose from show that fires never propagate to the next unit over and there is never an explosion, so the worst case of fire that you can see that is being tested is when you burn a cell and module, and it doesn't go to the next one. You will then have some smoke and then you're going to have to let it burn because the extinguishing system is going to take care of it.

You do not throw water on it, and they train their fire departments on this all the time. Two months ago, they just went through a full fire department training in the City of La Marque where they have another project. They are very actively engaged with fire departments.

Again, you do not throw water on a fire, you let it burn. Once the reaction stops, which will take a couple of hours, you will then take the container and send it to a recycling area. You check the ones around, making sure that integrity is not compromised, and you replace it or you do whatever needs to be done post-removal.

Mr. Clawson then asked what the fire suppression system would be. Mr. Dufay replied there are two types of fire suppression system and added before going into a thermal runaway, a battery cell just like the one in your phone is going to show some early signs of failures. The voltage is going to be off, the balancing with the other modules is going to be off. Mr. Dufay claims they have the best control system in the world. They use a company called Individuation Austin. They monitor every cell, voltage, charge, temperature, etc. You're talking about several hundreds of thousands of cells in this installation. Every one of them has a temperature and voltage sensor that is being monitored. If one of them is off, they deactivate the module, remove it, and replace it with a new one. The early signs are showing what is going to happen and, if for whatever reason, that fails, the second level is you have an early detection system on the battery. If you feel that there is off-gassing of the cells or if you feel there's a higher temperature in the container itself, the container is going to auto shut down. That should stop any discharging that would cause some further fires. If for whatever reason that fails, they are talking about very low probability events here, then there is a fire suppression system at the battery inside each of the battery container.

Depending on the technology, sometimes it uses a FM 200 or state X aerosol and the modern one that they are using are most likely going to be an aerosol-based extinguisher. They are going to spray into the container on the area that was detected and is going to fill the container with the aerosol and that supposedly is going to stop whatever reaction is causing the problem. 9-1-1 will then be called and like Ms. Golden stated their guys will be nearby to respond to the emergency.

Co-Chairman Owens asked Mr. Dufay if he stated earlier that these batteries never explode because he's seen some videos where they have. He added that another thing Mr. Dufay stated, that he thinks is kind of crazy, is that Mr. Dufay stated "supposedly they put them out". He asked if this was just a choice of words because this is a huge concern to him.

Mr. Dufay replied that he came four years ago in front of these Zoning Commission and it was a pretty long meeting to build a 10MW site, which he indicated on the map. He stated this site has never had any problem and it works well. They are involved in and will be around for a long time. They are investing \$150 million in this project. If this explodes, they are going bankrupt – and there is a lot of their personal money in this too. They are strongly incentivized for these to be safe.

Have there been batteries that have exploded, yes absolutely. That was before the times of NFPA 855. That was before the time when they had clean and clear codes where they were smart people from fire departments across the world and particularly here in the United States that had worked on it. There was a site in Arizona that was known for catching fire and had an explosion when a first responder came into the battery system. It caused several injuries to the first responders and there's been massive changes to the design of the system since then. He believes this happened back in 2017.

There are many changes since then and the chemistry of the batteries has changed. These batteries, lithium iron phosphate, have a lower flammable limit, meaning that they exhaust less gas and they basically catch on fire with less strength and what they are seeing when they do the testing is that when they ignite the cell because they put a resistor in there and overheat it until they ignite the cell.

What you're seeing is that the next cell over ignites too but with less power, and then it just dies out within the module. This is because these batteries are not as reactive as the previous

technologies being used. So that's a major change that makes these batteries much safer. The other thing that was changed was the enclosures, the container of the battery, was rethought and redesigned.

They were talking to the president of Fluence, their main supplier, who is also the #2 US manufacturer for batteries, and he said they have had some failures and they learned from them. That's actually better than having no failures and not learning. Everybody had to redesign and rethink the process because it's possible that a cell is going to have a thermal runaway. What you want to make sure is that it doesn't trigger a catastrophic reaction. The whole mindset of avoiding an accident completely to avoiding catastrophic occurrence has changed in a way that now if a cell goes into a thermal runaway, which again is unlikely because they have 3 levels of suppression, but if cell does go into thermal runaway, there's a deflagration vent at the top of the container according to NFPA 68. There's a deflagration vent at the top, so in the likely event where you have a chain reaction of everything going wrong that possibly could go wrong, and again, it's been tested and showing that it doesn't happen, but, if it happens the deflagration is going to happen overhead, not causing any damages to the first responder or anything. The other main cause of catastrophic consequences to these batteries accidents was if you have first responders getting into the enclosure. It use to be that they would put these batteries into buildings or into enclosures that would allow somebody to walk in there and that's the problem because that puts somebody at risk if there's a thermal runaway.

So yes, there have been batteries that have exploded. Mr. Dufay is not aware of any LFP battery that has exploded. He is aware of some LNO batteries that have had some trouble runaway, but every single time they have self ignited and they have not propagated to the next unit over and they have never caused any accidents.

Co-Chairman Owens then asked in an event they have this gas coming out, are there any studies that show what the carry of that is? For instance, they have approved some generators out here on Humble Camp Road and Attwater Drive and they talked about the decibel noise for like so many feet but if you have a fire what does that plume look like? Is it a quarter mile? Half a mile? A couple 100 feet? Who's in harm's way at that point? And do you have protection for that?

Mr. Dufay replied they work with a company called ESRG. They are a fire consultant everywhere and they are the main fire consultant for battery energy storage. They were actually created by 9-1-1 heroes, so they know about fires. They do the HMA (Hazard Mitigation Analysis), fair mode, and affect analytics which will be part of this project. As they go into the design there will be an HMA down to meet the NFPA 855 requirements and that HMA is going to consider the risk of gas dissipation and any danger for any public or for any walker. All of that is going to be studied in detail from quantitatively and qualitatively.

The qualitative answer is that when one of these thermal runways does happen the common kind of point of comparison, it doesn't create more toxic gas exhaust than a typical office building catching on fire.

Mr. Owens stated that could be put out in a couple hours. How many hours would this project take to burn out?

Mr. Dufay replied that is the whole benefit of the new testing that they do because they show that the fire does not propagate any further than one container. There's a limited quantity that can burn and so the exhaust is going to be limited. He believes the time concept is about a couple of hours, maximum six hours for a fire to be completely out and then you can open the container and start to disassemble the pieces and there will be weeks of investigation. He reiterated that it is not weeks, it's not days, it's hours.

Co-Chairman Owens stated that just seems different than what we we've heard on the other projects.

Chairman O'Brien added that the one in Arizona that Mr. Dufay spoke of was a totally different battery design.

Ms. Georgia Meisler (AOP Renewables) replied that was a different battery chemistry as well. It was a LMC battery instead of LFP, which is part of why this standard has moved to the LFP, because it is less volatile, it's more stable, so the end result of thermal runaway is a lesser outcome. She wanted to make sure one question that was asked was clearly answered was how far all the smoke travels. So obviously that depends on winds, but the important factor to consider is that testing would indicate that it's always within EPA standards. And again, the smoke itself, it's typical. Think about what it is that's going to be burning. What is a battery? It's going to have plastics; it's going to have some metals, the same kind as building materials. And it's relevant, not really unique, in that perspective as far as what will actually catch fire.

Alternate Lisa Salinas stated the concern she has is that this place is going to be upwind of the apartment complex nearby. Here the winds are always out of the South, so anything that's coming out of there is going directly toward those apartment complexes. She asked if there is anything that is going to protect those people or notify them that something is blowing their way.

Mr. Dufay replied there are two things to consider. First, this is a light industrial zoning land and of all the light industrial application you can think of, a battery does not create any pollution at all. So, they don't burn anything. They don't have diesel generators. This is just purely charging and discharging energy. There is a very minimal footprint and exhaust of anything. He believes in this respect, it's beneficial for the community around because those apartment complexes will not have any impact.

As part of the emergency response plan, yes, there will be a concerted response plan with the first responder and the first responder, perhaps the Police Department, will oversee flagging any issue or any concern to the public safety. He thinks that it is going to be their top priority is going to be to protect the citizens in a large apartment complex close by. And again, that they will be in the case of an emergency situation, one of the first measures will be when they are on the site is making sure that it does not exceed the EPA standard. If it does, there will be some steps to be taken that will be all part of this emergency response.

Mr. Fernando Tello asked if there would be a leak detection. Will there be hydrocarbon detectors around the units to catch a leak? If a leak is there what will they use to catch that besides them telling the Zoning Commission that somebody offsite will come by and look.

Mr. Dufay replied they will have an operation and maintenance crew that will be spending time at the site mostly during business hours, but because we have the other site in La Marque that's actually fairly close by, they will be spending their time between the two sites.

As far as leaks, they have never heard of a leak on a operating battery, so the only time when a leak may happen is in the case of a deflagration of the battery, which is thermal runaway. In that case there is really two elements that you need to think of. The first element is that every cell is contained in two modules and these modules are IP67 meaning that they are fully water tight and dust proof. So there is nothing that goes in or out of these of these modules and then the container is a 20 ft Conex container. There is a drip pan at the bottom, so anything that leaks is going to fall in the drip pan. The reason for the drip pan is not really for the toxic elements of it, but there is a cooling system that keeps the batteries cold. The cooling system is water and glycol, so if that gets in the drip pan there is going to be a warning that the Operator is going to take care of.

The final other important element is that our site is going to have a ring road, so if there was a massive leak of something bad, but there is no reason for anything of that magnitude to leak, but the surge of leakage would not go past the ring rug, and certainly not into the higher elevation elements like the canal half a mile away. They have got a lot of layers of protection on that, and this is not an element that has not been seen.

Explosion of batteries is a really important element and Mr. Dufay is glad they are talking about this because they want everybody to be aware of this because it is an important element. Leaking is not something that has been seen as a risk associated to the batteries.

Mr. Chris Johnson (Attorney for Alpha Omega) stated he wanted to address the easement for the second access. One of the things that the Fire Marshal wanted to see for this project was two points of access into the site and they went about doing is obtaining a perpetual and uninterrupted ingress and egress easement from the neighboring landowner.

One of the things that Ms. Golden mentioned is that you'd like to see a plat, but legally speaking, there is no difference between having a permanent ingress and egress easement that cannot be obstructed or a plat and the reason being is he actually thinks this is the better way to go because it is something that what they call "runs with the land" is a superior right of the neighboring property meaning this site will have a superior right for that second point of access to come through that neighbor's land forever.

It is not dependent on owners. It is not dependent on any changes to the site. It exists, so no replat can change the fact that that easement is there, meaning it's a contractual superior right that runs with the land. So regardless of who owns the neighboring property going forward, that right of ingress and egress will exist. Also, it is very difficult to try to get a neighbor to replat their property for the benefit of the neighboring property. He has never seen that happen, but he thinks it is important for the Commission to know that legally speaking, there is no difference as far as the rights that are conveyed via this easement. This easement gives a perpetual right for ingress/ egress that cannot be interrupted by any subsequent owner of that property. He thinks it is important to know that that second point of entry is a guaranteed point of entry, and that Alpha Omega has already gone and done the work to obtain that right.

Mr. Clawson asked where this is at. Mr. Johnson indicated it on the site plan. Ms. Golden added that it is on the far west side of the site and then it crosses and follows the northern line of the land.

Mr. Ben Baty stated he has 2.1 acres near this project, and no one has talked to him about an easement. Mr. Johnson replied that he does not believe the property Mr. Baty indicated is his property.

Mr. Johnson then conclude the reason for having a perpetual easement is for that concern that it's not a maybe, it is a recorded document. When you talk about recording it in the real property records, it puts the public on notice that right is going to be there forever.

Chairman O'Brien then asked if there were any other questions?

A motion was made by Fernando Tello/Co-Chairman Aric Owens to open the Public Hearing. All other members voted aye.

Chairman O'Brien explained that the Public Hearing was open, and this is where those in the room, hearing everything that's already been said, has an opportunity to voice whether they are for or against this request. The Zoning Commission would first take any comments from anyone

that is against the zoning change request first and then they would listen to those who are in favor of the request after.

Mr. Baty spoke first and stated he owns the nearby Baker Building and the land immediately west of the Baker building. He recalled that Chernobyl also have all fail safe in place and they had little problem too. As a matter of fact, a week ago today, the Fire Chief of Texas City addressed his Rotary Club and he was asked about the lithium batteries and what do you do if you have a fire with a lithium battery? He said we get everybody away from it because we can't put it out.

Mr. Baty stated that he knows nothing about lithium batteries. He is not a chemist and can only go by what the professionals have told them. Another question during the Rotary Club was what happened if you have a Lexus vehicle - do they have lithium batteries? What if it is on fire on the freeway? What do you do? He said we get away from it to keep people from inhaling the toxins from it.

So again, immediately to the west of his property is the apartment complexes and he has never seen many fires that didn't have smoke. He is sure the southeast winds are going to blow the smoke toward the apartments if there were a fire or chemical reaction. He is just concerned of what will happen in the event of a fire.

He added that this will also kill the value of his property if he tries to sell it and a potential buyer see a lithium battery storage next to it – there goes the tax value.

Chairman O'Brien asked Mr. Baty to indicate his property on the map. He did so and then stated this may just keep the vagrants out.

Chairman O'Brien asked if there were any more comments against the zoning change request. There were none.

Chairman O'Brien then asked if anyone had any comments that are for this request they would take them now. He then introduced Mr. Bob Wittmeyer, who was in attendance, to speak about the benefits of battery energy storage.

Mr. Bob Wittmeyer stated he is a professional engineer and has spent his early life at Ercot and has been doing this for a long time. He then asked if Ms. Veronica Carreon could go to Ercot.com. and then began his presentation.

He then presented why batteries are particularly important to the grid today. He indicated on the website a chart that showed a solar chart in orange, a wind chart in blue, and an aggregate chart in purple. He indicated real time on the site and stated shortly after 8:00 PM, things get really, really tight in the grid, which he also indicated. Five years ago, this was not a problem. He indicated where the grid would peak, and that the generation would be fine the rest of the day.

The problem we have now is we have a ton of wind and solar, and we know every day the solar is going to do that. He indicated in the summertime, the target window for these batteries and stated this is why we need the batteries. We need the batteries because of our demand line; this is our supply line. He promised that they will never serve more load in Ercot than they have generation do so.

What he did not recognize when he got in the power business is every time we turn on appliance at our house, somewhere on the system a generator's fuel valve opens and makes more power. It really is that tight. They measure that with frequency and when it is at 60 Hertz, everything is good. We run out of generation that frequency will fall off 60 Hertz. It doesn't have to fall very far off 60 Hertz and we are all sitting in the dark.

The batteries are particularly helpful now because of all the wind and solar they have on the system, and that's why the batteries are really critical to them. Now, where they weren't so important before, can they raise prices in Texas City by having a battery there? No, they cannot.

The way the ERCOT electric grid works is ERCOT procures services from the least cost resource. Anytime somebody tries to jack with the price a little bit, they'll just move it to someplace else. If the system gets inherently tight, there is an independent market monitor that overlooks the grid and makes sure these guys are playing about it.

Mr. Wittmeyer then asked if there were any Ercot related any questions.

He then added that the other thing batteries are really good for are when there is a load shed event, the operator has to fix the wires first and before they can take the load up, they have to make sure they have enough generation to pick up the load. The problem is the load that was on the system when that load went off causes all of your air conditioners to immediately fire up. If they break that link at 60 Hertz, the load comes back out.

Batteries are a giant shock absorber around the system. They can move from a generator to a load in 1/4 of a second. So they're very important for bringing load back up on the system.

Chairman O'Brien asked if it was appropriate to say that the batteries stabilize this system, to which Mr. Wittmeyer stated that is appropriate and we don't normally need that stabilization, but when we do, we really do.

Chairman O'Brien asked if there were any other comments in favor of?

Mr. Dufay replied that he would like to recommend on the apartment building and the air quality. As part of the emergency response plan in the hazard mitigation analysis, there will be a very quantitative study of all the gassing that's possible from the batteries. There will be a quantitative analysis of how much pollutant can get in the air and may impact the residents. If the studies show that these levels exceed EPA standards that would be a failure and they will not be able to build finance to ensure the assets. So, there are many, many levels of controls on these assets that are here to protect the citizens, to the investors, to thank the first responders and everybody involved in the project.

These HMA documents will be provided to the city as needed and they have to be provided and reviewed by the fire department in order for the project to comply with NFPA 855. They have to comply with NFPA 855, otherwise they do not get insurance on their project.

There are checks and balances control systems in place for these large investments and it's \$150,000,000+ that is being invested. There are a lot of highs and a lot of very expensive lawyers who look at this stuff. There are a lot of eyes on it and very important, like are they going to kill their neighbor is going to be looked at very attentively because no investor wants to be involved with the project that has killed a neighbor. That is how you get a lot of people running away and going bankrupt, so with this being said, this project is going to be intrinsically safe.

Staff will have access to all the documentation they need at the fire department level. The Applicant will also be very happy to discuss any questions. They love batteries so they can talk batteries all day.

Deano Merrigan (Property Owner) then stated that the Zoning Commission approved a battery site exactly across the street and exactly South of the apartments behind Kroger and none of this was brought up. Planning and Zoning voted for it across the street.

Now this project is coming up on his side of the street and it's a little different and it just makes him wonder. He stated that he would like to be treated fair and be shown the same respect. He

stated that he has run into some challenges here and understands the concerns, but he pointed out that across the street is another battery storage facility. He only wants the same questions to be asked when this is presented to City Commission.

He added that this is a \$160,000,000 project. The city makes a lot of money on property taxes and this could make about \$2,000,000 a year for the city and property taxes. It's a light industrial site. This is what it is designed for - light industrial use.

Wind direction has been discussed. He reminded everyone that we live in Texas city, it's not The Woodlands and we everyone in here knows someone who has cancer. This is a safe product and if this building burns down, you got toxic glue and all kinds of stuff that's going to burn in here. And if you put your head over this fire right here on the building to get you some, you probably get sick. And so, it's the same output as a battery.

If they don't do a battery facility and they build a building and it burns down and it is south of the apartments, all that smokes goes towards them. He asked that everyone look at this with an open mind.

There were no questions or further discussion, to which a motion was made by Bruce Clawson/Fernando Tello to close the Public Hearing. All other members voted aye.

c. PRELIMINARY ZONING APPROVAL – Consider and take action on the zoning change request from Alpha Omega Power, LLC.

Co-Chairman Owens asked Ms. Golden about the mitigation study and then they are asked to approve something or not and then say we're going to have this study afterwards to determine if it's good or bad.

Ms. Golden replied what he's talking about the hazard mitigation analysis and a lot of other things will be made available during the building permitting process. That's when the building official will review it, and the Fire Marshall will also review it. We actually are going to contract with a third-party reviewer that specializes in BESS projects to review all of those projects when they come through as building permits.

She believes the reason that it comes later is it's very costly to do it and the Applicant needs to know if they're going to be able to do this site or not. She believes that's the way it comes out. They kind of have to know they can do it here, if they're going to do it anywhere, before they go to the expense of showing models of the factories.

She asked Mr. Dufay if this was correct, to which he replied they are absolutely doing all this level of analysis that they talked about costs them between \$1,000,000 to \$2,000,000. As of today, they are still in a position where if the Zoning Commission denies the project, they have nothing, and the project dies.

They have already invested about \$1,000,000 in the project, but they can't invest another \$2,000,000 for the design and \$2,000,000 for the lawyer fees. They can't invest a lot of money in a project that may die tomorrow.

As much as he would like to come in front of the Zoning Commission with a full package that's fully detailed and fully defined where you can make a strong decision based on very clear criteria, that is impossible to do at that stage. That's where the city staff comes in and they are mandated, and they see this in every jurisdiction that they work with. It is always that process where there's

an initial discretionary approval from the Board of Zoning or Planning and City Council to give an indicative idea of whether the city likes this business, but then the city administration is in charge of enforcing that this project is done well.

Ms. Meisler added that the hazards are known and quantified already. What is unique and what is addressed in the HMA is the site-specific information which is proximity to sensitive receptors and direction some of those other specific things and those drill down and provide detail that may cause some changes in design. The hazards are known and from what has been seen, even in the rare instance of a thermal event, is that the effluent smoke from a thermal event is within EPA standards. That is not something you don't know and that level of detail we absolutely could provide today. It's just what's unique about this specific application in this location that will be addressed, and we'll fine tune the design upon admission of the building permits.

Co-Chairman understand that a vote would be a lot easier to make if you have all this information and wished there was a better way to do this.

Mr. Dufay stated the consultant that Ms. Golden was referring to, he doesn't know if staff will be using this one specifically, but he is a very well-known consultant in this industry. They are in the middle of construction of a project in California right now. That project came through the county of San Luis Obispo, which is very nice wine country. That city was using the same consultant and they went after every single detail. They looked at thousands of pages of studies and documents and into every single line item. That's the kind of scrutiny you get from these guys. They probably charge a lot of money for that, but hopefully permitting fees are going to cover that, but they are good at it, and they are in for the city's best interest.

Chairman O'Brien asked if there were any other questions or comments.

A motion was made by Bruce Clawson/Alternate Lisa Salinas to approve the zoning change request from Alpha Omega Power, LLC to rezone from District "F" (Light Industrial) to District "S-P" (Site Plan) for the development of an electric power generating station utilizing lithium-ion battery energy storage system (BESS). There was a 4 – 1 vote in favor of the zoning change request. Co-Chairman Aric Owens voted against the request.

Chairman O'Brien reminded everyone that the Zoning Commission is seated by volunteers/citizens of the City of Texas City and that City Commission will have the final vote on the zoning change request. He also encouraged those in attendance to be at the City Commission meeting to answer any questions the Commissioners may have.

4. GENERAL UPDATES

There were no updates.

5. OTHER BUSINESS (Any conceptual development proposal requesting to come before the Zoning Commission)

A motion was made by Co-Chairman Aric Owens/Alternate Lisa Salinas to adjourn. All members present voted aye.

Kimberly Golden, Secretary

Date

Minutes approved by the Planning Board at its meeting on _____.

STAFF REPORT

To: Planning Board – Regular Meeting March 16, 2026

From: Kim Golden, P.E., City Engineer 

CC: Doug Kneupper, P.E., Consulting Engineer

Date: March 10, 2026

RE: 701 SH 146 N – Proposed Revised Site Plan – Southern Select Energy BESS Project

UPDATE: This item was tabled at the regular Planning Board meeting on March 2, 2026 to allow additional time for the Applicant to provide renderings based upon the revised site plan. Staff were also asked to mail notice of the meeting to adjacent property owners.

Renderings were received on March 4, 2026 and have been added to Planning Board's agenda packet.

Letters were mailed on Friday, March 6, 2026 to six (6) adjacent property owners. A list of the property owners is included in the agenda packet. No responses have been received as of the date of this staff report.

Background: The Applicant is Alpha Omega Power (AOP). The proposed 205MW, 410MWh Battery Energy Storage System (BESS) project, referred to as the Southern Select BESS Project, will encompass approximately 5.71 acres on 6.29 acres of vacant land located at 701 SH 146 N. At its regular meeting on September 4, 2024, the City Commission held a public hearing upon advertised notice and voted to give Preliminary Zoning Approval upon certain conditions to the request by AOP Holdings, LLC d/b/a Alpha Omega Power, to rezone the site from District "F" (Light Industrial) to District "S-P" (Site Plan). On August 4, 2025 the City Commission voted unanimously to extend the Preliminary Zoning Approval an additional 12 months until September 4, 2026.

Since the Preliminary Zoning Approval, the project has progressed through detailed design engineering, and several revisions have been made to the site plan to improve drainage performance, flood resilience, safety and equipment efficiency. The revisions reflect compliance requirements, insurance considerations and finalized equipment selection, but do not change the approved land use, project footprint or operational characteristics of the project.

Because the District "S-P" zoning designation is tied to a specific site plan, any significant revisions must be reviewed and processed as zoning changes.

Requested Action: The Applicant seeks approval of the revisions to the site plan for purposes of affirming the rezoning to District "S-P" (Site Plan) as required by the Texas City Code of Ordinances for BESS projects.

"the place where COMMUNITY MATTERS"

Staff Analysis and Recommendation: The Applicant seeks approval of changes to the approved site plan to accommodate necessary design changes. Specifically, the following changes must be accommodated with changes to the approved site plan:

- 1) Addition of a detention pond to the site plan to comply with TxDOT drainage requirements to obtain an access permit for the project. The site plan as approved for the rezoning did not contain a detention pond.
- 2) Increase in Site Elevation to + 14.0 feet relative to existing site resulting in a top of container elevation of +23.0 feet.

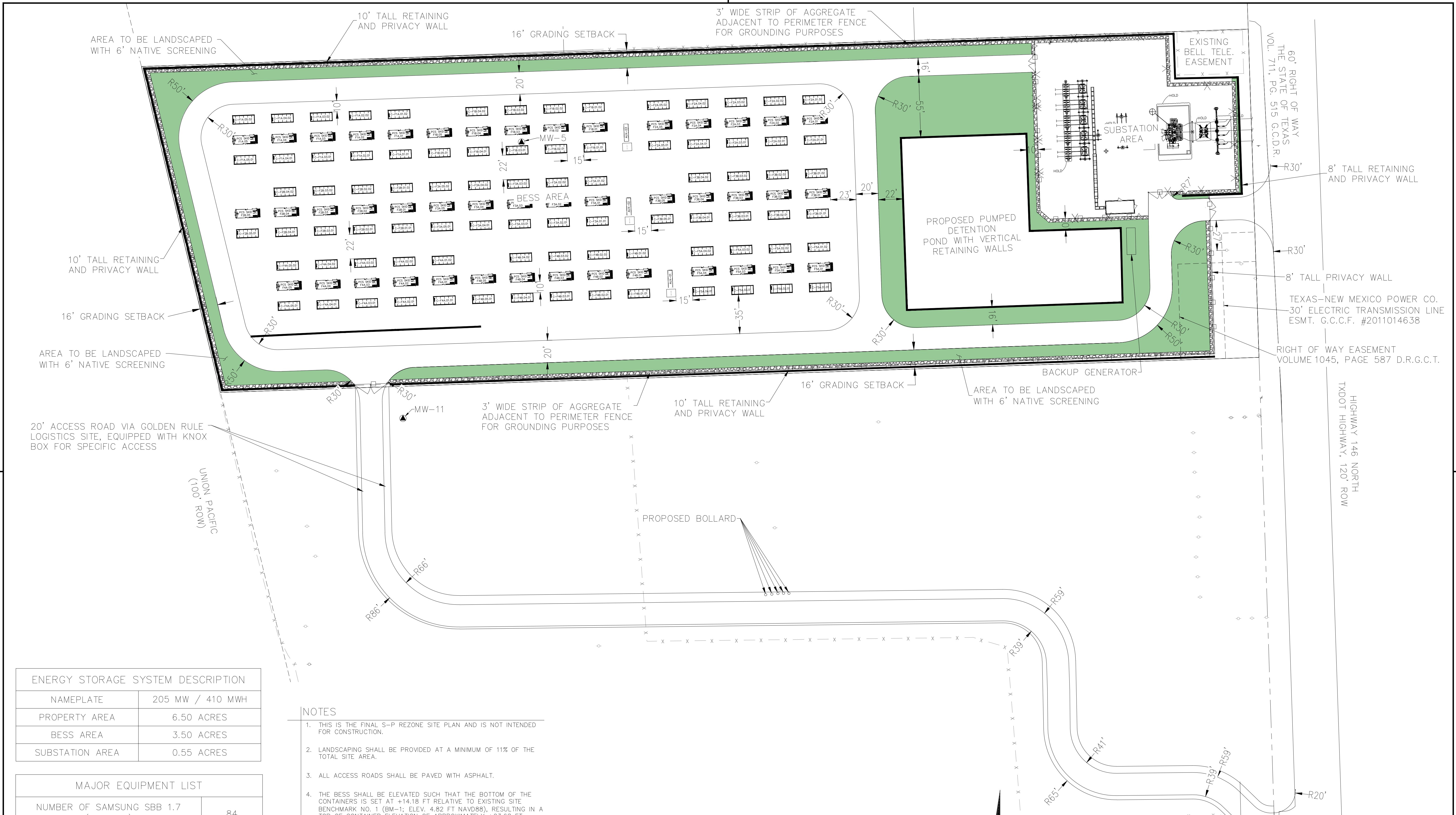
ADDITION OF DETENTION POND – Addition of a detention pond has required the reduction in the number and arrangement of battery containers from 106 to 84. It has also impacted the amount of space available for landscaping with a reduction from 15% to 11% based upon pumped detention. However, Texas City does not accept pumped detention except from institutional stakeholders via Development Agreement. A further reduction in the landscaping component may be necessary to accommodate a non-pumped detention solution. The Applicant has indicated a willingness to work with the City and TxDOT to accommodate a non-pumped detention solution.

INCREASE IN SITE ELEVATION – Height requirements are reviewed and regulated through the "S-P" designation. The previous site plan indicated battery containers would be positioned at or about existing ground level. It has been determined by the Applicant that insurers will require elevation of the battery containers by at least 14.0 ft. above existing ground level. Applicant's current plans are to accommodate this elevation increase with additional fill. The import of so much fill will require some redesign of site drainage to avoid runoff on to adjacent sites. The aesthetics of an elevated site must also be accommodated. Whereas the original site plan provided for a 6ft masonry screening wall along SH 146 and chain link fencing with slats along the side property lines, the increase in elevation will result in masonry retaining walls of 14ft (8ft above the screening walls).

The elevation of the site is most likely to physically impact, if any, the existing business, Hydrokinetics, located adjacent to the north property line. The building is set back approximately 50ft from the property line. The existing apartments are approximately 400ft north of the property line and may have minimal aesthetic impact from the increased elevation. Detrimental aesthetic impact to the traveling public along SH 146 may be minimized by the use of decorative masonry retaining walls.

Recommendation: Measures are available to mitigate the impact of the site plan changes to adjacent properties, such as (1) enhanced landscaping to offset the reduction in the amount of landscaping area; (2) non-pumped detention design; and (3) the use of decorative retaining wall materials where visible to the public or adjacent properties. So long as the Applicant agrees to include these mitigate

measures on the revised site plan, staff have no objection to the changes on the site plan.

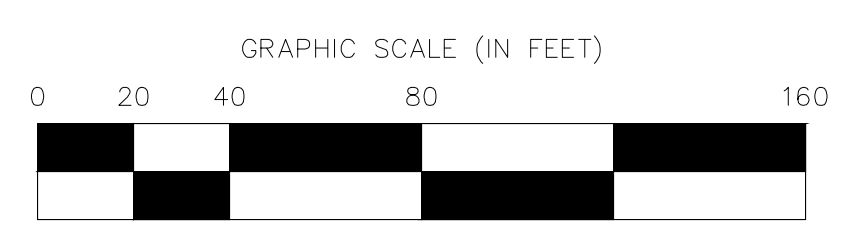


ENERGY STORAGE SYSTEM DESCRIPTION	
NAMEPLATE	205 MW / 410 MWH
PROPERTY AREA	6.50 ACRES
BESS AREA	3.50 ACRES
SUBSTATION AREA	0.55 ACRES

MAJOR EQUIPMENT LIST	
NUMBER OF SAMSUNG SBB 1.7 (6138kWh)	84
NUMBER OF EPC POWER M10	44
NUMBER OF MEDIUM VOLTAGE TRANSFORMERS, RATED AT 5.3 MVA	44

- NOTES**
- THIS IS THE FINAL S-P REZONE SITE PLAN AND IS NOT INTENDED FOR CONSTRUCTION.
 - LANDSCAPING SHALL BE PROVIDED AT A MINIMUM OF 11% OF THE TOTAL SITE AREA.
 - ALL ACCESS ROADS SHALL BE PAVED WITH ASPHALT.
 - THE BESS SHALL BE ELEVATED SUCH THAT THE BOTTOM OF THE CONTAINERS IS SET AT +14.18 FT RELATIVE TO EXISTING SITE BENCHMARK NO. 1 (BM-1; ELEV. 4.82 FT NAVD88), RESULTING IN A TOP OF CONTAINER ELEVATION OF APPROXIMATELY +23.68 FT (BM-1 DATUM).
 - EXISTING MONITORING WELLS ARE CAPPED AND DECOMMISSIONED.
 - THE LAYOUT AS SHOWN IS INTENDED TO SUPPORT COMPLIANCE WITH NFPA 855 GUIDELINES.

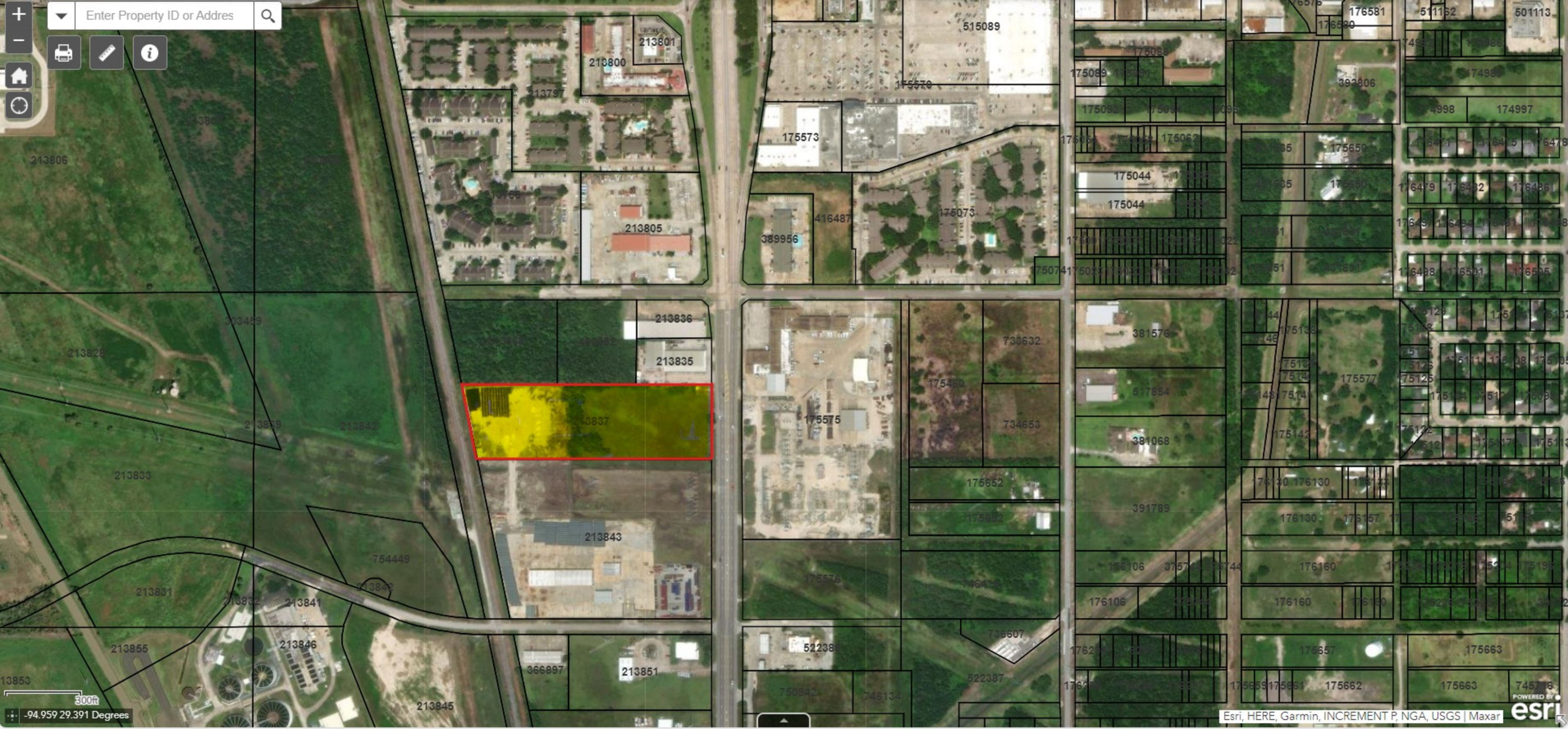
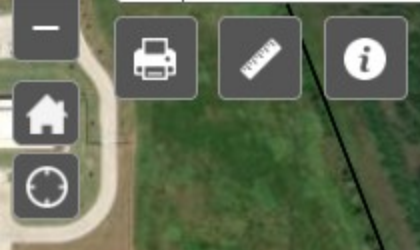
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ALPHA OMEGA POWER, TEXAS CITY, TX
SOUTHERN SELECT 200MW BESS
SITE PLAN EXHIBIT

DATE 02/11/26	DWG. NO.	REVISION
DRAWN MDT	SCALE 1" = 40'	A
ENG. TJM	SHEET 1 of 1	





Date: 2-13-2026

Texas City Engineering
7800 Emmett F Lowry Expy
Texas City, TX 77591

Attn: Kim Golden

Re: Southern Select S-P Rezone – Design Updates

Summary of Design Revisions

Southern Select Energy Storage located at 701 Hwy 146, Texas City, TX 77591 currently has S-P Rezone preliminary approval as of September 2024, with an extension granted by the City in September 2025.

As engineering has progressed from conceptual layout to detailed design, several revisions have been made to improve drainage performance, flood resilience, safety, and equipment efficiency. These revisions reflect compliance requirements, insurance considerations, and finalized equipment selection, and do not change the approved land use, project footprint, or operational characteristics of the project.

1. Detention Pond Addition (Drainage Compliance)

A detention pond has been incorporated into the site design to comply with **applicable TxDOT drainage requirements** identified during detailed drainage analysis. The detention facility maintains post-development runoff rates at or below pre-development conditions and improves overall stormwater management performance. The approved discharge location and downstream drainage assumptions remain unchanged.

As part of incorporating the detention pond into the finalized layout, the project requested a reduction in the landscaping requirement from 15% to 10% to accommodate required drainage infrastructure. The current site plan provides **11% landscaping**, which remains consistent with the requested adjustment while maintaining appropriate site screening and aesthetics.

2. Site Elevation Adjustment (Insurance and Flood Protection)

The BESS equipment area has been elevated as part of finalized grading and drainage design. The bottom of containers will be set at **+14.0 feet relative to existing site Benchmark No. 1 (BM-1; Elev. 4.82 ft NAVD88)**, resulting in a top-of-container elevation of **+23.0 feet (BM-1**



datum). This adjustment is driven by project insurance requirements and flood risk mitigation considerations while maintaining positive site drainage and consistency with the approved site layout.

3. Equipment Configuration Update

The equipment configuration has been updated following final equipment selection and system optimization. The previously submitted layout included **106 battery containers**. The updated design includes **84 battery containers**.

The reduction in the number of containers reflects the selection of newer, higher-capacity battery technology that allows the project to meet required power and operational objectives with fewer units. The battery units are manufactured in the United States. The revised configuration improves equipment spacing, simplifies implementation of the project safety and emergency response plan, and enhances overall site safety while maintaining the approved project capacity and footprint.

Simon Labrosse-Gelinas

Project Developer
Alpha Omega Power LLC

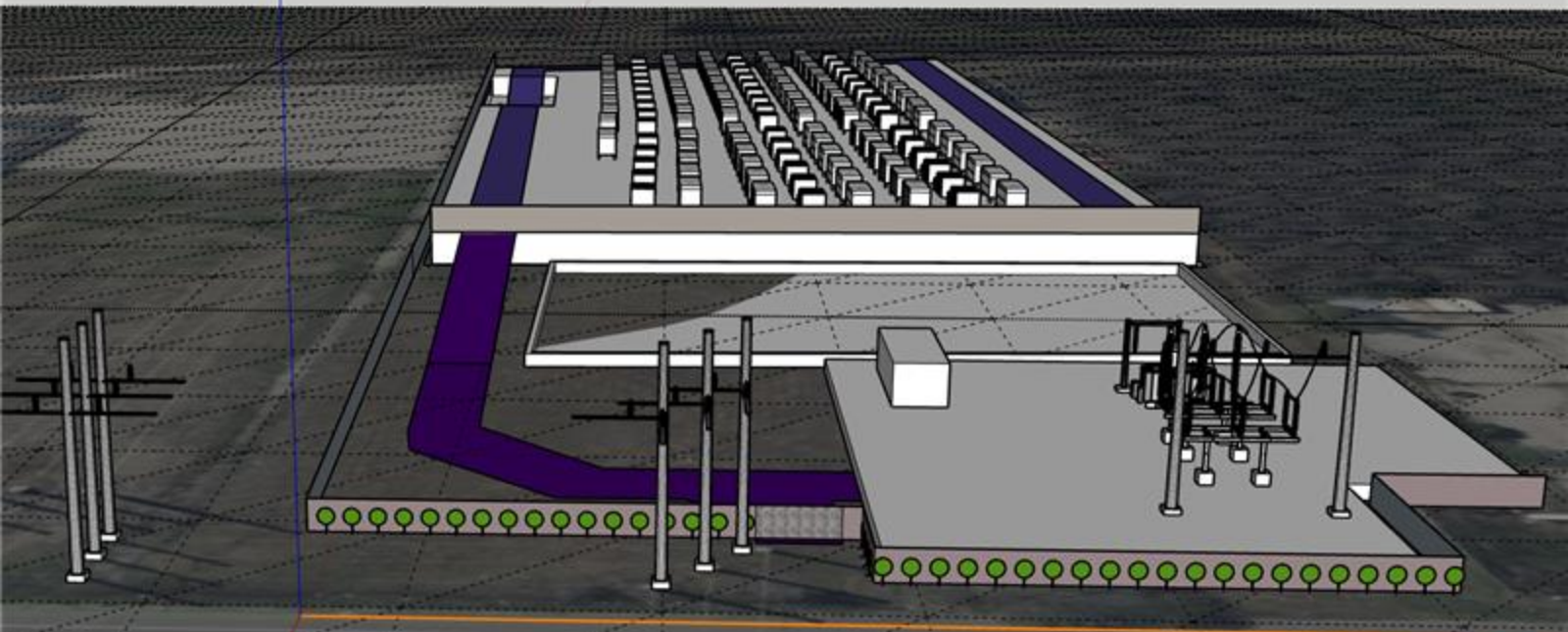
NAME	ADDRESS2	CITY	ST	ZIP
LM STORAGE LLC	5309 INTERSTATE 45	LA MARQUE	TX	77568-3090
HBB BRADFORD LLC	PO BOX 79182	HOUSTON	TX	77279
MOSAIC VERANDA LP	15021 KATY FWY STE 580	HOUSTON	TX	77094-1900
GULF COAST WATER AUTHORITY	3630 TEXAS AVE	TEXAS CITY	TX	77591-4824
BATY INTEREST	2912 FROSTWOOD CR	DICKINSON	TX	77539
TEXAS NEW MEXICO POWER CO	414 SILVER AVE SW, MS TAX 1025	ALBUQUERQUE	NM	87102

Levee wall: NONE
dirt raised BESS yard 12ft
piles 2ft
assume NG is 5ft NAVD88
substation raised 4ft

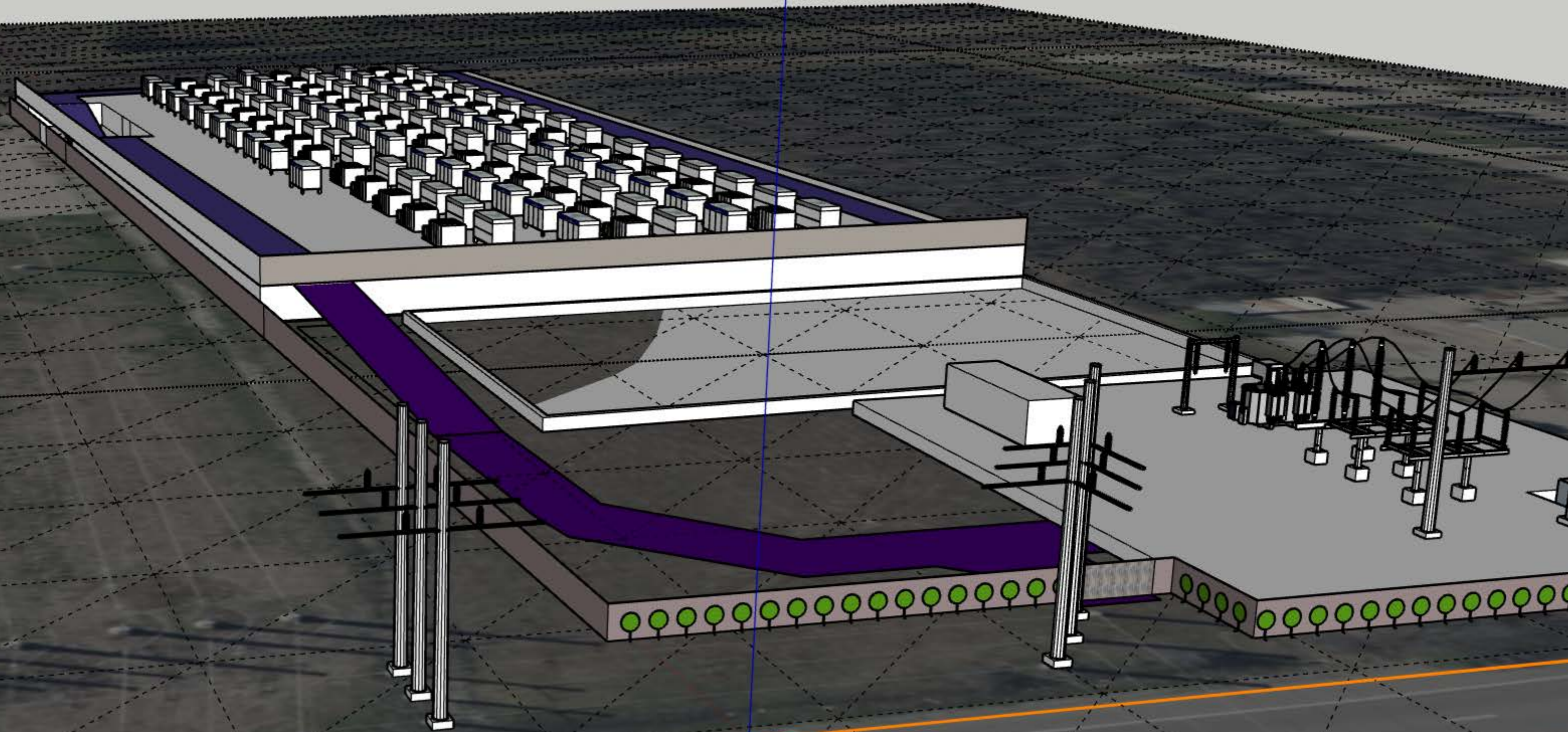


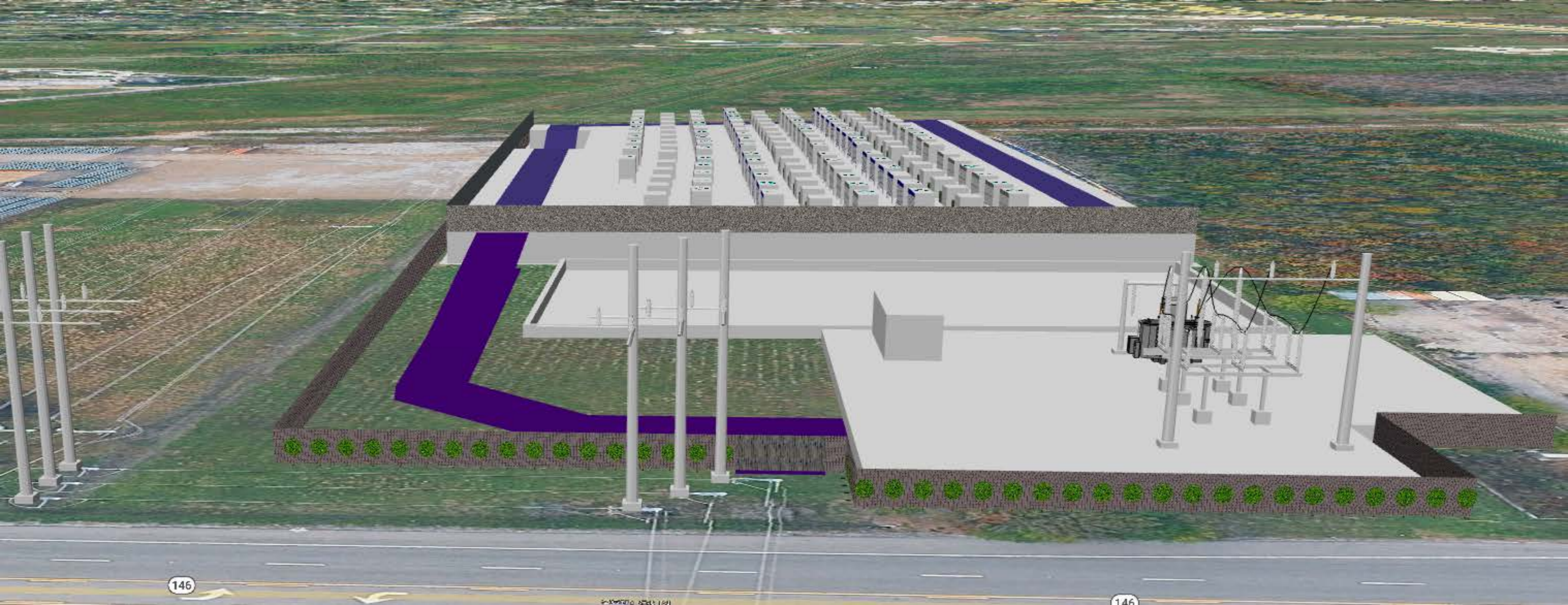


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146

146





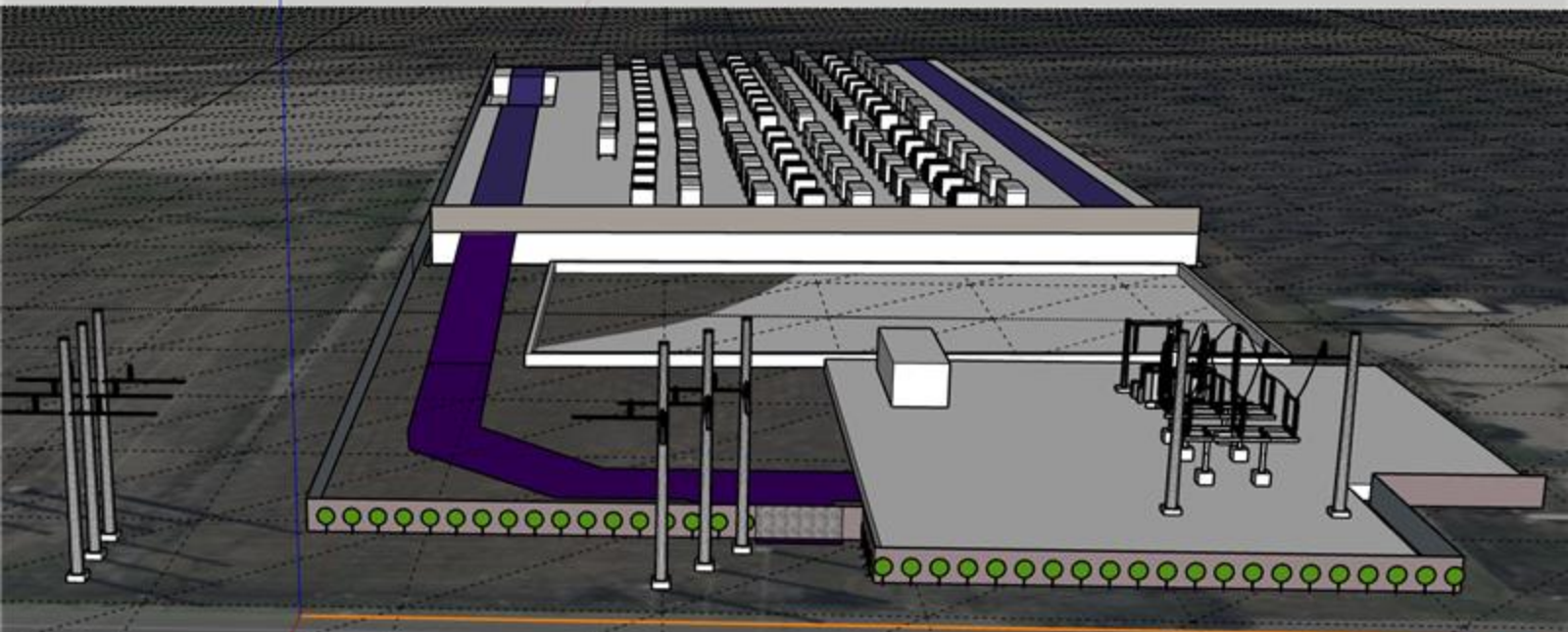


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substation raised 4ft

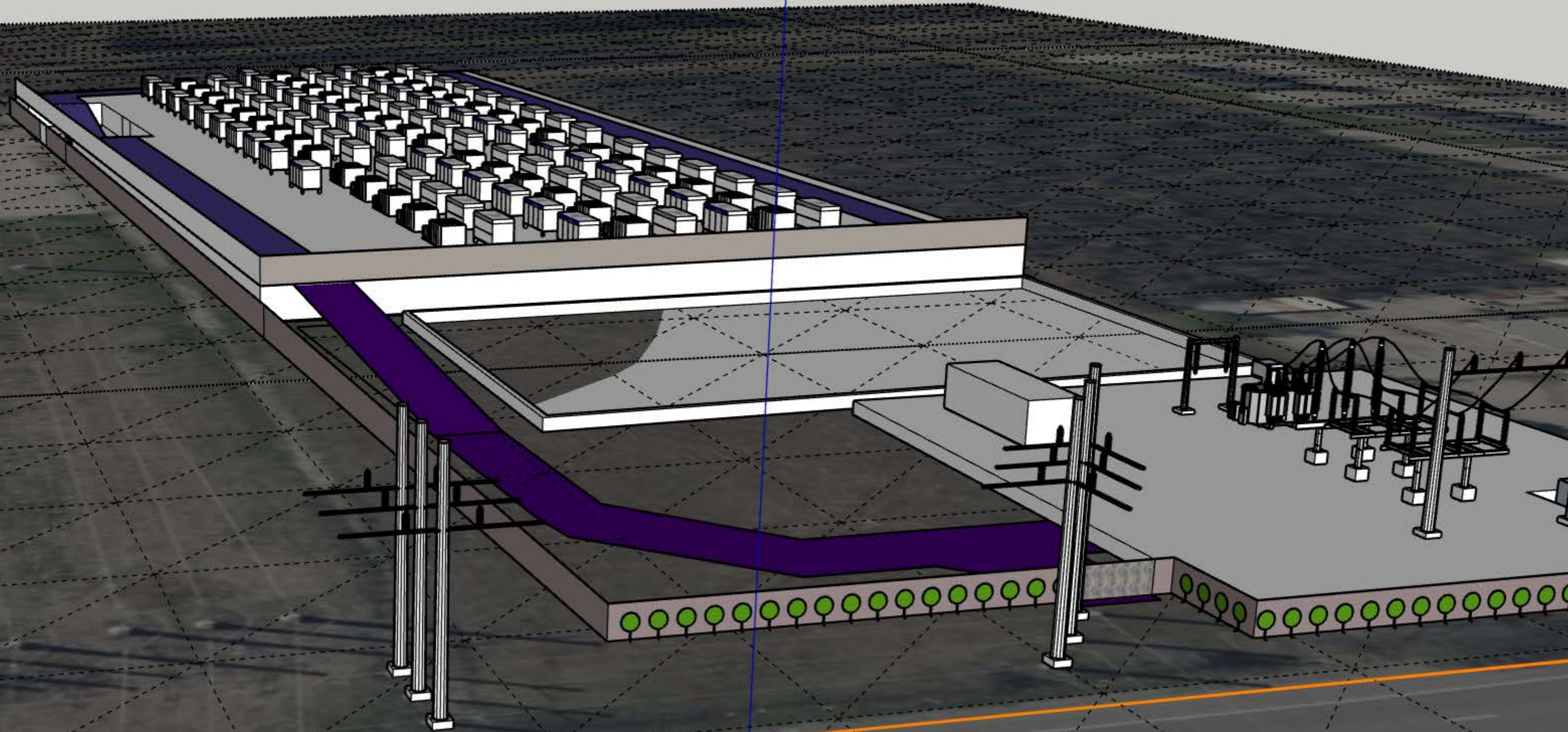




Levee wall: NONE
dirt raised BESS yard 12ft
piles 2ft
assume NG is 5ft NAVD88
substation raised 4ft



Levee wall: NONE
dirt raised BESS yard 12ft
piles 2ft
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substation raised 4ft



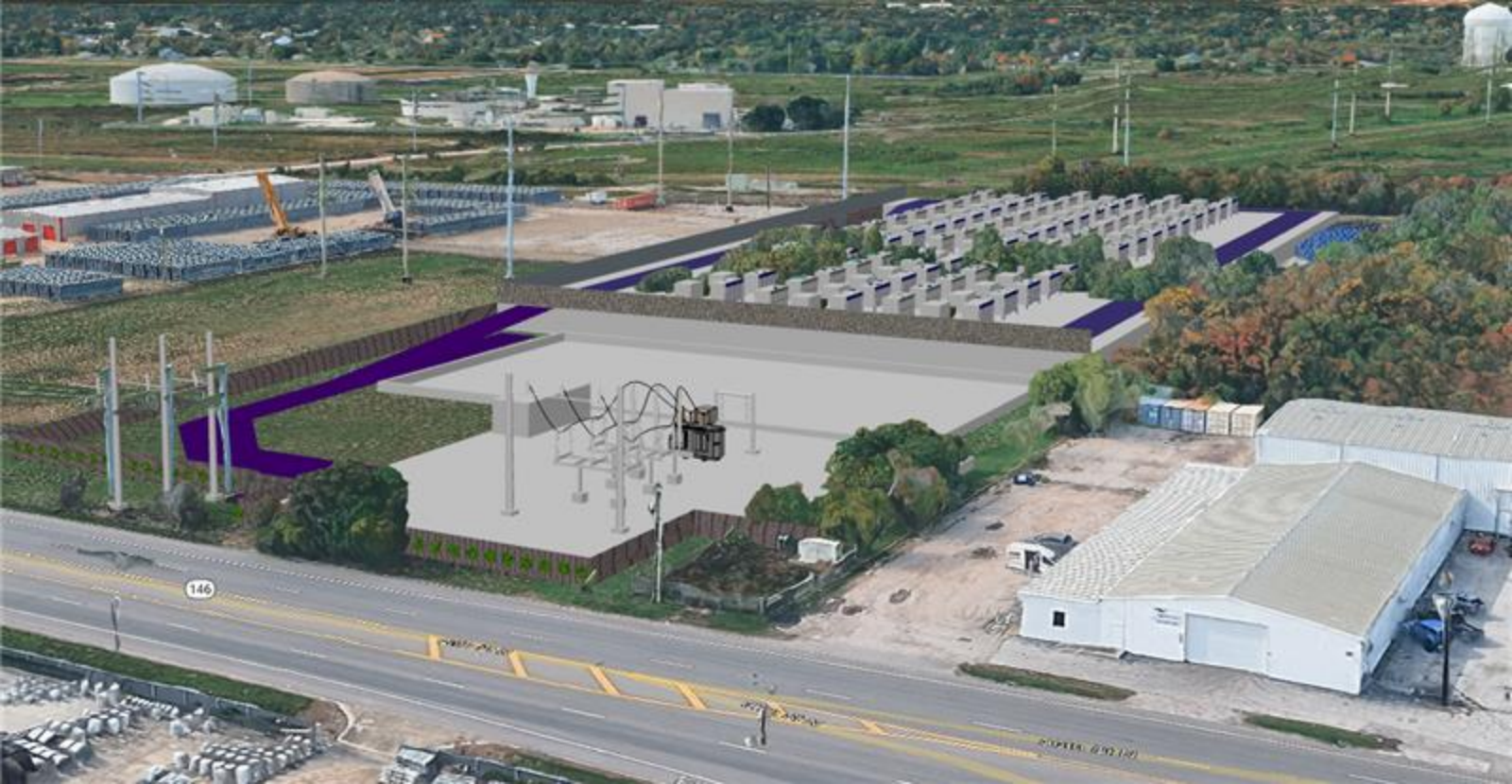


146

146







ZONING COMMISSION

April 7, 2026

The Zoning Commission of the City of Texas City met in a regular meeting on Tuesday, April 7, 2026, at 5:00 p.m. Staff members present were Kim Golden (Secretary), Casey Bennett (Chief Building Official), David Kinchen (Deputy Building Official), Curt Kelly (Engineering & Planning Administrator), Veronica Carreon (Planning & Zoning Technician), Danica Vaughan (Administrative Assistant), and Lauren Atkinson (Plans Examiner). Guests were: Simon Labrosse, Gemy Thomas, and Chris Jonson.

Chairman Perry O'Brien indicated a quorum was present and called the meeting to order at 5:00 pm.

(1) ROLL CALL

The following members answered roll call: Member David Zacherl, Alternate Member Becky McLaughlin, Chairman Perry O'Brien, and Commissioner Thelma Bowie

(2) PUBLIC COMMENTS

There were no public comments.

(3) APPROVAL OF MINUTES

A motion to approve the minutes of February 17, 2026, was made by Member David Zacherl/ Commissioner Thelma Bowie. All other members present voted aye.

(4) RATIFICATION OF MINUTES

A motion to ratify the minutes of OCTOBER 21, 2025, was made by Member David Zacherl/Commissioner Thema Bowie. All other members present voted aye.

At the request of Chair O'Brien Ms. Golden explained the ratification of the minutes for the October 21, 2025, meeting was recommended by the City Attorney because the majority of members who previously voted to approve the minutes at the meeting on February 17, 2026 had not attended or been present at the meeting on October 21, 2025.

5) Alpha Omega Power, LLC seeks to revise the Development Plan (Site Plan) for an electric power generating station utilizing lithium-ion battery energy storage system (BESS) previously approved by the Planning Board at its regular meeting on July 22, 2024. The zoning change from District "F" (Light Industrial) to District "S-P" was previously approved by the Zoning Commission at its meeting on August 6, 2024, and preliminary zoning approval was approved by the City Commission at its meeting on September 4, 2024. Located at 701 Hwy 146 N, west of S.H. 146 N and north of the existing Golden Rule Logistics.

A. Staff Report

Ms. Golden reminded the Commission of the location of this project in Texas City. She pointed out it is on SH-146 across from the current TNMP substation and north of Golden Logistics. She stated it is coming back to the Commission because there have been changes

proposed to the approved Site Plan. The District "S-P" (Site Plan) is tied to a specific site plan so when the site plan changes it must come back through the process for approval as a site plan and as a zoning change.

Ms. Golden explained the site plan is being changed because TxDOT is requiring on-site detention, and the addition of the detention pond caused a change in the number and configuration of the containers. The number of containers is reduced and still maintaining the required fifteen foot separation.

The other required change is an increase in the elevation of the site as a requirement for the developer to obtain insurance which they must have to obtain financing for the project. The elevation is increasing substantially, approximately 14ft above existing ground elevation. The Planning Board expressed concerns at the previous meeting on Monday, March 2, 2026 about the increase in elevation and the impact on nearby properties. The Board requested renderings to show what it would look like from nearby. The developer provided renderings and made a 3D presentation to the Planning Board which was repeated to the Zoning Commission during the staff report. Staff advised notices of the public hearing were sent to adjacent property owners, as required by the Zoning Ordinance.

Alternate Member McLaughlin asked if residents from the nearby apartment complex would be able to see the battery site from their apartments. Mr. Labrosse showed by view of the 3D renderings that the residents will not be able to see from their apartments. The site will be blocked by the trees in the undeveloped land. Ms. Golden stated that the property is not a green space or buffer zone, but it's just a vacant lot, and the property owner could remove the trees if they wanted.

Member Zacherl asked how high the wall was in the detention. Gemy Thomas with AOP stated it depends on which side. The side closer to the battery is about 6 or 7 feet. It is a little shorter on the roadside and will be 12 feet against the back wall. Member Zacherl asked if the middle will drain from there? Mr. Thomas stated that it was the plan.

Member Zacherl asked about installing a dry hydrant on the detention pond for use in case of a fire. Mr. Labrosse stated he would refer that suggestion back to the design team, but the battery containers are designed to burn without water being applied to it. Ms. Golden stated that addition of a dry hydrant could be considered and decided during the permitting process, which the building officials present acknowledged.

B. Public Hearing

A motion to open a public hearing was made by Member David Zacherl/Commissioner Thema Bowie. All other members present voted aye.

At 5:20 pm, Chairman O'Brien declared the Public Hearing to be open. He then invited anyone in opposition to the rezoning to please speak.

No one appeared to speak in opposition. There were no further questions.

A motion was made by Commissioner Bowie/Alternate Member Becky McLaughlin to close the Public Hearing. All other members voted aye.

The public hearing was closed at 5:21pm.

C. Preliminary Zoning Approval - Consider and take action on the zoning change request from Alpha Omega Power.

A motion was made by Commissioner Bowie/ Member David Zacherl to recommend approval of the zoning change request Alpha Omega Power, LLC, to revise the Development Plan (Site Plan) for an electric power generating station utilizing lithium-ion battery energy storage system (BESS) from District "F" (Light Industrial) to District "S-P" with the changes to the previously approved site plan. All Members voted aye.

Motion carried 4 – 0.

(6) GENERAL UPDATES

a. Tabled from the 02/17/2026 meeting – Election of Officers

Chairman O'Brien nominated Member Zacherl to be co-chair, seconded by Commissioner Bowie. All members present voted aye.

Member Zacherl nominated Chairman O'Brien to remain as chair, seconded by Commissioner Bowie. All members present voted aye.

(7) GENERAL UPDATES

Ms. Golden introduced Lauren Atkinson (Plans Examiner) to the commission. Ms. Golden also updated the commission on the start of the building's renovations and noted that the meetings will move to a temporary location around August.

ADJOURNMENT

A motion was made by Member David Zacherl/ Alternate Member Becky McLaughlin to adjourn. All members present voted aye.

Kimberly Golden, Secretary

Date

Minutes approved by the Zoning Commission at its meeting on _____.

CITY COMMISSION REGULAR MTG

(9) (a)

Meeting Date: 04/15/2026

Submitted By: Renee Edgar, City Secretary

Department: City Secretary

Information

ACTION REQUEST

Approve City Commission Minutes for April 1, 2026 meeting. (City Secretary)

BACKGROUND (Brief Summary)

RECOMMENDATION

Fiscal Impact

Attachments

Minutes

REGULAR CALLED CITY COMMISSION MEETING

MINUTES

WEDNESDAY, APRIL 1, 2026 – 5:00 P.M.
NESSLER CIVIC CENTER - WINGS OF HERITAGE

A Regular Called Meeting of the City Commission was held on Wednesday, APRIL 1, 2026, at 5:00 P.M. in the Nessler Civic Center — Wings of Heritage, Texas City, Texas. A quorum having been met, the meeting was called to order at 5:01 p.m. by Mayor Dedrick D. Johnson.

1. ROLL CALL

Present: Dedrick D. Johnson, Mayor
Thelma Bowie, Commissioner At-Large, Mayor Pro Tem
Abel Garza, Jr. , Commissioner At-Large
DeAndre' Knoxson, Commissioner District 1
Chris Sharp, Commissioner District 3
Jami Clark, Commissioner District 4

Absent: Keith Love, Commissioner District 2

2. INVOCATION

Led by Father Clint Ressler, Pastor of St. Mary of the Miraculous Medal Catholic Church.

3. PLEDGE OF ALLEGIANCE

Led by Jami Clark, Commissioner District 4.

4. PROCLAMATIONS AND PRESENTATIONS

a. Proclamation Declaring April 2026 as Fair Housing Month

Dedrick D. Johnson, Mayor, presented Patricia Mata, Community Development and Grants Administration Director, and her staff with the proclamation for Fair Housing Month.

b. Proclaiming April 9, 2026, as "409 Day" in Texas City, Texas

Dedrick D. Johnson, Mayor, presented Jennifer Laird, Community Director, and her staff with the proclamation for "409" Day.

5. REPORTS

a. Community Development Annual Report

Patricia Mata, Community Development and Grants Administration Director, gave a PowerPoint presentation.

6. PUBLIC COMMENTS

There were none.

7. CONSENT AGENDA

Commissioner At-Large, Abel Garza, Jr., made a motion to approve Consent Agenda items 7a, b, c, and d. The motion was seconded by Commissioner At-Large, Mayor Pro Tem, Thelma Bowie.

- a. Approve City Commission Minutes for March 18, 2026 meeting. (City Secretary)

Vote: 6 - 0 CARRIED

- b. Consider and take action on Resolution No. 2026-033, approving the contract with Spark Lighting (BuyBoard Contract No. 779-25) to complete the baseball field lighting upgrades at Carlos Garza Sports Complex. (Parks, Rec & Tour)

Vote: 6 - 0 CARRIED

- c. Consider and take action on Resolution No. 2026-034, suspending the April 19, 2026, effective date of the GRIP (Gas Reliability Infrastructure Program) Rate Increases proposed by CenterPoint Energy for the maximum period allowed by Texas Utilities Code 104.301(a). (Management Services)

Vote: 6 - 0 CARRIED

- d. Consider and take action on Resolution No. 2026-036, awarding Invitation To Bid (ITB) 2026-016 and entering into a contract for the demolition of 1801 9th Avenue North. (Public Works)

Vote: 6 - 0 CARRIED

8. REGULAR ITEMS

- a. Consider and take action on Ordinance No. 2026-05, approving the permanent zoning change request from The Interfield Group to rezone from District "O" (Open Space) to District "E" (General Business) for a proposed Convenience Store and Retail Development. (Engineering)

Kim Golden, City Engineer, stated that staff has confirmed the requirements for permanent rezoning have been met and recommends that the Commission approve the rezoning.

Motion by Commissioner At-Large, Mayor Pro Tem Thelma Bowie, Seconded by Commissioner District 4 Jami Clark

Vote: 6 - 0 CARRIED

- b. Consider and take action on Ordinance No. 2026-06, approving the permanent zoning change from Sherman Jones to rezone the property at 2828 Texas Avenue, Texas City, TX from District "F-1" (Outdoor Industrial) to District "E" (General Business) to operate "Kingdom Wings with Heavenly Flavors" - a take-out food service with a drive-thru window. (Engineering)

Kim Golden, City Engineer, stated that staff has confirmed the requirements for permanent rezoning have been met and recommends that the Commission approve the rezoning.

Motion by Commissioner District 1 DeAndre' Knoxson, Seconded by Commissioner At-Large Abel Garza, Jr.

Vote: 6 - 0 CARRIED

- c. Consider and take action on Ordinance No. 2026-07, approving the permanent zoning change of The City of Texas City Economic Development Corp., Mae Budwine, and Bay Area Habitat for Humanity to rezone property from District "D-1" (Limited Service) to District "A" Single-Family Residential) for the development of single-family homes. (Engineering)

Kim Golden, City Engineer, stated that staff has confirmed the requirements for permanent rezoning have been met and recommends that the Commission approve the rezoning.

Motion by Commissioner At-Large Abel Garza, Jr., Seconded by Commissioner At-Large, Mayor Pro Tem Thelma Bowie

Vote: 6 - 0 CARRIED

- d. Consider and take action on Resolution No. 2026-035, awarding Invitation To Bid (ITB) 2026-013 and entering into a contract for installation of two traffic signal projects at 6th Street and 9th Avenue, and at 9th Street North and Loop 197. (Public Works)

Jack Haralson, Public Works Director, recommends that the Commission approve the installation of two much-needed traffic signal projects.

Motion by Commissioner District 4 Jami Clark, Seconded by Commissioner At-Large, Mayor Pro Tem Thelma Bowie

Vote: 6 - 0 CARRIED

9. COMMISSIONERS' COMMENTS

10. MAYOR'S COMMENTS

An audiovisual recording of this meeting is available on the City's website and retained by the CSO for two years after the date of the adoption of the minutes to which the meeting corresponds.

11. STAFF ANNOUNCEMENTS

12. ADJOURNMENT

Having no further business, Commissioner At-Large, Abel Garza, Jr. made a MOTION to ADJOURN at 5:40 p.m.; the motion was SECONDED by Commissioner District 1 DeAndre' Knoxson. All present voted AYE. MOTION CARRIED.

DEDRICK D. JOHNSON, MAYOR

ATTEST:

Rhomari Leigh, City Secretary
Date Approved:

CITY COMMISSION REGULAR MTG

(9) (b)

Meeting Date: 04/15/2026

Smart Water Meter Maintenance

Submitted For: Corbin Ballast, Utilities

Submitted By: Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

The Utilities Department is requesting the City Commission to approve a Purchase Order of \$100,000.00 to Accurate Meter and Supply for yearly ongoing maintenance and expansion of the existing smart meter system on an as-needed basis.

Procurement Details for Purchase Order:

A purchase order is required for the following Badger Meter components and related supplies:

- Water Meters: Residential and commercial flow meters, including E series and record-all models.
- Registers: Electronic high-resolution encoders (HR-E) for accurate data capture.
- Endpoints: Orion Cellular LTE endpoints that enable remote daily reading via existing cellular networks.
- Remote Shut-Off Meters: E-Series Ultrasonic Plusmeters featuring integrated valves for remote service connection/disconnection.
- Infrastructure Support: Specialized vaults, meter boxes, and backflow prevention equipment.

BACKGROUND (Brief Summary)

Texas City utilizes a smart water metering system from Badger Meter to manage its utility infrastructure. This system employs advanced cellular technology (ORION Cellular endpoints) to transmit meter data daily, which is then stored in the cloud-based BEACON Software as a Service (SaaS) platform for city billing and management. Customers can also monitor their own daily usage and receive leak alerts through the integrated Eye-On-Water consumer portal.

RECOMMENDATION

The Utilities Department recommends allocating this funding for the ongoing repair, maintenance, and expansion of the smart water meter system.

Fiscal Impact

Funds Available Y/N: Yes

Amount Requested: \$100,000.00

Source of Funds: FY26 Budget

Account #: 501705-53410

Fiscal Impact:

Attachments

Resolution

RESOLUTION NO. 2026-037

A RESOLUTION AUTHORIZING A PURCHASE ORDER TO ACCURATE METER & SUPPLY FOR YEARLY ONGOING MAINTENANCE AND EXPANSION; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City has seen an increase in housing development; and

WHEREAS, there is always a demand for meters because contractors purchase their own meters for new construction homes and existing meters fail and need to be replaced; and

WHEREAS, this system employs advanced cellular technology (ORION Cellular endpoints) to transmit daily meter data, which is then stored in the cloud-based BEACON Software-as-a-Service (SaaS) platform for city billing and management. Customers can also monitor their own daily usage and receive leak alerts through the integrated Eye-On-Water consumer portal.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission authorizes a Purchase Order for \$100,000.00 to Accurate Meter & Supply for the purchase of materials, services, and yearly ongoing maintenance and expansion for the water system.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 15th day of April 2026.

Dedrick D. Johnson, Sr., Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

CITY COMMISSION REGULAR MTG

(9) (d)

Meeting Date: 04/15/2026

Change Order for price increase for Moses Lake Pump Station Project Pump Procurement

Submitted For: Jack Haralson, Public Works **Submitted By:** Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

Commission approval of a change order in the amount of \$133,000.00 for price increases to purchase the required pumps for the Moses Lake Pump Station Project. (See Exhibit A)

BACKGROUND (Brief Summary)

The pump purchase contract has not yet been executed, as the award was contingent upon a time extension and confirmation of funding for the associated Moses Lake Pump Station Project. Since the bid was submitted in February 2025, approximately twelve (12) months have elapsed, and suppliers are no longer honoring 2025 pricing. Key equipment components have experienced measurable cost escalations that the manufacturer cannot absorb. The requested 5% increase reflects market-driven cost adjustments necessary to execute the contract and procure the pumping equipment. The city will fund the price increase to allow the project to proceed.

Increase in Contract amount for the Pumping Equipment for the Moses Lake Stormwater Pump Station (Texas City Bfd #2025-474) by five percent (5%), adjusting the total from \$2,660,000 to \$2,793,000 to account for the increases since the original bid submission in February 2025.

RECOMMENDATION

The Public Works Department recommends approval of this change order.

Fiscal Impact

Funds Available Y/N: Yes

Amount Requested: \$133,000.00

Source of Funds:

Account #: 244303-55350-24404

Fiscal Impact:

Attachments

Exhibit A
Resolution



COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Construction Change Order Request

NOTE: Texas Local Government Code Sec. 262.031 "CHANGES IN PLANS AND SPECIFICATIONS" regulations apply. Generally, a cumulative Increase in the contract price in excess of 25% or a cumulative decrease in excess of 18% are disallowed.

Subrecipient: City of Texas City GLO Contract Number: 22-119-003-D373 Date: 2/24/2026

Engineer Name Address & Phone Number: ARKK Engineers, I I C. 7322 Southwest Freeway, Suite 1040 Houston, Texas 77074	Subrecipient Name, Address, & Phone City of Texas City 1801 9th Ave N. Texas City, Texas 77592	Contractor Name, Address & Phone Number: IPS Pump Services, Inc. 8301 West Monroe Rd. Houston, Texas 77061
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Project #: 22-038 Bid Package #: 2025-474 Change Order #: 1
 Contract Origination Date: 9/3/2026 Project Description: Drainage Improvements Project

You are hereby requested to comply with the following changes from the contract plans and specifications.

Item No.	Description of Changes: Quantities, Units, Unit Prices, Change in Completion Schedule etc.	Decrease in Contract Price	Increase in Contract Price
SCOPE: Increase in Contract amount for the Pumping Equipment for the Moses Lake Stormwater Pump Station (Texas City Bid #2025-474) by five percent (5%), adjusting the total from \$2,660,000 to \$2,793,000 to account for supplier and material cost increases since the original bid submission in February 2025.			
JUSTIFICATION: The pump contract has not yet been executed, as award was contingent upon a time extension and confirmation of funding for the associated Moses Lake Pump Station Project. Since the bid was submitted in February 2025, approximately twelve (12) months have elapsed, and suppliers are no longer honoring 2025 pricing. Key equipment components have experienced measurable cost escalation that the manufacturer cannot absorb. The requested 5% increase reflects market-driven cost adjustments necessary to execute the contract and procure the pumping equipment. The city will fund the escalation in price to allow the project to proceed.			
1	Bid Item No. 1 has been increased by 5% of the original bid. This results in a net increase of \$58,900 to the lump sum price.	\$ -	\$ 58,900.00
2	Bid Item No. 2 has been increased by 5% of the original bid. This results in a net increase of \$73,300 to the lump sum price.	\$ -	\$ 73,300.00
3	Bid Item No. 3 has been increased by 5% of the original bid. This results in a net increase of \$400 to the lump sum price.	\$ -	\$ 400.00
4	Bid Item No. 4 has been increased by 5% of the original bid. This results in a net increase of \$400 to the lump sum price.	\$ -	\$ 400.00

Change in Construction Contract Price

Original Contract Price:	\$ 2,660,000.00
Cumulative Previous Change Order(s) Total:	\$ -
Contract Price Prior to this Change Order:	\$ 2,660,000.00
Net Increase/Decrease of this Change Order:	\$ 133,000.00
Contract Price with All Approved Change Orders:	\$ 2,793,000.00
Cumulative Percent Change in Contract Price (+/-)	5.00%
Construction Contract Start Date:	3/16/2026

Change in Contract Time (Calendar Days)

Original Contract Time in Days:	390
Net Change from Previous Change Order(s) in Days	0
Contract Time Prior to this Change Order in Days	390
Net Increase/Decrease of this Change Order in Days:	0
Contract Time with All Approved Change Orders in Days:	390
Subrecipient Contract End Date:	6/30/2026
Construction Contract End Date:	4/10/2027

Reimbursements of costs included in this change order are subject to review by GLO-CDR.



COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Construction Change Order Request

***This document may be executed prior to submission for GLO-CDR review, but all parties involved will be held responsible if the change order or amendment warranted as a result of this change order is not in compliance with CDBG or HUD Requirements**

 Subrecipient Signature	 Engineer Signature	 Contractor Signature
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Dedrick D. Johnson, Mayor Subrecipient Name and Title (Printed)	Madhu Kilambi - Sr Project Manager Engineer Name and Title (Printed)	Bobby Dillard Municipal Sales Manager Contractor Name and Title (Printed)
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 Subrecipient Signature	 Engineer Signature	 Contractor Signature
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Justification for Change Order

1. Will this change order increase or decrease the number of beneficiaries? Increase Decrease No Change

If there is a change, how many beneficiaries will be affected? Total LMI

2. Effect of this change on the scope of work: Increase Decrease No Change

3. Effect on operation and maintenance costs: Increase Decrease No Change

4. Are all prices in the change order dependent upon unit prices found in the original bid? Yes No

If "no", explain:

See Change Order Scope and Justification above.

5. Has the change created new circumstances or environmental conditions which may affect the project's impact, such as concealed or unexpected conditions discovered during actual construction? Yes No

If "yes", is an environmental assessment required?

6. Is the Texas Council on Environmental Quality (TCEQ) clearance still valid (if applicable)? Yes No N/A

7. Is the CCN permit still valid? (sewer projects only) Yes No N/A

8. Are the disability access requirements/approval still valid (if applicable)? Yes No

9. Are other Disaster Recovery contractual special condition clearances still valid? Yes No

If "no", explain:

Disclaimer: The Texas General Land Office has made every effort to ensure the information contained on this form is accurate and in compliance with the most up-to-date CDBG-DR and/or CDBG-MIT federal rules and regulations, as applicable. It should be noted that the Texas General Land Office assumes no liability or responsibility for any error or omission on this form that may result from the interim period between the publication of amended and/or revised federal rules and regulations and the Texas General Land Office's standard review and update schedule.

RESOLUTION NO. 2026-038

A RESOLUTION APPROVING A CHANGE ORDER TO ACCOUNT FOR INCREASES SINCE THE ORIGINAL BID SUBMISSION OF BID NO. 2025-474 MOSES LAKE STORMWATER PUMP STATION PROJECT; AUTHORIZING THE MAYOR TO EXECUTE SAID CHANGE ORDER NO. 2; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the pump purchase contract has not yet been executed, as the award was contingent upon a time extension and confirmation of funding for the associated Moses Lake Pump Station Project; and

WHEREAS, the bid was submitted in February 2025, approximately twelve (12) months have elapsed, and suppliers are no longer honoring 2025 pricing. Key equipment components have experienced measurable cost escalations that the manufacturer cannot absorb. The requested 5% increase reflects market-driven cost adjustments necessary to execute the contract and procure the pumping equipment. The city will fund the price increase to allow the project to proceed; and

WHEREAS, the Public Works Department recommends that these changes be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That an increase is approved for the contract amount for the Pumping Equipment for the Moses Lake Stormwater Pump Station (Texas City Bid #2025-474) by five percent (5%), adjusting the total from \$2,660,000 to \$2,793,000 to account for the increases since the original bid submission in February 2025.

SECTION 2: That the Mayor is hereby authorized to execute a Change Order for this increase.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 15th day of April 2026.

Dedrick D. Johnson, Sr., Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

CITY COMMISSION REGULAR MTG

(9) (e)

Meeting Date: 04/15/2026

Continuous Chlorine Analyzer at Goddard and Orchid Elevated Water Tanks

Submitted For: Corbin Ballast, Utilities

Submitted By: Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

Commission approval for Municipal Technologies to install Ammonia Monochloramine Analyzers at Goddard and Orchid elevated storage tanks in the amount of \$112,940.00 utilizing Contract No. RFP 2025-479.

BACKGROUND (Brief Summary)

Installation of this system will provide these key improvements:

- Continuous Monitoring: We are upgrading from manual grab samples to a fully automated system that monitors water quality 24/7.
- SCADA Integration: The units will link directly to our SCADA system, providing real-time data and instant notifications if chlorine residuals begin to drop.
- Water Conservation: By receiving early warnings, we can make precise operational adjustments. This significantly reduces the need for manual flushing to clear low-residual water.
- Seasonal Reliability: This system is critical during the summer months when high temperatures accelerate chlorine demand, ensuring we maintain consistent water quality standards year-round.

RECOMMENDATION

The Utilities Department recommends approval of this agenda item.

Fiscal Impact

Funds Available Y/N: Yes

Amount Requested: \$112,940.00

Source of Funds: FY26 Budget

Account #: 501705-55050

Fiscal Impact:

CITY COMMISSION REGULAR MTG

(9) (f)

Meeting Date: 04/15/2026

Request to Approve and Submit 2027 TCPD Catalytic Converter Theft Prevention Grant

Submitted For: Landis Cravens, Police Department

Submitted By: Community Development
Community Development/ Grant Admin

Department: Community Development/ Grant Admin

Information

ACTION REQUEST

Request for approval to submit the 2027 Motor Vehicle Crime Prevention Authority Catalytic Converter Theft Prevention Grant on behalf of the Texas City Police Department.

BACKGROUND (Brief Summary)

The Motor Vehicle Crime Prevention Authority (MVCPA) has fostered a statewide cooperative network of law enforcement groups, prosecutors, insurance industry representatives, local tax assessor-collectors, and concerned citizens to combat vehicle theft and burglary through enforcement, prevention, public information, and education initiatives. The City of Texas City Police Department will submit a grant under the "Reduction of the Theft of Catalytic Converters" category to reduce the incidence of catalytic converter theft. This grant will assist in the purchase of 26 License Plate Reader Cameras and 4 Long-range License Plate Reader Cameras to automatically capture, analyze, and store vehicle license plate information and prevent incidents of crimes from motor vehicles.

The Texas City Police Department grant request totals to \$118,900 with a 20% cash match. Submission of the application does not obligate the City to accept an award, but authorizes staff to apply for available funding.

RECOMMENDATION

Staff recommends that the City Commission authorize submission of the FY 2027 Motor Vehicle Crime Prevention Authority Catalytic Converter Theft Prevention Grant and authorize the Mayor to execute all necessary documents related to the application and, if awarded, to accept and administer the grant in accordance with applicable federal and state requirements.

Fiscal Impact

Funds Available Y/N:

Amount Requested:

Source of Funds:

Account #:

Fiscal Impact:

If awarded, grant funds will be included in the appropriate fiscal year budget amendment. Any required local match or ineligible costs, if applicable, will be identified and brought forward for City Commission approval prior to project implementation.

Attachments

MVPCA Sample Resolution

Motor Vehicle Crime Prevention Authority Resolution

2027 City of Texas City Resolution

SB224 Catalytic Converter Grant Program

WHEREAS, under the provisions of the Texas Transportation Code Chapter 1006 and Texas Administrative Code Title 43; Part 3; Chapter 57, entities are eligible to receive grants from the Motor Vehicle Crime Prevention Authority to provide financial support to law enforcement agencies for economic automobile theft enforcement teams and to combat motor vehicle burglary in the jurisdiction; and

WHEREAS, this grant program will assist this jurisdiction to combat catalytic converter theft; and

WHEREAS, City of Texas City has agreed that in the event of loss or misuse of the grant funds, City of Texas City assures that the grant funds will be returned in full to the Motor Vehicle Crime Prevention Authority.

NOW THEREFORE, BE IT RESOLVED and ordered that Dedrick Johnson Sr., Mayor, is designated as the Authorized Official to apply for, accept, decline, modify, or cancel the grant application for the Motor Vehicle Crime Prevention Authority Grant Program and all other necessary documents to accept said grant; and

BE IT FURTHER RESOLVED that Landis Cravens, Chief of Police, is designated as the Program Director and Cynthia Rushing, Chief Financial Officer, is designated as the Financial Officer for this grant.

Adopted this _____ day of _____, 2026.

Dedrick Johnson
Mayor

CITY COMMISSION REGULAR MTG

(9) (g)

Meeting Date: 04/15/2026

Authorization to Purchase Medical supplies from Life Assist

Submitted For: Dennis Harris, Fire Department

Submitted By: Dennis Harris, Fire Department

Department: Fire Department

Information

ACTION REQUEST

A resolution authorizing the purchase of medical supplies and pharmaceuticals from Life-Assist through an annual blanket purchase order in an amount not to exceed \$260,000.

BACKGROUND (Brief Summary)

Life-Assist is a medical supply vendor that provides pharmaceuticals and EMS consumable supplies used in patient care operations. These items represent a routine and necessary operational expense for the Fire Department. Funding for these purchases is included in the approved FY 2026 budget.

Approval of this item will allow the department to establish a blanket purchase order exceeding \$50,000 in accordance with the City’s purchasing policies. This will reduce the need for multiple individual purchase orders and improve efficiency in ordering, delivery, and maintaining continuity of critical EMS supplies.

RECOMMENDATION

Staff recommends approval of the resolution authorizing the purchase of medical supplies from Life-Assist through a blanket purchase order in accordance with the approved FY 2026 budget and City purchasing policies.

Fiscal Impact

Funds Available Y/N: Y

Amount Requested:

Source of Funds: Fire Department FY26 Budget

Account #: 10120252300

Fiscal Impact:

Funding for these purchases is included in the approved FY 2026 budget.

Attachments

Life Assist Pricing Agreement

Account Manager

Staci Campbell
832-418-0571
Staci.Campbell@life-assist.com

Cust No: 77590FD

Expires: 6/25/2026

FOB Destination: We Pay Freight!

Name: Texas City Fire Department

Contact Name: Steven Hendershot

Phone #: 409-643-5705

Fax #:

Email: shendershot@texascitytx.gov

Airway and Suction

Item No	Description	Contract Prices
AA4000	Berman Airway Kit (6 airways in plastic case)	\$6.46 ea
AA4300	Guedel Airway Kit (8 airways in plastic case)	\$14.78 ea
AA511	Guedel Airway, Orange, 110mm	\$1.14 ea, \$57.00 cs-50
AA540	Guedel Airway, Pink, 40mm	\$1.14 ea, \$57.00 cs-50
AA550	Guedel Airway, Blue, 50mm	\$1.14 ea, \$57.00 cs-50
AA560	Guedel Airway, Black, 60mm	\$1.14 ea, \$57.00 cs-50
AA570	Guedel Airway, White, 70mm	\$1.14 ea, \$57.00 cs-50
AA580	Guedel Airway, Green, 80mm	\$1.19 ea, \$59.50 cs-50
AA590	Guedel Airway, Yellow, 90mm	\$1.19 ea, \$59.50 cs-50
AA599	Guedel Airway, Red, 100mm	\$1.14 ea, \$57.00 cs-50
AB301K	Robertazzi Nasopharyngeal Airway Kit (6 airways)	\$26.71 ea
AB330	Robertazzi Nasopharyngeal Airway, 30 fr.	\$4.00 ea, \$40.00 bx-10
AB43950	Robertazzi Nasopharyngeal Airway, 20 fr.	\$5.52 ea, \$55.20 bx-10
AB43952	Robertazzi Nasopharyngeal Airway, 22 fr.	\$5.19 ea, \$51.90 bx-10
AB43958	Robertazzi Nasopharyngeal Airway, 28 fr.	\$5.52 ea, \$55.20 bx-10
AB43960	Robertazzi Nasopharyngeal Airway, 30 fr.	\$5.52 ea, \$55.20 bx-10
AB89	Bite Stick	\$0.81 ea, \$8.10 bg-10
AC01	Medtronic EASY CAP II Colorimetric CO2 Detector (Patients over 15 kg)	\$13.21 ea, \$79.26 bx-6
AC02	Medtronic PEDI-CAP Colorimetric CO2 Detector (Patients 1-15 kg)	\$13.21 ea, \$79.26 bx-6
AC170	Laerdal THOMAS ET Tube Holder, Adult	\$4.04 ea, \$101.00 bx-25
AC180	Laerdal THOMAS ET Tube Holder, Pedi	\$4.04 ea, \$101.00 bx-25
AC190	BAAM Beck Airway-Air Flow Monitor	\$7.95 ea, \$79.50 bx-10
AC21282	Bougie-To-Go ET Tube Introducer	\$9.92 ea, \$99.20 bx-10
AC42500	Laerdal Thomas Select Tube Holder	\$5.17 ea, \$129.25 bx-25
AC56105	Air-Q3 (sp3G) Laryngeal Airway, AutoCuff, w/Gastric Access, Size 1.0	\$30.64 ea, \$306.40 cs-10
AC62134	CO2 Easy Carbon Dioxide Detector, Adult	\$13.08 ea, \$130.80 cs-10
AC62135	CO2 Easy Carbon Dioxide Detector, Pediatric	\$17.91 ea, \$179.10 cs-10
AC8202	Intersurgical i-gel Supraglottic Airway, Small Pedi, Size 2	\$22.24 ea, \$222.40 cs-10

Due to unforeseen manufacturer cost fluctuations, prices are subject to change.



Item No	Description	Contract Prices
AC8225	Intersurgical i-gel Supraglottic Airway, Large Pedi, Size 2.5	\$22.24 ea, \$222.40 cs-10
AC8511	FLEX-GUIDE ET Tube Introducer, Adult, 15 Fr	\$14.87 ea, \$148.70 bx-10
AC8521	FLEX-GUIDE ET Tube Introducer, Pediatric, 10 Fr	\$14.87 ea, \$148.70 bx-10
AC8703	Intersurgical i-gel Supraglottic Airway,Resus Pack, Small Adult,Size 3	\$31.20 ea, \$187.20 cs-6
AC8703PLUS	Intersurgical i-gel+ Supraglottic Airway,Resus Pack,Small Adult,Size 3	\$43.20 ea, \$259.20 bx-6
AC8704	Intersurgical i-gel Supraglottic Airway,O2 Resus Pack,Med Adult,Size 4	\$31.20 ea, \$187.20 cs-6
AC8704PLUS	Intersurgical i-gel+ Supraglottic Airway,Resus Pack,Med Adult,Size 4	\$43.20 ea, \$259.20 bx-6
AC8705	Intersurgical i-gel Supraglottic Airway,Resus Pack,Large Adult,Size 5	\$31.20 ea, \$187.20 cs-6
AC8705PLUS	Intersurgical i-gel+ Supraglottic Airway,Resus Pack,Large Adult,Size 5	\$43.20 ea, \$259.20 bx-6
AC90015	Universal Stylet Bougie	\$20.60 ea, \$1236.00 cs-60
AC90211	ET Tube Introducer/Bougie, Pedi, 10 Fr	\$13.30 ea, \$133.00 bx-10
AC90212	ET Tube Introducer/Bougie, Adult, 15 Fr	\$12.05 ea, \$120.50 bx-10
AE23325	MedSource Endotracheal/Stylette, UNCUFFED, 2.5	\$3.27 ea, \$32.70 bx-10
AE23330	MedSource Endotracheal/Stylette, UNCUFFED, 3.0	\$3.27 ea, \$32.70 bx-10
AE23335	MedSource Endotracheal/Stylette, UNCUFFED, 3.5	\$3.27 ea, \$32.70 bx-10
AE23340	MedSource Endotracheal/Stylette, UNCUFFED, 4.0	\$3.27 ea, \$32.70 bx-10
AE23345	MedSource Endotracheal/Stylette, UNCUFFED, 4.5	\$3.27 ea, \$32.70 bx-10
AE23350	MedSource Endotracheal/Stylette, UNCUFFED, 5.0	\$3.27 ea, \$32.70 bx-10
AE23355	MedSource Endotracheal/Stylette, UNCUFFED, 5.5	\$3.27 ea, \$32.70 bx-10
AE23450	MedSource Endotracheal/Stylette, CUFFED, 5.0	\$3.27 ea, \$32.70 bx-10
AE23455	MedSource Endotracheal/Stylette, CUFFED, 5.5	\$3.27 ea, \$32.70 bx-10
AE23460	MedSource Endotracheal/Stylette, CUFFED, 6.0	\$3.27 ea, \$32.70 bx-10
AE23465	MedSource Endotracheal/Stylette, CUFFED, 6.5	\$3.27 ea, \$32.70 bx-10
AE23470	MedSource Endotracheal/Stylette, CUFFED, 7.0	\$3.27 ea, \$32.70 bx-10
AE23475	MedSource Endotracheal/Stylette, CUFFED, 7.5	\$3.27 ea, \$32.70 bx-10
AE23480	MedSource Endotracheal/Stylette, CUFFED, 8.0	\$3.27 ea, \$32.70 bx-10
AE23490	MedSource Endotracheal/Stylette, CUFFED, 9.0	\$3.27 ea, \$32.70 bx-10
AE525	FLEXI-SET Endotracheal/Stylette, UNCUFFED, 2.5	\$5.00 ea, \$50.00 bx-10
AMBU_KVLAB2	King Vision aBlade, Pediatric Size 2, Standard	\$21.68 ea, \$433.60 bx-20
AMBU_KVLAB2C	King Vision aBlade, Pediatric Size 2C, Channeled	\$21.68 ea, \$433.60 bx-20
AMBU_KVLVA12	King Vision aBlade Video Adapter, for sizes 1 & 2	\$901.19 ea
AT0063	Enhanced ARS for Needle Decompression, 14 GA x 3.25"	\$18.94 ea
AT0064	Enhanced ARS for Needle Decompression, 10 GA x 3.25"	\$21.18 ea
AT0298	ARS for Needle Decompression, 10 GA x 3.25"	\$17.06 ea
ATTPAK	TyTek TPAK Tension Pneumothorax Access Kit	\$22.16 ea
BEMI_531010	Elbow for 1200cc Suction Canister, Bag of 12	\$5.86 bg

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Item No	Description	Contract Prices
BJ8999	Lubricating Jelly, 2.7g Foil Pack	\$0.11 ea, \$16.01 bx-144
IN374	Magill Forcep, Child	\$6.75 ea
IN375	Magill Forcep, Adult	\$6.75 ea
IV5311	Stopcock Only, 3-Way	\$1.23 ea, \$61.50 cs-50
IVV1684	Emergency Cricothyrotomy Kit, 5.5mm	\$30.40 ea
LY1	ADC Standard Laryngoscope Handle, Medium (C cell)	\$22.41 ea
LY1002	Laryngoscope Handle, Disposable, Medium	\$9.10 ea
LY1421	BriteView Laryngoscope Blade, Mac #1, Pink	\$15.34 ea, \$153.40 bx-10
LY1422	BriteView Laryngoscope Blade, Mac #2, Yellow	\$15.34 ea, \$153.40 bx-10
LY1423	BriteView Laryngoscope Blade, Mac #3, Orange	\$15.34 ea, \$153.40 bx-10
LY1424	BriteView Laryngoscope Blade, Mac #4, Green	\$15.34 ea, \$153.40 bx-10
LY1520	BriteView Laryngoscope Blade, Miller #0, White	\$15.34 ea, \$153.40 bx-10
LY1521	BriteView Laryngoscope Blade, Miller #1, Pink	\$15.34 ea, \$153.40 bx-10
LY1522	BriteView Laryngoscope Blade, Miller #2, Yellow	\$15.34 ea, \$153.40 bx-10
LY1523	BriteView Laryngoscope Blade, Miller #3, Orange	\$15.34 ea, \$153.40 bx-10
LY1524	BriteView Laryngoscope Blade, Miller #4, Green	\$15.34 ea, \$153.40 bx-10
LY2	ADC Standard Laryngoscope Handle, Small (AA cell)	\$22.41 ea
LY4002	Infinium ClearVue (VL4D) Disposable Blade, Size 2	\$18.10 ea, \$181.00 bx-10
LY4003	Infinium ClearVue (VL4D) Disposable Blade, Size 3	\$18.10 ea, \$181.00 bx-10
LY4004	Infinium ClearVue (VL4D) Disposable Blade, Size 4	\$18.10 ea, \$181.00 bx-10
LY50	ADC Laryngoscope Blade, Macintosh Blade, #0	\$28.85 ea
LY51	ADC Laryngoscope Blade, Macintosh Blade, #1	\$28.85 ea
LY52	ADC Laryngoscope Blade, Macintosh Blade, #2	\$28.85 ea
LY53	ADC Laryngoscope Blade, Macintosh Blade, #3	\$28.85 ea
LY54	ADC Laryngoscope Blade, Macintosh Blade, #4	\$28.85 ea
LY60	ADC Standard Laryngoscope Blade, Miller Blade, #0	\$28.85 ea
LY61	ADC Standard Laryngoscope Blade, Miller Blade, #1	\$28.85 ea
LY62	ADC Standard Laryngoscope Blade, Miller Blade, #2	\$28.85 ea
LY63	ADC Standard Laryngoscope Blade, Miller Blade, #3	\$28.85 ea
LY6300BATTERY	McGrath VLS Battery, 250-Minute, 3.6V	\$39.60 ea
LY6300CASE	McGrath Mac Carrying Case	\$64.00 ea
LY6301	McGrath VLS Blade, MAC Size 1	\$11.83 ea, \$591.50 bx-50
LY6302	McGrath VLS Blade, MAC Size 2	\$11.83 ea, \$591.50 bx-50
LY6303	McGrath VLS Blade, MAC Size 3	\$11.83 ea, \$591.50 bx-50
LY6303X	McGrath VLS Blade, MAC X Size 3	\$27.55 ea, \$275.50 bx-10
LY6304	McGrath VLS Blade, MAC Size 4	\$11.83 ea, \$591.50 bx-50

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Item No	Description	Contract Prices
LY64	ADC Standard Laryngoscope Blade, Miller Blade, #4	\$28.85 ea
LY7L	ADC Replacement Bulb for 3,4 Mac and 4 Miller	\$3.42 ea
LY7S	ADC Replacement Bulb for 1,2 Mac - 0,1,2,3 Miller	\$4.04 ea
OH0002C	SSCOR Difficult Airway Suction Catheter (SDC)	\$4.05 ea, \$202.50 cs-50
OH0002T	SSCOR Difficult Airway Suction Catheter (SDC) w/ 3' suction tubing	\$8.75 ea, \$262.50 cs-30
OH4250	Suction Tubing, Large Bore, 1/4", 6 ft., Sterile w/male adap	\$1.44 ea, \$72.00 cs-50
OH4690	YANKAUER Suction Handle, Vented	\$0.48 ea, \$24.00 cs-50
OK0101	MECONIUM Aspirator	\$7.02 ea, \$280.80 cs-40
OK101	Laerdal V-VAC Suction Unit	\$143.91 ea
OK1200CT	Suction Canister Kit, 1200cc	\$8.79 ea, \$105.48 dz-12
OK200	Laerdal V-VAC Suction Cartridge	\$30.02 ea
OK300	Laerdal V-VAC Adapter Tips (set of 4)	\$38.19 ea
OK3605	Suction Catheter, Coiled w/Thumb Control, 5 fr.	\$2.11 ea, \$105.50 cs-50
OK3606	Suction Catheter, Coiled w/Thumb Control, 6 fr.	\$0.68 ea, \$34.00 cs-50
OK3608	Suction Catheter, Coiled w/Thumb Control, 8 fr.	\$0.56 ea, \$28.00 cs-50
OK3610	Suction Catheter, Coiled w/Thumb Control, 10 fr.	\$0.56 ea, \$28.00 cs-50
OK3612	Suction Catheter, Coiled w/Thumb Control, 12 fr.	\$0.56 ea, \$28.00 cs-50
OK3614	Suction Catheter, Coiled w/Thumb Control, 14 fr.	\$0.56 ea, \$28.00 cs-50
OK3616	Suction Catheter, Coiled w/Thumb Control, 16 fr.	\$0.56 ea, \$28.00 cs-50
OK3618	Suction Catheter, Coiled w/Thumb Control, 18 fr.	\$0.56 ea, \$28.00 cs-50
OK4906	ARGYLE Salem Sump Tube, 6 fr.	\$14.30 ea, \$143.00 bx-10
OK4908	ARGYLE Salem Sump Tube, 8 fr.	\$14.30 ea, \$143.00 bx-10
OK4911	ARGYLE Salem Sump Tube, 10 fr.	\$3.85 ea, \$192.50 cs-50
OK4945	ARGYLE Salem Sump Tube, 14 fr.	\$3.58 ea, \$179.00 cs-50
OK4960	ARGYLE Salem Sump Tube, 16 fr.	\$3.85 ea, \$192.50 cs-50
OK4986	ARGYLE Salem Sump Tube, 18 fr.	\$3.57 ea, \$178.50 cs-50
OK5214	Naso-Gastric Tube, 14 fr.	\$2.98 ea
OK60CCA	60cc Syringe with catheter tip, Sterile	\$1.14 ea, \$57.00 bx-50
OK74000	S-SCORT III Suction Unit	\$749.28 ea
OK80533	S-SCORT Charger	\$145.68 ea
OK80638	S-SCORT III Suction Unit Battery	\$92.40 ea
OK80665	S-SCORT Replacement DC Cable	\$23.76 ea
SSCO_80952	WIRING HARNESS, SSCORT III	\$99.00 ea

Cases, Bags and Kits

Item No	Description	Contract Prices
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Due to unforeseen manufacturer cost fluctuations, prices are subject to change.



Item No	Description	Contract Prices
CX803-YEL	Spinal Care Kit Case, Yellow	\$44.02 ea
FS31000-GRN	StatPacks G3+ Airway CELL	\$151.85 ea
FS31001-BLU	StatPacks G3+ Intravenous CELL	\$127.67 ea
FS31002-BLK	StatPacks G3+ Universal CELL, Black	\$114.92 ea
FS31003-RED	StatPacks G3+ Medicine CELL	\$158.17 ea
FS35000-GN	StatPacks G3+ RESPONDER EMS Pack, Green	\$412.90 ea
FS35000-RED	StatPacks G3+ RESPONDER EMS Pack, Red	\$412.90 ea
FS35001-RED	StatPacks G3+ CLINICIAN EMS Pack, Red	\$305.60 ea
FS35005-RED	StatPacks G3+ PERFUSION Pack, Red	\$370.66 ea
FS35132-BLU	IDX BLS Backpack, Royal Blue	\$225.00 ea
FS35132-RED	IDX BLS Backpack, Red	\$259.78 ea
FS39020-BLK	Statpack Lifepak 15 Case, Black	\$358.20 ea
ID100	ClearTopBox Locking Drug Container, Small	\$52.45 ea
ID200	ClearTopBox Locking Drug Container, Medium	\$66.75 ea
ID5116-BLU	FERNO Professional Intravenous Bag, Blue	\$54.40 ea
ID5116-RED	FERNO Professional Intravenous Bag, Red	\$53.76 ea
KITS_BSKD	Active Shooter Kit, Deluxe	\$245.66 ea
KT2750	Basic Shooter Kit, Red	\$188.93 ea
KT500LF	Obstetrical Kit (OB Kit) with STANDARD scalpel	\$11.63 ea, \$116.30 cs-10
KT800LF	Deluxe Obstetrical Kit with Cap and Blanket	\$13.69 ea, \$136.90 cs-10
LY18	Conterra Intubation Organizer	\$99.92 ea
LY30	Conterra Tube-Pro Intubation Kit	\$176.06 ea
SPAC_G33004GN	StatPacks G3 Oxygen Module, Green	\$89.00 ea
SPAC_G35002GN	StatPacks G3+ TIDAL VOLUME Oxygen Pack, Green	\$292.90 ea
SPAC_G35008GN	StatPacks G3+ BREATHER Pack, Green	\$379.31 ea

Diagnostic

Item No	Description	Contract Prices
EL101LP11D	EKG Paper, Lifepak 11, 12 & 15 Paper, Pk/2	\$8.90 pk
EL2394LP11	EKG Paper, Lifepak 11, 12 & 15 Paper	\$16.10 pk-5
EL2516M	Conmed Defib Electrode, Physio-Control Connector, Adult/Child	\$42.60 ea, \$426.00 bx-10
EL60010	HeartSync Defib Electrodes w/leads out, Physio Connector, Adult/Child	\$36.40 ea, \$364.00 cs-10
EL6163A	Medi-Trace 133 Mini Electrodes w/Hydrogel (Pack Of 3)	\$1.28 pk, \$256.00 cs-200
EL7018	PHYSIO Trunk Cable w/4-wire Limb lead (5')	\$549.00 ea
EL7022	PHYSIO-CONTROL 6-Wire Precordial Lead Attachment	\$232.50 ea
EL7091	Physio-Control EDGE Defib Electrode, Adult	\$37.61 ea, \$376.10 bx-10

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Item No	Description	Contract Prices
EL8025R	Ambu BlueSensor R Electrode w/Wet Gel (Pack Of 25)	\$9.65 pk, \$386.00 cs-40
EL9050SP	Ambu BlueSensor SP Electrode w/Wet Gel (Pack Of 50)	\$18.85 pk, \$754.00 cs-40
GU3001-50	FORA Test N'GO Advance Glucometer Test Strips (Bottle of 50)	\$24.00 bt
GU3400	FORA Test N'GO Advance Pro Glucometer	\$26.36 ea
GU3400FREE	FORA Test N'GO Advance Pro Glucometer (Free)	\$0.00 ea
GU5200-50	Microdot Xtra Test Strips (Bottle of 50)	\$25.00 bt
GU7150-01	FORA Control Solution GDH, Low	\$10.80 ea
GU9150-01	FORA Control Solution GDH, High	\$10.80 ea
GU98121	Assure Lance Safety Lancets, 21g/1.8mm, Normal Flow (Box Of 100)	\$19.66 bx
IN2135	Prep Razor, Double-Sided, Non-Sterile, BX/100	\$45.20 bx, \$226.00 cs-5
MSI_MS-BP300	Blood Pressure Unit, Pediatric	\$13.32 ea
MSI_MS-BP400	Blood Pressure Unit, Infant	\$13.32 ea
PCI_11220000028	CARRY CASE, TOP POUCH, LIFEPAK 12 OR 15	\$84.84 ea
PCI_11260-000039	BACK POUCH, LIFEPAK 15	\$121.20 ea
PCI_11577-000002	CASE, STANDARD LP15	\$470.98 ea
PCI_11996-000093	Physio-Control EDGE Defib Electrode, Pediatric	\$50.03 ea, \$250.15 bx-5
PCI_21330-001176	Battery, LP15 5.7AMP w/ Fuel Gauge	\$684.75 ea
PO1860	Masimo LNCS SpO2 Sensor, Single Use, Pediatric, 18"	\$21.00 ea, \$420.00 bx-20
PO1863	Masimo LNCS SpO2 Sensor, Reuseable, Adult, 3'	\$261.96 ea
PO2055	Masimo LNCS SpO2 Patient Cable, Red, 20 Pin, 4'	\$206.31 ea
PO2201	Masimo Rainbow SpO2/SpCO Sensor, Direct Connect, 20 Pin, Reuse, Adt, 3'	\$768.75 ea
PO2406	Masimo M-LNCS Rainbow SpO2/SpCO RC-4 Patient Cable, 20-pin, 4'	\$219.00 ea
PO2501	Masimo M-LNCS SpO2 Sensor, Reuseable, Adult, 3'	\$251.20 ea
PO2510	Masimo M-LNCS SpO2 Sensor, Single Use, Pediatric, 18"	\$20.20 ea, \$404.00 bx-20
PO2514	Masimo M-LNCS SpO2 Sensor, Single Use, Neonate/Adult, 3'	\$25.30 ea, \$506.00 bx-20
PO35770	Medsource Intubated ETCO2, Filter, Short-Term, 7'	\$6.56 ea, \$164.00 bx-25
PO4481	Masimo M-LNCS Rainbow SpO2/SpCO RC-4 Patient Cable, Kevlar, 20-pin, 4'	\$352.20 ea
PO54454	Masimo NomoLine-O LH Intubated ETCO2, Short-Term, Adult/Pedi, 6.5'	\$8.03 ea, \$200.75 cs-25
PO54459	Masimo NomoLine-O LH Oral/Nasal ETCO2 w/O2, Short-Term, Adult, 6.5'	\$13.24 ea, \$331.00 cs-25
PO54460	Masimo NomoLine-O LH Oral/Nasal ETCO2 w/O2, Short-Term, Pedi, 6.5'	\$13.72 ea, \$343.00 cs-25
PO56012	Medsource Nasal/Oral ETCO2 w/O2, Filter, Short-Term, Adult, 7'	\$6.95 ea, \$173.75 bx-25
PO64620	Medtronic Intubated ETCO2, Short-Term, Adult/Pedi, 6.5'	\$12.60 ea, \$315.00 bx-25
PO734003	Masimo RD SET SpO2 Sensor, Single Use, Adult/Neonate	\$24.80 ea, \$496.00 bx-20
PO734050	Masimo RD SET SpO2 Sensor, Reuseable, Adult, 3'	\$303.00 ea
PO734471	Masimo RD SET SpO2 Sensor, Single Use, Pediatric, 2'	\$21.85 ea, \$437.00 bx-20
PO734473	Masimo RD SET SpO2 Sensor, Single Use, Neonate, 2'	\$23.81 ea, \$476.20 bx-20

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Item No	Description	Contract Prices
PO734798	Masimo RD SET Rainbow SpO2/SpCO RA25-04 Patient Cable, Kevlar, 4'	\$369.00 ea
PO9590-BLK	NONIN 9590 ONYX Vantage Finger Pulse Oximeter, Black	\$184.92 ea
SG00011	UltraCheck Reusable NIBP Cuff, Infant, Bayonet	\$43.25 ea
SG00013	UltraCheck Reusable NIBP Cuff, Pedi, Bayonet	\$46.80 ea
SG00015	UltraCheck Reusable NIBP Cuff, Adult, Bayonet	\$61.45 ea
SG00017	UltraCheck BP Cuff, Reuseable, Bayonet, Large Adult	\$45.96 ea
SG2000I	ADC Prosphyg 760 BP Unit, Infant	\$35.90 ea
SG3000	ADC Prosphyg 775 BP Unit, Adult	\$25.88 ea
SG3000C	ADC Prosphyg 775 BP Unit, Child	\$27.96 ea
SG3000XL	ADC Prosphyg 775 BP Unit, Large Adult	\$33.86 ea
SG7104	Dynarex Economy Blood Pressure Unit, Infant	\$13.46 ea
SG7106	Dynarex Economy Blood Pressure Unit, Child	\$13.52 ea
SG7107	Dynarex Economy Blood Pressure Unit, Adult	\$11.72 ea, \$117.20 cs-10
ST40016	Littmann Spare Parts Kit Classic III and Cardiology IV, Blk	\$42.24 ea
ST5622	3M LITTMANN Classic III Stethoscope, Navy Blue	\$196.59 ea
ST603-BLK	ADSCOPE 603 Stethoscope, Black	\$54.09 ea
ST603-BUR	ADSCOPE 603 Stethoscope, Burgundy	\$54.09 ea
ST603-NAV	ADSCOPE 603 Stethoscope, Navy Blue	\$54.09 ea
ST8480-BLK	3M Littmann CORE Digital Stethoscope, Black	\$572.31 ea
TH29	ADTEMP II Thermometer, Blue Tip (Oral)	\$7.72 ea
TH29R	ADTEMP II Thermometer, Red Tip (Rectal)	\$7.72 ea
TH29S	ADTEMP Thermometer Probe Covers (Box of 100)	\$4.82 bx
TH5031	WelchAllyn SURETEMP 690 Probe Covers (Bx/250)	\$15.17 bx
TH6138	SURETEMP Plus 690 Thermometer Calibration Key	\$92.82 ea
TH69WM	SURETEMP Plus 690 Thermometer Wall Mount	\$75.27 ea
WELC_02893-000	SURETEMP Plus 690 Thermometer Oral Probe	\$148.66 ea

Disaster, MCI, Rescue

Item No	Description	Contract Prices
TX73212	SMART START Triage Pack	\$257.54 ea

EMS Pharmaceuticals

Item No	Description	Contract Prices
CHI_DR0360-19	Calcium Gluconate 1gm/10mL (100mg/1mL) SDPF Vial	\$539.00 bx-25
CHI_DR9924-90	Cefazolin, 1gm Powder Vial, Bx/25	\$82.00 bx

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Item No	Description	Contract Prices
DR0012-25	Ondansetron 4mg/2mL (2mg/1mL) SDV	\$13.50 bx-25
DR0047-22	Solu-Medrol (Methylprednisolone) 125mg/2mL (62.5mg/1mL) Vial	\$310.50 bx-25
DR0047-22EA	Solu-Medrol (Methylprednisolone) 125mg/2mL (62.5mg/1mL) Vial	\$15.39 ea
DR0064-03	Magnesium Sulfate 1gm/2mL (500mg/1ml) Vial	\$71.75 bx-25
DR0064-11	Magnesium Sulfate 5gm/10mL (500mg/1mL) Vial	\$139.00 bx-25
DR0069-10	Ketorolac Tromethamine 15mg/1mL (15mg/1mL) SDV	\$85.60 bx-10
DR0072-25	Ketorolac Tromethamine 30mg/1mL (30mg/1mL) SDV	\$93.75 bx-25
DR0125-25	Labetalol 100mg/20mL (5mg/1mL) MDV	\$317.50 bx-25
DR0200-31	Albuterol 2.5 mg, 3 ml Vial (0.83%)	\$20.70 bx-30
DR0210-01	Nitroglycerin Lingual Spray, 0.4mg/Spray, 4.9gm, 60 Sprays	\$241.38 ea
DR0210-02	Nitroglycerin Lingual Spray, 0.4mg/Spray, 12gm, 200 Sprays	\$210.87 ea
DR0284-25	Furosemide 100mg/10mL (10mg/mL) SDV	\$59.25 bx-25
DR0301-25	Succinylcholine 200mg/10mL (20mg/1mL) Vial REFRIGERATED	\$619.50 bx-25
DR0318-02	Adenosine 6 mg/2mL (3mg/mL) Vial	\$114.50 bx-10
DR0319-05	Diltiazem 25mg/5mL (5mg/1mL) SDV (REFRIGERATED)	\$76.30 bx-10
DR0326-09	Nitro-Bid Ointment 2%, 1 gm packs	\$234.24 bx-48
DR0376-25	Diphenhydramine 50mg/1mL (50mg/1mL) Vial	\$34.25 bx-25
DR0376-25EA	Diphenhydramine 50mg/1mL (50mg/1mL) Vial	\$3.97 ea
DR0409-03	Lidocaine in D5W 2gm/500mL (4mg/mL) IV Bag	\$238.86 cs-18
DR0436-01	Nitroglycerin Tablets, 0.4 mg/Tablet (Bottle of 100)	\$65.03 bt
DR0436-11	Nitroglycerin Tablets, 0.4mg/Tablet (Bottle of 25)	\$88.52 bx-4
DR0580-20	Atropine Sulfate 8mg/20mL (0.4mg/1mL) Vial	\$549.00 bx-10
DR0593-03	Glucagon w/Diluent, 1 mg, 1 ml VIALS	\$275.31 ea
DR0627-02	NARCAN (Naloxone) Nasal Spray 4mg, 2 per Pack	\$112.96 pk
DR0687-10	Rocuronium 100mg/10mL (10mg/mL) Vial, REFRIGERATE	\$185.90 bx-10
DR0696-25	Epinephrine 1:1000 1mg/1mL (1mg/1mL) Vial	\$423.75 pk-25
DR0741-14	Tetracaine HCL 0.5%, 4mL Drops	\$390.24 bx-12
DR0741-14EA	Tetracaine HCL 0.5%, 4mL Drops	\$37.40 bt
DR0928-25	Promethazine 25mg/1mL (25mg/1mL) Vial	\$54.00 bx-25
DR1010TM	Saline Flush Pre-Filled Syringe, 10ml	\$1.29 ea, \$38.70 bx-30, \$309.60 cs-240
DR1323-01	Lidocaine 2% 100mg/5mL (20mg/1mL) AnsyR Syringe	\$115.00 bx-10
DR1754-10	Magnesium Sulfate 5gm/10mL (500mg/1mL) ANSYR Syringe	\$737.50 bx-10
DR1775-01	Dextrose 25% 2.5 gm/10mL (250mg/1mL) ANSYR Syringe	\$274.70 bx-10
DR2051-05	Ketamine 500mg/5mL (100mg/1mL) Vial	\$196.60 bx-10
DR2308-02	Midazolam 10mg/2mL (5mg/1mL) Vial	\$53.80 bx-10
DR3065-46	BD PosiFlush Saline Syringe 10mL/syringe (Pack 30)	\$25.38 pk, \$406.08 cs-16

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Item No	Description	Contract Prices
DR3302-01	Dextrose 50%, 25 g/50 mL (500mg/1ml) Luer-Jet Syringe	\$321.70 bx-10
DR3304-00	Calcium Chloride 10%, 1 gm/10mL (100mg/1mL) Luer-Jet Syringe	\$132.80 bx-10
DR3304-01EA	Calcium Chloride 10%, 1 gm/10mL (100mg/1mL) Luer-Jet Syringe	\$16.00 ea
DR3318-01	Epinephrine 1:10,000 1 mg/10 ml (0.1mg/1mL) Luer-Jet Syringe	\$216.70 bx-10
DR3318-01EA	Epinephrine 1:10,000 1 mg/10 ml (0.1mg/1mL) Luer-Jet Syringe	\$25.39 ea
DR3340-00	Atropine Sulfate, 1 mg/10 ml (0.1mg/1mL) Luer-Jet Syringe	\$204.90 bx-10
DR3340-00EA	Atropine Sulfate, 1 mg/10 ml (0.1mg/1mL) Luer-Jet Syringe	\$24.35 ea
DR3352-00	Sodium Bicarb, 8.4%, 50mEq/50 ml (1mEq/1mL) Luer-Jet Syringe	\$255.00 bx-10
DR3352-01EA	Sodium Bicarb, 8.4%, 50mEq/50 ml (1mEq/1mL) Luer-Jet Syringe	\$31.17 ea
DR3369-00	Naloxone 2mg/2mL (1mg/1mL) Luer-Jet Syringe	\$397.10 bx-10
DR3369-00EA	Naloxone 2mg/2mL (1mg/1mL) Luer-Jet Syringe	\$45.38 ea
DR3390-00	Lidocaine 2% 100mg/5mL (20mg/1mL) Luer-Jet Syringe	\$126.30 bx-10
DR3390-01EA	Lidocaine 2% 100mg/5mL (20mg/1mL) Luer-Jet Syringe	\$15.98 ea
DR5001-04	Sodium Bicarb, 8.4%, 50mEq/50mL (1mEq/1mL) Vial	\$502.50 bx-25
DR5850-00	Glucagon 1mg/1mL (1mg/mL) Vial and Syringe EMERGENCY KIT	\$320.85 ea
DR5901-99	Racepinephrine Inh. Solution, 2.25% .5 ml	\$174.00 bx-30
DR6013-11	Diltiazem 25mg/5mL (5mg/1mL) SDV REFRIGERATED	\$94.20 bx-10
DR6027-26	Fentanyl, 100mcg/2mL (50mcg/1mL) Vial	\$80.50 bx-25
DR6063-25	Midazolam 10mg/2mL (5mg/1mL) Vial	\$127.50 bx-25
DR6127-25	Morphine, 10mg/1mL (10mg/1mL) Vial	\$126.00 bx-25
DR6130-05	Ondansetron 4mg/2mL (2mg/1mL) SDV	\$46.00 bx-25
DR6142-05	Cefazolin Sodium, 1gm Powder Vial	\$49.75 bx-25
DR6228-25	Thiamine 200mg/2mL (100mg/1mL) Vial	\$264.25 bx-25
DR6228-25EA	Thiamine 200mg/2mL (100mg/1mL) Vial	\$23.65 ea
DR6695-02	Etomidate (Amidate) 40mg/20mL (2mg/mL) Vial	\$152.50 bx-10
DR70201-01	Albuterol/Ipratropium, 2.5-0.5mg/3ml, Indiv Wrap	\$43.50 bx-30
DR7517-16	Dextrose 50% 25gm/10mL (500mg/1mL) ANSYR II Syringe	\$292.30 bx-10
DR7809-22	Dopamine in D5W, 400mg/250mL (1600mcg/mL) IV Bag	\$283.86 cs-18
DR9180-25EA	Calcium Gluconate 1gm/10mL (100mg/1mL) SDPF Vial	\$33.19 ea
DR9338-25	Succinylcholine 200mg/10mL (20mg/1mL) Vial REFRIGERATED	\$385.00 bx-25
DR9501-02	Albuterol 2.5 mg/3mL (0.83MG/1MI), Individually Wrapped Vials	\$16.50 bx-30
DR9501-26	Albuterol 2.5mg/3mL (0.83MG/1MI) Vial	\$12.00 bx-25
DR9506-10	Etomidate 20mg/10mL (2mg/1mL) Vial	\$37.70 bx-10
DR9507-10	Etomidate 40mg/20mL (2mg/1mL) Vial	\$168.40 bx-10
DR9594-20	Lidocaine in D5W 1gm/250ml (4mg/1mL) IV Bag	\$191.76 cs-24
DR9622-01	Labetalol 100mg/20mL (5mg/1mL) MDV	\$8.19 ea

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Item No	Description	Contract Prices
DR9746-10	Terbutaline 1mg/1mL (1mg/1mL) Vial	\$30.00 bx-10
DR9801-02	Ipratropium Bromide 0.5mg/2.5mL (0.2mg/1mL), Vial	\$22.20 bx-30
DR9801-26	Ipratropium Bromide 0.5mg/2.5mL (0.2mg/1mL), Vial	\$28.50 bx-25
DR9875-25	Amiodarone 150/3mL (50mg/1mL) Vial	\$23.25 bx-25
DR9875-25EA	Amiodarone 150/3mL (50mg/1mL) Vial	\$3.53 ea
DW1001	Rx DESTROYER, All-Purpose, Pro Series, 1 Gallon Bottles	\$426.56 cs-4
DW1002	Rx DESTROYER, All-Purpose, Pro Series, 64 oz Bottles	\$182.96 cs-4
DW1003	Rx DESTROYER, Liquids, Pro Series, 1 Gal Btl w/ Hrd Pouches	\$454.76 cs-4
DW1616H	Hardener Packet for Rx DESTROYER, All-Purpose, 16oz	\$44.64 bg-12
MD150	Aspirin Chewable 81mg/pill (Bottle of 36)	\$0.92 ea
MD211523	FeverAll (Acetaminophen) Suppositories, Children, 120mg/Suppository	\$14.82 pk-6
MD4389	Transcend Glucose Gel, 15 gm Pouch, Strawberry	\$3.71 ea, \$55.65 bx-15
MD530920	Ibuprofen Suspension, Childrens, 100mg/5ml, 120ml, Berry	\$5.59 ea
MD57	Actidose-Aqua Charcoal, 25gm/120mL	\$21.87 ea, \$262.44 bx-12
MD62	Glutose 15, Delivers 15 gm, Lemon	\$4.24 ea, \$12.72 pk-3
MD75	Acetaminophen 325mg/1pill (Packs of 2 pills)	\$13.86 bx-125
MD96600	Acetaminophen 160mg/5mL (32mg/1mL) Suspension, 5mL UD Cup	\$32.20 pk-10, \$322.00 bx-100
SL0162Q	Dextrose 10%, 25g/250mL (0.1grams/1mL) IV Bag	\$13.05 ea, \$469.80 cs-36
SL0468-50	Sodium Chloride IV Solution, 0.9%, 100 mL Freeflex IV Bag	\$2.84 ea, \$142.00 cs-50
SL0474-10	Sodium Chloride IV Solution, 0.9%, 1000 mL Freeflex IV Bag	\$8.62 ea, \$86.20 cs-10
SL0479-10	Lactated Ringers IV Solution, 1000 ml Freeflex IV Bag	\$9.69 ea, \$96.90 cs-10
SL1307	Sodium Chloride IV Solution, 0.9%, 100ml	\$5.28 ea, \$506.88 cs-96
SL1324X	Sodium Chloride, 0.9%, Baxter, 1000 ml Bag	\$9.52 ea, \$133.28 cs-14
SL5202	Dextrose 10%, 25g/250mL (0.1g/1mL) IV Bag	\$8.46 ea, \$203.04 cs-24
SL7500	B Braun Lactated Ringers IV Solution, 1000 ml	\$3.34 ea, \$40.08 cs-12
SL7800-09	Sodium Chloride IV Solution, 0.9%, B Braun, 1000 ml Bag, E3	\$3.08 ea, \$36.96 cs-12
SL7984-23	Sodium Chloride, 0.9%, 100ml/170ml, Parital Fill IV Bag	\$3.00 ea, \$144.00 cs-48

First Aid and Trauma

Item No	Description	Contract Prices
3M_1527-3	TRANSPORE Transparent Tape, 3"	\$177.20 cs-40
AL10	PVP Iodine Prep Pads	\$0.10 ea, \$10.29 bx-100, \$102.90 cs-1000
AL1007	Cardinal Health Alcohol Prep Pad, 2 ply, Medium	\$3.72 bx-200, \$74.40 cs-4000
AL5	Alcohol, 70%, 16 oz.	\$4.12 ea, \$49.44 bx-12
AL7143	SunX Sunscreen, 7.5ml Pouch (Box of 25)	\$17.08 bx
AT0015	HyFin Chest Seal	\$16.78 ea

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Item No	Description	Contract Prices
AT0037	HyFin Vent Chest Seal Twin Pack	\$19.00 ea
AT290	The ASHERMAN CHEST SEAL	\$10.13 ea, \$101.30 bx-10
BA0636	QuikClot EMS 4"x 4" Dressing	\$12.32 ea, \$123.20 bx-10
BA1600	DUKAL Eye Pad	\$0.24 ea, \$12.00 bx-50
BA1950	DUKAL Emergency Pressure Dressing	\$2.41 ea, \$120.50 cs-50
BA2	DUKAL Triangular Bandage, 37" x 37" x 52"	\$0.47 ea, \$5.64 bg-12, \$112.80 cs-240
BA3050	DUKAL Trauma Dressing, 12" x 30", Sterile	\$0.83 ea, \$20.75 cs-25
BA3645	DUKAL Fluff Bandage Roll, 4.5", Sterile	\$1.41 ea, \$141.00 cs-100
BA416	Petrolatum Gauze Dressing, 3" x 9"	\$0.63 ea, \$7.56 bx-12
BA5590	DUKAL Combine/ABD Pad, 5" x 9"	\$0.12 ea, \$2.92 bx-25, \$46.76 cs-400
BA5810	DUKAL Combine/ABD Pad, 8" x 10"	\$0.29 ea, \$5.80 bx-20, \$92.80 cs-320
BA7350	QuikClot Combat Gauze LE, 3" x 4 yds Z-fold	\$36.25 ea, \$1812.50 cs-50
BA7475	QuikClot EMS Rolled Gauze. 3" x 48"	\$25.92 ea
BE3	3M COBAN Self-Adherent Wrap, 3"	\$2.82 ea, \$67.68 bx-24
BE8026C	DUKAL LF Cohesive Bandages, 2", Colors (Bx/36)	\$67.30 bx
BJ2104	DUKAL Clinisorb Sponge, 4", N/S (Bag/200)	\$5.32 bg, \$53.20 cs-10
BJ6114	DUKAL New Sponge, 4" x 4", Non-Sterile	\$4.00 bg-200, \$40.00 cs-2000
BJ6124	DUKAL New Sponge, 4" x 4", Sterile (pks/2)	\$2.20 bx-25, \$52.80 cs-600
BJ7444	DUKAL Clinisorb Sponge, 4", Sterile (Box of 50)	\$6.03 bx, \$72.36 cs-12
BX0404HA	WATER-JEL HA Burn Dressing, 4" x 4"	\$7.51 ea, \$112.65 bx-15
BX0416HA	WATER-JEL HA Burn Dressing, 4" x 16"	\$9.63 ea, \$67.41 bx-7
BX1216HA	WATER-JEL HA Face Dressing, 12" x 16"	\$17.91 ea
BX1800	BURNFREE, Dressing, 4" x 4"	\$2.55 ea
BX91039	Disposable Burn Sheet, Sterile, 60" x 90"	\$2.33 ea, \$116.50 cs-50
DI900	GRABBER MEGA WARMER Warm Pack	\$1.68 ea, \$50.40 cs-30
DI9840	DUKAL Instant Hot Pack 5" x 9"	\$1.32 ea, \$31.68 cs-24
DI9850	Instant Cold Pack (non-toxic), 6" x 8"	\$1.19 ea, \$28.56 cs-24
MD548	Hydrogen Peroxide, 4 oz. Bottle	\$1.49 ea, \$35.76 cs-24
MD55	Hydrogen Peroxide, 16 oz. Bottle	\$2.04 ea, \$24.48 cs-12
SL6270	ICU Medical 0.9% Sodium Chloride, 250 ml Bottle	\$7.31 ea, \$175.44 cs-24
SL7112	Baxter Sterile Water, 250 ml Bottle	\$3.46 ea, \$83.04 cs-24
SL7113	Baxter Sterile Water, 500 ml Bottle	\$6.92 ea, \$124.56 cs-18
SL7114	Baxter Sterile Water, 1000 ml Bottle	\$6.75 ea, \$81.00 cs-12
SL7122	Baxter 0.9% Sodium Chloride, 250 ml Bottle	\$3.35 ea, \$80.40 cs-24
SL7123	Baxter 0.9% Sodium Chloride, 500 ml Bottle	\$6.88 ea, \$123.84 cs-18
TA6000	White Duct Tape, 2"	\$7.98 ea, \$191.52 cs-24

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Item No	Description	Contract Prices
TA7827-1	TRANSPORE Transparent Tape, 1"	\$0.90 ea, \$10.80 bx-12, \$108.00 cs-120
TA7827-2	TRANSPORE Transparent Tape, 2"	\$1.87 ea, \$11.22 bx-6, \$112.20 cs-60
TA8111	DUKAL Transparent Surgical Tape, 1"	\$16.20 bx-12, \$194.40 cs-144
TQ0001-BLK	Combat Application Tourniquet (C-A-T), Polymer Windless - Black	\$27.59 ea
TQ400-ORG	SWAT-T (Stretch Wrap & Tuck) Tourniquet - Orange	\$20.14 ea

Immobilization

Item No	Description	Contract Prices
CXACE	Ambu Perfit ACE Extrication Collar	\$8.63 ea, \$258.90 cs-30
CXMINI	Ambu Perfit Mini ACE Extrication Collar	\$8.63 ea, \$258.90 cs-30
SP3908	MED SPEC ProSplints, Extremity Kit	\$229.65 ea
SP441	FERNOTRAC Traction Splint, Combination Kit	\$1023.61 ea
SP90010	Hartwell FASPLINT Vacuum Splint w/Compact Pump	\$423.00 ea
SP901A	OPTIMUM Traction Device (O.T.D.)	\$129.84 ea
SP901A-BLK	OPTIMUM Traction Device (O.T.D.) Tactical Black	\$129.84 ea
SS60100	Padded Board Splints Set, w/ Velcro Carrying Case	\$56.15 ea
SS9200-ORG	SAM SPLINT, Standard Size, 4 1/4" x 36", Orange	\$8.28 ea, \$496.80 cs-60
SW2253-GRN	MedSource Extrication Device, Green	\$93.75 ea
SW8571	Hare Traction Splint, Adult	\$353.83 ea
SY975	Laerdal Sta-Blok Head Immobilizer	\$4.97 ea, \$149.10 cs-30

Infection Control

Item No	Description	Contract Prices
AL413872	SANI-CLOTH AF3 Wipe, Large, TUB of 160 Wipes	\$10.90 ea, \$130.80 cs-12
AL525	SUPER SANI-CLOTH Wipe, Large, TUB of 160 Wipes	\$6.40 ea, \$76.80 cs-12
AL5782	Hero Wipes, FIRE, Soft pack (48ct)	\$169.68 cs-12
AL9222	3M AvagardD Instant Hand Antiseptic, 16 oz.	\$8.68 ea, \$104.16 cs-12
BH105	Biohazard Bag, 9" x 12", 2.0 mil, ZIP-CLOSURE	\$0.10 ea, \$9.78 pk-100, \$97.80 cs-1000
BH107	Biohazard Bag, 12" x 15", 2.0 mil, ZIP-CLOSURE	\$0.16 ea, \$16.00 pk-100, \$80.00 cs-500
BH117	Biohazard Bag, 30.5" x 41", 1.5 mil, 30 Gallon	\$0.25 ea, \$62.50 cs-250
IC1508	Infectious Control N95 Kit w/ Protective Gown	\$4.24 ea
IC1860	3M 1860 Respirator N95 Masks, Regular	\$35.80 bx-20, \$214.80 cs-120
IC2807	Coverall Face Shield, Clear w/Comfort Headband	\$3.42 ea, \$342.00 cs-100
IC75-GRY	StarLite Squared Eyewear, Gray Lens	\$1.99 ea, \$19.90 bx-10
IC8576A	P2 Impervious Isolation Gown, Universal Size	\$31.65 pk-15, \$158.25 cs-75

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Item No	Description	Contract Prices
IC91018	Face Mask, 3 Layer, Disposable	\$13.00 bx-50
PA285	Spit Hood	\$4.81 ea, \$240.50 cs-50

Instruments / Personal

Item No	Description	Contract Prices
DD460	Pin, Stork with Baby, Blue	\$5.26 ea
DD465	Pin, Stork with Baby, Pink	\$5.26 ea
HP1	MAX Hearing Protector (pair)	\$70.00 bx-200
HP212	GloPlugz Earplug with Cord	\$0.19 ea, \$19.00 bx-100
IN001-TAC	MEDICUT Paramedic Shears, 7 1/4", Tactical Black	\$8.71 ea
IN555-BLU	Economy Paramedic Shears, 7 1/4", Blue	\$2.02 ea, \$101.00 bx-50
IN920	ADC Ring Cutter	\$29.60 ea
PL1008	ADLITE Penlight with pupil gauge	\$0.98 ea, \$5.88 pk-6
PL3520	METALITE Reusable Penlight	\$4.61 ea, \$46.10 bx-10

IV Therapy

Item No	Description	Contract Prices
BBRA_415110	CSU100 INJECTION SITE, ULTRASITE, BX/100	\$247.31 bx
HCL_18319-BLU	Easy Pull-Tight Seal, Numbered, Dark Blue, pk/100	\$41.14 bg
ID1005A	Drug Locks, Red (Bag of 250)	\$40.43 bg
ID1065	Elckette 3N Security Seals, Red (Bag of 250)	\$52.91 bg
IP4010	INFU-SURG Pressure Infuser Bag, 1000cc	\$31.49 ea, \$157.45 bx-5
IS0651	Taylor Sharps Pocket Shuttle	\$2.57 ea, \$64.25 bg-25, \$771.00 cs-300
IS8507SA	SharpSafety Sharps Container, 5 Qt, Red	\$10.14 ea, \$202.80 cs-20
IS8513-1	Covidien SharpSafety Sharps Containers, 5 Quart	\$4.97 ea, \$99.40 cs-20
IS8519-C	Wall Bracket -SharpSafety 5 quart and 1/2 gallon	\$23.90 ea
IS8900	Covidien Sharps Containers, 1 Quart	\$2.19 ea, \$219.00 cs-100
ISTRAP	SHARP-TRAP Sharps Container	\$2.68 ea, \$268.00 cs-100
IT103	MAD Device	\$8.45 ea, \$211.25 bx-25, \$845.00 cs-100
IT10CCLLA	Syringe, LUER LOCK, 10cc w/ markings to 12cc	\$0.26 ea, \$26.00 bx-100, \$312.00 cs-1200
IT11101	MedSource IV Guard IV Dressing (Box of 100)	\$51.43 bx, \$257.15 cs-5
IT18GA	Needle, 18 GA x 1.5"	\$0.12 ea, \$11.54 bx-100
IT1CCLL	Syringe, LUER LOCK, 1cc	\$0.66 ea, \$66.00 bx-100
IT20001	ICU Med SuperCath 5 Safety IV Catheter w/ Blood Control, 22g x 1"	\$3.85 ea, \$192.50 bx-50, \$770.00 cs-200
IT20401	ICU Med SuperCath 5 Safety IV Catheter w/ Blood Control, 18g x 1.25"	\$3.85 ea, \$192.50 bx-50, \$770.00 cs-200

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Item No	Description	Contract Prices
IT20601	ICU Med SuperCath 5 Safety IV Catheter w/ Blood Control, 20g x 1.25"	\$3.85 ea, \$192.50 bx-50, \$770.00 cs-200
IT20602	ICU Med SuperCath 5 Safety IV Catheter w/ Blood Control, 20g x 1"	\$3.85 ea, \$192.50 bx-50, \$770.00 cs-200
IT20801	ICU Med SuperCath 5 Safety IV Catheter w/ Blood Control, 24g x 0.75"	\$3.85 ea, \$192.50 bx-50, \$770.00 cs-200
IT20CCLL	Syringe, LUER LOCK, 20 cc	\$0.52 ea, \$26.00 bx-50
IT21001	ICU Med SuperCath 5 Safety IV Catheter w/ Blood Control, 16g x 1.25"	\$3.85 ea, \$192.50 bx-50, \$770.00 cs-200
IT21GA	Needle, 21 GA x 1-1/2"	\$0.12 ea, \$11.54 bx-100
IT23GA	Needle, 23 GA x 1"	\$11.54 bx-100
IT26200	Syringe, 3cc Luer Lock with Cap	\$0.20 ea, \$20.00 bx-100, \$200.00 cs-1000
IT3042	Smiths Med PROTECTIV Safety IV Catheter, 16g x 1.25"	\$2.90 ea, \$145.00 bx-50, \$580.00 cs-200
IT3048	Smiths Med PROTECTIV Safety IV Catheter, 14g x 1.25"	\$2.90 ea, \$145.00 bx-50, \$580.00 cs-200
IT3060	Smiths Med PROTECTIV PLUS Safety IV Catheter, 22g x 1"	\$2.35 ea, \$117.50 bx-50, \$470.00 cs-200
IT3062	Smiths Med PROTECTIV PLUS Safety IV Catheter, 16g x 1.25"	\$2.90 ea, \$145.00 bx-50, \$580.00 cs-200
IT3063	Smiths Med PROTECTIV PLUS Safety IV Catheter, 24g x 0.75"	\$2.35 ea, \$117.50 bx-50, \$470.00 cs-200
IT3065	Smiths Med PROTECTIV PLUS Safety IV Catheter, 18g x 1.25"	\$2.35 ea, \$117.50 bx-50, \$470.00 cs-200
IT3066	Smiths Med PROTECTIV PLUS Safety IV Catheter, 20g x 1.25"	\$2.98 ea, \$149.00 bx-50, \$596.00 cs-200
IT3067	Smiths Med PROTECTIV PLUS Safety IV Catheter, 20g x 1"	\$2.35 ea, \$117.50 bx-50, \$470.00 cs-200
IT3068	Smiths Med PROTECTIV PLUS Safety IV Catheter, 14g x 1.25"	\$2.35 ea, \$117.50 bx-50, \$470.00 cs-200
IT382533	BD Insyte Autoguard IV Catheter w/ Blood Control, 20g x 1"	\$3.49 ea, \$174.50 bx-50, \$698.00 cs-200
IT3CC23	Syringe, LUER LOCK, 3cc with 23 GA x 1" needle	\$0.20 ea, \$20.00 bx-100
IT4431	Veni-Gard Site Dressing (Box of 100)	\$60.03 bx, \$300.15 cs-5
IT5CCLL	Syringe, LUER LOCK, 5cc	\$0.19 ea, \$19.00 bx-100
IT60CCLL	Syringe, LUER LOCK, 60 cc	\$1.49 ea, \$37.25 bx-25
IT82523	BD Insyte Autoguard IV Catheter w/ Blood Control, 22g x 1"	\$3.49 ea, \$174.50 bx-50, \$698.00 cs-200
IT82544	BD Insyte Autoguard IV Catheter w/ Blood Control, 18g x 1.16"	\$3.49 ea, \$174.50 bx-50, \$698.00 cs-200
IT83242	IV Dressing, Transparent, Window Out, 2.375" x 2.75"	\$40.00 bx-100, \$160.00 cs-400
IT86214	Medsource ClearSafe Comfort Safety IV Cath, Blood Control, 14g x 1.25"	\$3.15 ea, \$157.50 bx-50, \$630.00 cs-200
IT86216	Medsource ClearSafe Comfort Safety IV Cath, Blood Control, 16g x 1.25"	\$3.15 ea, \$157.50 bx-50, \$630.00 cs-200
IT86218	Medsource ClearSafe Comfort Safety IV Cath, Blood Control, 18g x 1.25"	\$3.15 ea, \$157.50 bx-50, \$630.00 cs-200
IT86220	Medsource ClearSafe Comfort Safety IV Cath, Blood Control, 20g x 1.25"	\$3.15 ea, \$157.50 bx-50, \$630.00 cs-200
IT86221	Medsource ClearSafe Comfort Safety IV Cath w/ Blood Control, 20g x 1"	\$3.15 ea, \$157.50 bx-50, \$630.00 cs-200
IT86222	Medsource ClearSafe Comfort Safety IV Cath w/ Blood Control, 22g x 1"	\$3.15 ea, \$157.50 bx-50, \$630.00 cs-200
IT86224	Medsource ClearSafe Comfort Safety IV Cath, Blood Control, 24g x 0.75"	\$3.15 ea, \$157.50 bx-50, \$630.00 cs-200
IV010	MedSource PRN Connector Injection Site, 400 psi	\$1.14 ea, \$114.00 cs-100
IV0200	SureLok Connector (Clave Compatible)	\$2.54 ea, \$254.00 cs-100
IV180D	IV Armboard, Adult, Disposable, 18" x 3"	\$1.41 ea, \$141.00 cs-100
IV38301	AMSafe3 IV Set, AMSAFE/PRESLIT	\$6.85 ea, \$342.50 cs-50

Due to unforeseen manufacturer cost fluctuations, prices are subject to change.



Item No	Description	Contract Prices
IV730102	SELEC-3 IV Set, #B30-102, LUER/PRESLIT Site	\$7.99 ea, \$383.52 cs-48
IV8018	AMSAFE Extension Set w/Flow Controller, 19"	\$7.88 ea, \$394.00 cs-50
IV83092	MedSource Extension Set, 2.0ml, 8", Luer	\$2.43 ea, \$243.00 cs-100
IV8399	Baxter CLEARLINK Injection Site	\$5.22 ea, \$1044.00 cs-200
IV90D	IV Armboard, Child/Wrist, Disposable, 9" x 3"	\$0.87 ea, \$87.00 cs-100
THOM_TT651	110 Volt Charger for IV Warmer	\$66.50 ea
THOM_TT661	IV Warmer, 4 Liter, 12v	\$804.32 ea
TQ1800	Free-Band Tourniquet, FLAT, 1" x 18" (Box/100)	\$24.00 bx
TQ4200	Tourniquet, Latex Free, Rolled, 1" x 18"	\$40.00 bg-250

Medical Gloves

Item No	Description	Contract Prices
GL481	Microflex Blaze, Nitrile Exam Glove, Extended Cuff, Orange, Small	\$13.80 bx-100, \$138.00 cs-1000
GL482	Microflex Blaze, Nitrile Exam Glove, Extended Cuff, Orange, Medium	\$21.00 bx-100, \$210.00 cs-1000
GL483	Microflex Blaze, Nitrile Exam Glove, Extended Cuff, Orange, Large	\$21.00 bx-100, \$210.00 cs-1000
GL484	Microflex Blaze, Nitrile Exam Glove, Extended Cuff, Orange, X-Large	\$21.00 bx-100, \$210.00 cs-1000
GL485	Microflex Blaze, Nitrile Exam Glove, Extended Cuff, Orange, XX-large	\$21.00 bx-100, \$210.00 cs-1000
GL775S	Microflex Freeform, Nitrile Exam Glove, Extended Cuff, Blue, Small	\$8.50 bx-50, \$85.00 cs-500

Oxygen Resuscitation

Item No	Description	Contract Prices
AMBU_520211001	Ambu SPUR II BVM, Adult w/ Adult Medium Mask, PEEP	\$19.70 ea, \$236.40 cs-12
AMBU_530613017	Ambu SPUR II BVM, Pediatric w/ Toddler Mask, Pop-Off, Mano, Filter	\$26.47 ea, \$158.82 cs-6
OC1057209	Flow-Safe II CPAP, Adult Large Mask	\$76.62 ea, \$383.10 cs-5
OC1057318	Flow-Safe II EZ CPAP, Adult Large Mask w/Nebulizer	\$92.39 ea, \$461.95 cs-5
OC1057319	Flow-Safe II EZ CPAP, Adult Small Mask w/Nebulizer	\$92.39 ea, \$461.95 cs-5
OD7050	O-Two eSeries Automatic Transport Ventilator Carrying Case	\$468.45 ea
OG0700A	Quick Connect Pigtail	\$68.74 ea
OG0800	Flowmeter, Brass Housing, 0-15 lpm	\$48.15 ea
OG0800A	Flowmeter, Aluminum Housing, 0-15 lpm	\$48.39 ea
OG0802	Male Quick Connect with DISS-1240 threads	\$25.39 ea
OG1023	O-Two All Brass O2 Regulator, 2 DISS/Liter Flow	\$177.32 ea
OG2010	O-Two Brass 540 Nut & Stem w/ 1 9/16" self sealing Diss	\$142.93 ea
OG25564	Click Style Flowmeter, 0-25 lpm, Male Ohmeda Inlet	\$53.79 ea
OG4500	Green Barb for Regulator (Christmas Tree)	\$1.40 ea

Due to unforeseen manufacturer cost fluctuations, prices are subject to change.



Item No	Description	Contract Prices
OG8725	CDI Oxygen Regulator, 2 DISS and Liter Flow, T-Handle	\$60.10 ea
OG8725EMS-1	MERET EMS BRUUT O2 Regulator, 1 DISS/Liter Flow	\$125.15 ea
OG8725G	Gauge for Regulator, with Boot	\$21.39 ea
OG8725KNOB	CDI Oxygen Regulator with Knob, 2 DISS/Liter Flow	\$66.19 ea
OJ2860	On-Board Oxygen Regulator, 2-DISS, Brass Body	\$70.59 ea
OL06	Oxygen Hose, 6 ft. with DISS fittings	\$57.49 ea
OM1083	Hudson Aerosol/Nebulizer Mask, Adult	\$1.49 ea, \$74.50 cs-50
OM1266	Nic the Dragon Pediatric Aerosol/Nebulizer Mask	\$2.22 ea, \$111.00 cs-50
OM1270	O2 Mask, Medium Concentration, Infant	\$2.75 ea, \$137.50 cs-50
OM1885	MICRO MIST Nebulizer with adult mask	\$2.01 ea, \$100.50 cs-50
OM1992A	AMBU Disposable PEEP Valve, 30mm	\$8.05 ea, \$161.00 bx-20
OM20007	Oxygen Tubing, Star Lumen, 7 ft	\$0.82 ea, \$41.00 cs-50
OM2052	DURACLEAR Cuffed Mask, Infant	\$3.80 ea, \$76.00 bx-20
OM22883	MedSource Up-Draft Nebulizer, Hand-Held	\$1.31 ea, \$65.50 cs-50
OM22885	MedSource Nebulizer with Mask, Adult	\$2.16 ea, \$108.00 cs-50
OM22886	MedSource Nebulizer with Mask, Pediatric	\$2.52 ea, \$126.00 cs-50
OM24004	MedSource Nasal Cannula, Flared, Adult	\$0.55 ea, \$27.50 cs-50
OM25055	MedSource O2 Mask, Non-Rebreather, Infant	\$2.62 ea, \$131.00 cs-50
OM25058	MedSource O2 Mask, Non-Rebreather, Pedi	\$2.04 ea, \$102.00 cs-50
OM25059	MedSource O2 Mask, Partial Non-Rebreather, Adult	\$1.43 ea, \$71.50 cs-50
OM25060	MedSource O2 Mask, Complete Non-Rebreather, Adult	\$1.54 ea, \$77.00 cs-50
OM2602A	Nebulizer to Bag Mask ADAPTER KIT, Standard	\$5.34 ea
OM5200	Ambu SPUR II BVM, Adult w/ Adult Medium Mask	\$11.70 ea, \$140.40 cs-12
OM5300	Ambu SPUR II BVM, Pediatric w/ Toddler Mask, Pop-Off	\$18.41 ea, \$220.92 cs-12
OM5400	Ambu SPUR II BVM, Infant w/ Infant Mask, Pop-Off	\$18.41 ea, \$220.92 cs-12
OM9600TRAIN	SafeBVM Sotair Device TRAINER (Not for Clinical Use)	\$50.00 ea
OS01ZV	MERET Oxygen Cylinder with Z Valve, D Size	\$77.97 ea
OT271013	Large Oxygen Wrench	\$4.23 ea
OT4027	Post Valve Dust Cover for O2 Cylinder	\$112.00 bx-200
OT62922	Metal Cylinder Wrench	\$3.92 ea
OT62923	Metal Cylinder Wrench with Chain	\$22.11 ea
OT99	Gaskets (butyl rubber/brass)	\$1.07 ea, \$53.50 bg-50
OTWO_01CV7035	eSeries Ventilator Smart Mount	\$540.00 ea
OTWO_01CV8040-CS	Intake filter/cover, O-Two Medical "e" Series	\$46.00 cs-10
SMIT_V7148	Pet Oxygen Mask Kit, Liter Flow	\$123.57 ea

Due to unforeseen manufacturer cost fluctuations, prices are subject to change.



Patient Transport

Item No	Description	Contract Prices
BS4006	Baby Bunting	\$9.00 ea
BS4480-BLK	Taylor Titan II Soft Stretcher, Black, 1500lbs, 40" x 80"	\$76.45 ea, \$382.25 cs-5
BS800	Graham MegaMover, White, 1000lbs, 40" x 80"	\$25.19 ea, \$251.90 cs-10
PA3933	Emesis Bag	\$23.25 bg-25, \$93.00 cs-100
PA80328	Emesis Bag	\$26.40 bg-24, \$158.40 cs-144
PA869101	VOMEX Emesis Bag	\$2.17 ea, \$54.25 bx-25
SW2200P	Hartwell COMBICARRIER II w/pins	\$1091.25 ea
SW4115	FERNO Pedi-Mate Plus Child Restraint System	\$579.48 ea
SX195-ORG	BIOTHANE Shoulder Harness Restraint, Orange	\$110.77 ea
SX24A-ORG	BIOTHANE Restraint, 2' Ext, Metal Buckle, Orange	\$24.88 ea
SX5622	The Original SPIDER STRAP, Multi-Color	\$99.10 ea
SX60F-ORG	BIOTHANE Restraint, Metal Buckle/Loop Lk, Org	\$34.50 ea
SX91152-BLK	Nylon, Metal Buckle, 2pc, 5', Ankle Strap, Black	\$15.66 ea

Training / Operations

Item No	Description	Contract Prices
LAER_250-21050	Training Airway Lubricant Spray (45mL)	\$42.84 ea
SIMU_205	Humerus Intraosseous Trainer	\$532.74 ea
TR086	Simulaids Adult Airway Management Trainer Torso	\$1825.63 ea
TR1081	Life/form Crico. Simulator Repl Kit (3 Skins and Inserts)	\$452.99 ea
TR120	Simulaids Deluxe IV Training Arm	\$1046.39 ea
TR250	Laerdal AIRWAY MANAGEMENT TRAINER, Infant	\$1033.73 ea
TR500M	Prestan Medium Skin Family Pack Manikins w/CPR Monitor	\$911.26 pk
TR9915-001	Symbio ST1501 STEMI ECG Simulator, Physio Connector	\$1212.60 ea
TX426467	PediaTape Pediatric Emergency Tape (2026 Version)	\$28.78 ea
TX8000S	Dose By Growth Pediatric Dosing Chart, EMS Standard	\$32.80 ea
TXWHEEL	PEDI-WHEEL	\$20.21 ea

Due to unforeseen manufacturer cost fluctuations, prices are subject to change.



CITY COMMISSION REGULAR MTG

(9) (h)

Meeting Date: 04/15/2026

Authorization to Purchase Medical Equipment for Station 5 Medic Unit

Submitted For: Dennis Harris, Fire Department

Submitted By: Dennis Harris, Fire Department

Department: Fire Department

Information

ACTION REQUEST

A resolution authorizing the purchase of an auto-load stretcher, LifePak 35 monitor, LUCAS device, and associated equipment for the new Medic 50 ambulance from Stryker, a sole source vendor, in an amount not to exceed \$257,000.

BACKGROUND (Brief Summary)

Funding for this equipment is provided through the approved Certificate of Obligation Bond. The requested items represent the essential patient care equipment required to fully outfit the new Medic 50 ambulance, ensuring it is properly equipped to deliver emergency medical services.

RECOMMENDATION

Staff recommends approval of a resolution authorizing the purchase of the auto-load stretcher, LifePak 35 monitor, LUCAS device, and associated equipment from Stryker, a sole source vendor for new M50, in an amount not to exceed \$257,000, funded through the Certificate of Obligation Bond.

Fiscal Impact

Funds Available Y/N: Y

Amount Requested: \$257,000

Source of Funds: CO Bond-Fire Department FY26 Budget

Account #: 412-202-55010-CO254

Fiscal Impact:

Funding is provided through the approved Certificate of Obligation Bond.

Attachments

Medic 50 EMS Equipment Quote

Sole Source Letter LP35 & Lucas

Sole Source Letter Auto Load Stretcher



Texas City- New Ambulance- Quote

Quote Number: 11250372

Remit to:

Stryker Sales, LLC
21343 NETWORK PLACE
CHICAGO IL 60673-1213
USA

Version: 1

Division:

Medical

Prepared For: TEXAS CITY EMS

Rep:

Samir Sehic

Attn:

Email:

samir.sehic@stryker.com

Phone Number:

Mobile:

+1 9402977015

Quote Date: 03/23/2026

Expiration Date: 06/21/2026

Contract Start: 01/30/2026

Contract End: 01/29/2027

Delivery Address

Sold To - Shipping

Bill To Account

Name: TEXAS CITY EMS

Name: TEXAS CITY EMS

Name: CITY OF TEXAS CITY

Account #: 20054435

Account #: 20054435

Account #: 20037035

Address: 1725 25TH ST N

Address: 1725 25TH ST N

Address: 1801 9TH AVE N

TEXAS CITY

TEXAS CITY

TEXAS CITY

Texas 77590-4930

Texas 77590-4930

Texas 77590-5472

Equipment Products:

#	Product	Description	Qty	Sell Price	Total
1.0	70335-000042	LP35,EN-US,MAS-SP/CO,MED-CO2,SUN-NIBP,12L,WIFI/CELL/LN/CPRIN,STD,BT	1	\$52,942.00	\$52,942.00
2.0	11335-000001	LIFEPAK FLEX Lithium-Ion Battery	2	\$1,040.00	\$2,080.00
3.0	11140-000102	LIFEPAK FLEX Battery Charger	1	\$3,120.00	\$3,120.00
4.0	41335-000003	SHIP KIT, POWER SUPPLY,LP35	1	\$2,600.00	\$2,600.00
5.0	11140-000131	AC Power Cord (North America, hospital grade)	1	\$113.00	\$113.00
6.0	11996-000455	RD SET DCI Reusable Sensor, Pediatric	1	\$435.00	\$435.00
7.0	11996-000456	RD SET DCI Reusable Sensor, Adult	1	\$435.00	\$435.00
8.0	11996-000519	LNCS-II Reusable rainbow 8-wavelength Adult Sensor	1	\$925.00	\$925.00
9.0	11996-000520	LNCS-II Reusable rainbow 8-wavelength Pediatric Sensor	1	\$1,018.00	\$1,018.00
10.0	11260-000073	Shoulder Strap	1	\$78.00	\$78.00
11.0	11335-000008	LIFEPAK 35 Storage Bag Kit	1	\$624.00	\$624.00
12.0	11111-000041	LIFEPAK 3-wire extended precordial ECG cable	1	\$125.00	\$125.00
13.0	11330-000026	LP35 Docking Station	1	\$3,328.00	\$3,328.00
14.0	11335-000005	LIFEPAK Printer Kit	1	\$3,120.00	\$3,120.00
16.0	99576-000063	LUCAS 3, v3.1 Chest Compression System, Includes Hard Shell Case, Slim Back Plate, (2) Patient Straps, (1) Stabilization Strap, (2) Suction Cups, (1) Rechargeable Battery and Instructions for use With Each Device	1	\$21,338.00	\$21,338.00



Texas City- New Ambulance- Quote

Quote Number: 11250372

Remit to:

Stryker Sales, LLC
21343 NETWORK PLACE
CHICAGO IL 60673-1213
USA

Version: 1

Division:

Medical

Prepared For: TEXAS CITY EMS

Rep:

Samir Sehic

Attn:

Email:

samir.sehic@stryker.com

Phone Number:

Mobile:

+1 9402977015

Quote Date: 03/23/2026

Expiration Date: 06/21/2026

Contract Start: 01/30/2026

Contract End: 01/29/2027

#	Product	Description	Qty	Sell Price	Total
17.0	11576-000060	LUCAS Desk-Top Battery Charger	1	\$1,674.00	\$1,674.00
18.0	11576-000071	LUCAS External Power Supply	1	\$530.00	\$530.00
19.0	11576-000080	LUCAS 3 Battery - Dark Grey - Rechargeable LiPo	1	\$996.00	\$996.00
20.0	11576-000048	LUCAS 12V-24V DC Car Cable	1	\$204.00	\$204.00
21.0	639005550001	MTS POWER LOAD	1	\$36,174.00	\$36,174.00
22.0	650705550001	6507 POWER PRO 2, HIGH CONFIG	1	\$39,314.00	\$39,314.00
23.0	650707000002	KIT, ALVARIUM BATTERY, SERVICE	1	\$1,175.00	\$1,175.00
24.0	650700450301	ASSEMBLY, BATTERY CHARGER	1	\$1,681.00	\$1,681.00
25.0	650700450102	ASSEMBLY, POWER CORD, NORTH AM	1	\$39.00	\$39.00
26.0	625705550002	6257 XPEDITION HIGH CONFIG	1	\$18,006.00	\$18,006.00
				Equipment Total:	\$192,074.00

ProCare Products:

#	Product	Description	Qty	Sell Price	Total
27.1	LIFEPAK35-FLD-PRO	Lifepak35 for LP35,EN-US,MAS-SP/CO,MED-CO2,SUN-NIBR,12L,WIFI/ CELL/LN/CPRIN,STD,BT 01/31/2026 - 01/30/2033 ∨ Parts, Labor, Travel ∨ Preventative Maintenance ∨ Batteries Service	1	\$16,961.00	\$16,961.00
27.2	LUCAS-FLD-PROCARE	LUCAS 3, 3.1 for LUCAS 3, v3.1 Chest Compression System, Includes Hard Shell Case, Slim Back Plate, (2) Patient Straps, (1) Stabilization Strap, (2) Suction Cups, (1) Rechargeable Battery and Instructions for use With Each Device 01/31/2026 - 01/30/2033 ∨ Parts, Labor, Travel ∨ Preventative Maintenance ∨ Batteries Service	1	\$12,964.00	\$12,964.00
27.3	POWERLOAD-PROCARE	Power Load for MTS POWER LOAD 01/31/2026 - 01/30/2032 ∨ Parts, Labor, Travel ∨ Preventative Maintenance ∨ Batteries Service	1	\$14,688.00	\$14,688.00
27.4	POWERPRO-PROCARE	Power Pro 2 for 6507 POWER PRO 2, HIGH CONFIG	1	\$9,615.00	\$9,615.00



Texas City- New Ambulance- Quote

Quote Number: 11250372

Remit to: Stryker Sales, LLC
21343 NETWORK PLACE
CHICAGO IL 60673-1213
USA

Version: 1
Prepared For: TEXAS CITY EMS
Attn:

Division: Medical
Rep: Samir Sehic
Email: samir.sehic@stryker.com
Phone Number:
Mobile: +1 9402977015

Quote Date: 03/23/2026
Expiration Date: 06/21/2026
Contract Start: 01/30/2026
Contract End: 01/29/2027

#	Product	Description	Qty	Sell Price	Total
		01/31/2026 - 01/30/2031 ∨ Parts, Labor, Travel ∨ Preventative Maintenance ∨ Batteries Service ∨ Smart Equip. Management			
27.5	XPEDITION-PROCARE	Xpedition Stair Chair for 6257 XPEDITION HIGH CONFIG	1	\$6,200.00	\$6,200.00
		01/31/2026 - 01/30/2031 ∨ Parts, Labor, Travel ∨ Preventative Maintenance ∨ Batteries Service			
ProCare Total:					\$60,428.00

Data Solutions:

#	Product	Description	Qty	Sell Price	Total
15.0	11150-000020	LIFEPAK Cellular Modem, North America	1	\$1,560.00	\$1,560.00
Data Solutions Total:					\$1,560.00

Price Totals:

Estimated Sales Tax (0.000%):	\$0.00
Shipping and Handling:	\$2,894.48
Grand Total:	\$256,956.48

Prices: In effect for 30 days

Terms: Net 30 Days



Texas City- New Ambulance- Quote

Quote Number: 11250372

Remit to: Stryker Sales, LLC
21343 NETWORK PLACE
CHICAGO IL 60673-1213
USA

Version: 1
Prepared For: TEXAS CITY EMS
Attn:

Division: Medical
Rep: Samir Sehic
Email: samir.sehic@stryker.com
Phone Number:
Mobile: +1 9402977015

Quote Date: 03/23/2026

Expiration Date: 06/21/2026

Contract Start: 01/30/2026

Contract End: 01/29/2027

Shipping & Handling Includes:

Standard freight, special packaging, semi rigging cranes, labor & delivery of equipment to final location, removal of all packaging, pre-delivery site check, education/training

Terms and Conditions:

Deal Consummation: This is a quote and not a commitment. This quote is subject to final credit, pricing, and documentation approval. Legal documentation must be signed before your equipment can be delivered. Documentation will be provided upon completion of our review process and your selection of a payment schedule. Confidentiality Notice: Recipient will not disclose to any third party the terms of this quote or any other information, including any pricing or discounts, offered to be provided by Stryker to Recipient in connection with this quote, without Stryker's prior written approval, except as may be requested by law or by lawful order of any applicable government agency. A copy of Stryker Medical's terms and conditions can be found at https://techweb.stryker.com/Terms_Conditions/index.html.

February 2025

Stryker is the sole-source provider in the Hospital (hospitals and hospital-owned facilities), Emergency Response Services and Emergency Response Training (paramedics, professional and volunteer fire) markets in the U.S. for the following products:

- New LIFEPAK® 35 monitor/defibrillators
- New LIFEPAK® 15 monitor/defibrillators
- New LIFEPAK 20e defibrillator/monitors
- New LIFEPAK CR2 automated external defibrillators
- New LIFEPAK CR2 cellular automated external defibrillators
- New LIFEPAK 1000 automated external defibrillators
- New HeartSine® samaritan PAD automated external defibrillators
- New LUCAS® chest compression system
- CODE-STAT™ data review software and service

Stryker is the sole source provider in all markets for the following products and services:

- RELI™ (Refurbished Equipment from the Lifesaving Innovators) devices
- LIFENET® system and related software
- ACLS (non-clinical) LIFEPAK defibrillator/monitors
- LIFELINKcentral™ Government Campus Solution
- MultiTech 4G and Titan III gateways
- Factory-authorized inspection and repair services which include repair parts, upgrades, inspections and repairs.

Stryker does not authorize any third parties to sell these products or services in the markets listed above. We will not fulfill orders placed by non-authorized businesses seeking to resell our products or services. If you have questions, please feel free to contact your local Stryker customer service representative at 800.442.1142.

Sincerely,



Matt Van Der Wende, Vice President, Americas Sales

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Emergency Care

11811 Willows Road NE, Redmond, WA 98052 USA | P +1 425 867 4000 | Toll-free +1 800 442 1142 | stryker.com

August 2023

To whom it may concern,

Stryker's Medical division certifies that it is the original equipment manufacturer (OEM) or sole source distributor of parts for Emergency Care products. All parts are either manufactured by Stryker or outside suppliers and are new, tested and approved for use on Stryker's products.

Our field service team, ProCare® Services, uses OEM parts for repairs and has exclusive use of certain proprietary tools for diagnostics and repairs. Stryker's Emergency Care products that require the use of such proprietary tools include, but are not limited to:

- Power-PRO™ 2 powered ambulance cot
(Model 6507), high configuration
- MTS Power-LOAD® powered cot fastener
- Lithium battery
- Battery charger assembly
- Power cord assembly

Stryker's quality team reviews and documents service repairs. We track and trend service to help ensure the highest level of product performance. Preventive maintenance (PM) and service history documentation is available

Please contact your sales representative for further information. Sincerely,



John Guyeskey
Senior Marketing Manager

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Emergency Care

3800 E. Centre Avenue, Portage, MI 49002 USA | P +1 269 329 2100 | Toll-free +1 800 327 0770 | stryker.com

CITY COMMISSION REGULAR MTG

(9) (i)

Meeting Date: 04/15/2026

Change Order to include IT, Security, and AV Design for the Municipal Complex

Submitted For: Jack Haralson, Public Works **Submitted By:** Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

Seeking commission approval for a Change Order approving PGAL Architects to provide IT, Security, and AV Design in the amount of \$100,000.00 as specified in our current contract, as allowed in paragraph 11.2 Specified Additional Services (See Exhibit A)

BACKGROUND (Brief Summary)

Our new Municipal Complex will require advanced technologies to operate efficiently and securely. Allowing PGAL to design these systems will ensure we will have an efficient and secure facility.

RECOMMENDATION

The Public Works Department recommends the requested change order as stated above.

Fiscal Impact

Funds Available Y/N: Yes

Amount Requested: \$100,000.00

Source of Funds: Certificate of Obligation Bond Funds

Account #: 412-100-55010-CO253

Fiscal Impact:

Attachments

Exhibit A
Resolution

are as follows:

Preliminary Design:	\$ 239,290.00
Schematic Design:	\$ 472,780.00
Design Development:	\$ 480,530.00
Construction Documents:	\$ 919,470.00
Bid:	\$ 42,625.00
Permit:	\$ 75,700.00
Construction Administration:	\$ 651,470.00
Close Out:	\$ 11,285.00
Total:	\$2,893,150.00

§ 11.2 For the Architect's Specified Additional Services, the Owner shall compensate the Architect as follows:
(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)

Specified Additional Services: If services other than those described as Basic Services are requested by the City, they will be billed in addition to the above Basic Services compensation in accordance a negotiated Lump Sum amounts listed below or in compliance with the attached rate schedule. The City may choose to authorize any of the Specified Additional Service tasks listed below throughout the course of the contract. No Specified Additional Service task will be performed without specific written authorization from the City. The following constitutes Specified Additional Services should they be requested by the City:

Alta Survey	Lump Sum of \$40,000.00
Geotechnical Survey	Lump Sum of \$15,000.00
FFE Design	Lump Sum of \$250,000.00
IT Design	Lump Sum of \$50,000.00
Security Design	Lump Sum of \$30,000.00
AV Design	Lump Sum of \$20,000.00
Commissioning	Lump Sum of \$30,000.00
Enhanced Commissioning	Lump Sum of \$26,000.00
USGBC Fees	Lump Sum of \$18,000.00
Energy Modeling	Lump Sum of \$42,000.00
Design Fees for LEED Certified Level Assuming LEED V4.1	Lump Sum of \$40,000.00

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:

Additional Services: If services other than those described as Basic Services and Specified Additional Services are requested by the City, they will be billed in addition to the above compensation in accordance with the attached rate schedule. Additional Services include but are not limited to the following:

- Professional renderings, models and computer animations
- Any design consultants other than those specifically included
- Environmental survey
- Topographic surveying
- Platting services
- Geotechnical investigation
- Design of FFE
- LEED certification
- Energy modeling

init.

RESOLUTION NO. 2026-044

A RESOLUTION APPROVING A CHANGE ORDER TO AUTHORIZE PGAL ARCHITECTS TO PROVIDE IT, SECURITY, AND AUDIO/VISUAL DESIGN SERVICES REQUIRED FOR THE MUNICIPAL COMPLEX; AUTHORIZING THE MAYOR TO EXECUTE SAID CHANGE ORDER NO. 2; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, our new Municipal Complex will require advanced technologies to operate efficiently and securely. Allowing PGAL to design these systems will ensure we will have an efficient and secure facility; and

WHEREAS, the Public Works Department recommends a Change Order authorizing PGAL Architects to provide IT, Security, and AV Design in the amount of \$100,000.00 as specified in our current contract, as allowed in paragraph 11.2 Specified Additional Services (See “**Exhibit A**”).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That a Change Order is approved Order authorizing PGAL Architects to provide IT, Security, and AV Design in the amount of \$100,000.00 as specified in our current contract, as allowed in paragraph 11.2 Specified Additional Services (See “**Exhibit A**”).

SECTION 2: That the Mayor is hereby authorized to execute a Change Order for this increase.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 15th day of April 2026.

Dedrick D. Johnson, Sr., Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh

Kyle L. Dickson

City Secretary

City Attorney

CITY COMMISSION REGULAR MTG

(10) (a)

Meeting Date: 04/15/2026

Amended Interlocal Collection Agreement- Tax Assessment & Collection Services

Submitted For: Rhomari Leigh, City Secretary

Submitted By: Rhomari Leigh, City Secretary

Department: City Secretary

Information

ACTION REQUEST

Ratifying approval of an Amendment to an Interlocal Collection Agreement and/or Resolution for Tax Assessment and Collection Services.

BACKGROUND (Brief Summary)

The Galveston County Tax Office provides property tax assessment and collection services for all taxing entities. The current rate for the 2025 tax year is \$.21 per property in Galveston County. The rate increase was approved by Galveston County Commission Court to increase the rate to \$.27 per property for the 2026 tax year.

RECOMMENDATION

The CFO recommends that the Commission ratify the rate increase to \$.27 per parcel count in Galveston County.

Fiscal Impact

Funds Available Y/N: Y

Amount Requested: \$1,800

Source of Funds: GENERAL FUND

Account #: 101100-54270

Fiscal Impact:

Attachments

GC Tax Office Policy & Procedure

Amended Interlocal Agreement

2025 INVOICE



Galveston County Tax Office

Policies & Procedures

Support Services

Entity Billing Cost Analysis



POLICY It is the policy of the Tax Assessor/Collector to annually estimate the cost of providing tax assessment and collection services to government partners.

RESPONSIBILITY The Tax Assessor/Collector and Chief Deputy of Property Tax & Support Services are responsible for compliance with this policy.

PROCEDURE Section 6.27(b) of the Texas Property Tax Code provides that "...the county assessor-collector is entitled to a reasonable fee, which may not exceed the actual costs incurred, for assessing and collecting taxes for a taxing unit..."

Each year the Tax Assessor/Collector will consult with the Chief Deputy of Property Tax and Support Services to develop the proper analysis of the cost of providing services to entities other than the County. This analysis is an estimate only as it is a projection and actual costs can fluctuate year to year. For this reason, only increases or decreases totaling \$0.02 or more will result in a fee change being recommended to Commissioners Court for ratification after review by the County Auditor's Office.

The Analysis

The basis for cost estimates is based on the determination of what expenses and personnel would be required if the office only collected for Galveston County. It is the joint opinion of the Chief Deputy of Property Tax and the Tax Assessor Collector that services could provide assessment and collection services for the County with one less Property Tax Application Specialist and one less Accounting Technician II. In a consolidated collection environment, these positions are essential to completing the work necessary to fulfill a best practices level of legally required services for the current number of entity partners. Additionally, due to the demands of serving 40 entities in addition to the County during the Assessment Phase adds an additional workload and responsibility to the Chief Deputy and Tax Assessor Collector. The additional time spent over the three-month period is estimated to add no less than the equivalent of one month of additional work for each position thus 1/12 of the combined salaries and personnel cost is also included.

The additional costs are analyzed and proposed during the annual budget cycle to the Tax Collection Contracts budget #151553. The Entity Cost Calculator spreadsheet (maintained with this policy in the W drive ADMIN TEAM/POLICY MANUAL/SUPPORT SERVICES folder) shall be updated to reflect projected budget costs, most current CAD Grand Total parcel counts and per parcel fee determined that will return sufficient funds to cover all anticipated budgeted costs.

The Analysis (continued)

This spreadsheet and policy shall be submitted to the County Auditor's team for review and, upon approval, policy updated with the final per parcel amounts.

Estimates for the 2026 tax year (FY 2027) are \$158,084 for Galveston County parcels and \$5,039 for Harris County parcels. Estimates are based on the following assumptions:

1. Salaries plus personnel costs based on 2 FTEs to include a Property Tax Application Specialist and Accounting Tech II with an estimated 3% COLA/P4P added for the FY 2027 plus 1/12th of the salary and benefit cost of the TAC and CDPT&SS.
2. Travel, education and membership expenses for Property Tax Application Specialist (training to begin with FY 2026-2027)
3. Office supplies at \$1,000 x 2 FTEs
4. PC, monitor, printer and software costs x FTEs/7 year replacement
5. Truth in Taxation software costs are based on number of entities (1 entity in 2025 is \$340 and 20+ \$2,300 thus the contributory cost for government partners is \$2,300-340 or \$1,960). Costs have increased on average 7% over the last three years thus the 2027 projected cost for the software for entities is rounded to \$2,100
6. Harris County costs based on estimated/actual cost of statement printing and mailing, all other printing and postage expenses (postcard receipts, February and 33.08 delinquent notices, cost of quarter and split pay coupons) and apportioned cost of hard and personnel costs for HC properties based on the HC parcel count as a percentage of all
7. PIDs historically were assessed a higher rate but this could not be justified thus those parcels are to be the same as all other parcels in the specific county
8. Costs are allocated to achieve rates necessary to cover estimated and hard costs utilizing the most current parcel counts. The cost estimate is included as Exhibit A.
9. The preliminary estimates for TY 2026 indicate a Galveston County per parcel rate of \$0.27 and a Harris County rate of \$1.03. The indicated rates are greater than or equal to the \$0.02 increase that requires a contracted rate change thus rates will increase for Galveston and Harris County parcels as well as PIDs for Tax Year 2026. This policy along with audited cost estimates will be submitted to County Commissioners for ratification. County Auditor approval will be included as Exhibit B.

Fee To Be Established

This process was presented at a workshop of Commissioners Court in March 2015. Proposed fee increases or decreases will be presented to Commissioners for ratification in advance of the April 1st deadline to notify collection partners of rate changes.

BILLING

The Chief Deputy of Property Tax and Support Services maintains copies of contracts and/or resolutions of the jurisdictions with the TNT

BILLING
(cont)

entity files. Billing for assessment and collection services occurs once a year in February and is based on the most current parcel counts indicated on the most current supplemental appraisal district rolls. Payment status is reported monthly to the Chief Deputy Property Tax and Support Services until all receivables are paid. Efforts to streamline billings will be analyzed each year.

Support Services
Generating Bills

1. Obtain most current Galveston and Harris County parcel counts are prepared by Property Tax Application Specialists using the most current central appraisal district supplemental roll total parcels.
2. Prepare invoice for each entity utilizing most current entity list.
3. Using prior year Word document maintained in the Q drive at Entity Information/Billing and Collections, create invoice for each entity. Billing amounts are as follows for 2026 tax year:

GC (including PIDs): parcel count x \$0.27
HC: parcel count x \$1.03 (Friendswood, City Centre PID, League City & Westwood Management District)

Prior to printing or emailing final statement, print draft invoices for review by TAC and/or Chief Deputy PT&SS.
4. Upon approval, merge, sign and make two copies of each invoice (one to mail or scan and email and one for Admin files)
5. Mail along with blue return envelope stamped or noted (ATTN SUPPORT SERVICES).
6. Enter invoice date into spreadsheet
7. Create and print a document for Admin Clerk with entity name and amount billed so they can monitor and record payments

Logging
Payments

Upon receipt of check, copy check and envelope, enter payment information into entity billing spreadsheet including date received, check number and amount received ((Q:)/Entity Information/20XX to 20XX Entity List For All, in the Tax Year 20XX Entity Billing tab.

Prepare payment sheet for Accounting Department and include with all payments received daily (include Payor, Check # and Amount) printing two copies. Provide one payment sheet with checks to Senior Accountant; file additional copy in Entity Billing folder maintained in Admin Assistant filing drawer.

Email Chief Deputy of Business Services, other Administrative Assistant and copy the CDPTSS the payment sheet information.

Follow Up

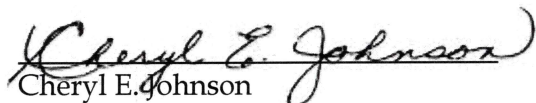
After receiving all payments, notify Chief Deputy Property Tax and Support Services and TAC and transfer file to main filing cabinets

If payment is not received after 30 days, contact the entity and resend

**Follow Up
(cont)**

invoice if address information was incorrect. Update master entity spreadsheet. If the entity provides a check number, pass that information on to Accounting to verify.

APPROVED:


Cheryl E. Johnson

February 23, 2026
Date

EXHIBIT A

Estimated Entity Billing Costs Tax Year 2026 (FY 2027)		
Number of FTE positions in budget	2.00	
Salaries (PTAs, Acct Tech II & I/12 CD&TAC)	118,507	
Contributory Cost of CDPT&SS & TAC Salary 1 month	34,181	
Membership & Dues	75	
Office supplies (\$1,000/employee x 2 employees)	2,000	
Travel/Conference, etc. for PTAs (\$100 for FY 25)	2,000	
ACT TNT Software (cost attributable to over 10 entities)	2,100	
Hardware & Software for Two Employees:		
Dell Pro Slim Desktop @ \$743 each	1,486	
Dell Professional 24" Monitor @ \$193 each	386	
HP LaserJet Pro 4101FDW Wireless Laser Multifunct	826	
Microsoft Office ProPlus Software @ \$567.24 each	1,134	
	<u>3,832</u>	
Total Personnel & Hard Costs	159,410	
TOTAL ATTRIBUTABLE TO GC COUNTY	158,084	0.991681
PARCELS BASED ON 1.0 - $4,887/587,417 = .991681$		
HARRIS COUNTY ONLY COST ESTIMATES:	#	Per Parcel
Printed statement/newletters/envelopes/postage	4,887	0.72059
1% postcard receipt (postage and printing)	49	0.63868
Delinquent notices (February) assume 1%	49	0.63794
Delinquent notices (September) assume 1%	49	0.86294
Supplemental changes (estimated - 1%)	49	0.86294
Split and quarter pay coupon mailing assume 1%	49	0.92524
Contributory cost of Personnel & Hard costs (GC - HC)		<u>1,326</u>
TOTAL HARRIS COUNTY ENTITY COSTS		\$5,039
Combined GC and HC Hard Costs		\$163,123
PROPOSED 2026 RATES CALCULATOR		
#	Per Parcel	Total Revenue
582,530	\$ 0.27000	157,283
4,887	\$ 1.03000	5,034
587,417		<u>162,317</u>
		Galveston County
		Harris County (FWD, LC, Westwood)
		TOTAL BILLED REVENUE

Johnson, Cheryl E

From: Speer, Jordan
Sent: Monday, February 23, 2026 2:22 PM
To: Johnson, Cheryl E
Cc: Cruz, Sergio; Belk, Tristan
Subject: RE: Final Revised Cost Calculator and Policy

Good afternoon,

Looks great - our numbers agree.

Thank you,
Jordan

From: Johnson, Cheryl E <Cheryl.E.Johnson@co.galveston.tx.us>
Sent: Monday, February 23, 2026 2:12 PM
To: Speer, Jordan <Jordan.Speer@galvestoncountytx.gov>
Cc: Cruz, Sergio <Sergio.Cruz@galvestoncountytx.gov>; Belk, Tristan <Tristan.Belk@galvestoncountytx.gov>
Subject: Final Revised Cost Calculator and Policy
Importance: High

Good afternoon.

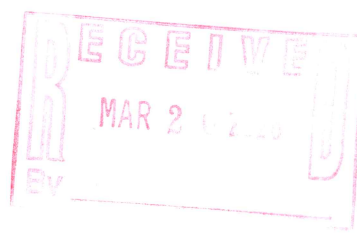
I apologize for this change but it was determined that the contributory cost of portions of salaries could be accomplished thus there was a change to the calculator that requires your review prior to submitting to Commissioners for ratification. Specifically, 1/12 of the TAC and Chief Deputy salaries and benefits were added inasmuch as these are real costs associated with providing services to the additional entities served.

Please let me know if you have questions.

Cheryl E. Johnson, PCC, CTOP
Galveston County Tax Assessor Collector
(409) 765-3277 (office)
(409) 392-5457 (mobile)
www.galcofax.com

"Be the change you want to see in the world." Gandhi

Full Time GC TO Office Hours: Monday 7:31-2:25
Monday: Thursday 7:30 am - 5:30 pm, Friday 8 am - Noon
Carrollton Court House, 722 21st Street, Mound, California
Texas City Annex, 2516 Texas Avenue, Texas City
West County Annex, 11700 Highway 6, Santa Fe
Monday Under 8:00 am to 3:00 pm
North County Annex, 174 Galder, League City
Satellite Office Hours: Monday 7:31-2:25 (West Coast - 1:00 pm to 1:00 pm)
946 Noble East Rd., Crystal Beach 3rd. Tuesday 7:30 am - 4:30 pm
910 S. Friendship Dr., Friendswood. Thursday, Friday 8 am - 1 pm



**AMENDMENT TO
INTERLOCAL COLLECTION AGREEMENT
AND/OR
RESOLUTION
FOR TAX ASSESSMENT AND COLLECTION SERVICES**

- I. This Amendment is entered into between the Office of Galveston County Tax Assessor Collector and City of Texas City.
- II. Parties named herein have entered into an Interlocal Collection Agreement or Resolution for Tax Assessment and Collection Services that included, among other things, the requirement that said Entity would be advised of any change in per parcel fee assessed for services by April 1st.
- III. Effective with the 2026 tax year, which begins August 1, 2026, the per parcel fee(s) will be in accordance with the schedule shown below regardless of type (e.g. Public Improvement District and/or tax parcels):

For All Parcels Located in Galveston County	\$0.27/parcel
For All Parcels Located in Harris County	\$1.03/parcel

- IV. Parties agree that the Interlocal Collection Agreement or Resolution for Tax Assessment and Collection Services and subsequent Amendments on file with the Office of Galveston County Clerk constitute the complete understanding of the parties. No other representation, oral or written, between the parties shall be of any force and effect unless specifically stated in writing.

Executed this the _____ day of _____, 2026.

City of Texas City

Presiding Officer

Witness

**GALVESTON COUNTY
TAX ASSESSOR COLLECTOR**

Cheryl E. Johnson
Cheryl E. Johnson, PCC, CTOP

March 17, 2026
Date

**AMENDMENT TO
INTERLOCAL COLLECTION AGREEMENT
AND/OR
RESOLUTION
FOR TAX ASSESSMENT AND COLLECTION SERVICES**

- I. This Amendment is entered into between the Office of Galveston County Tax Assessor Collector and City of Texas City.
- II. Parties named herein have entered into an Interlocal Collection Agreement or Resolution for Tax Assessment and Collection Services that included, among other things, the requirement that said Entity would be advised of any change in per parcel fee assessed for services by April 1st.
- III. Effective with the 2026 tax year, which begins August 1, 2026, the per parcel fee(s) will be in accordance with the schedule shown below regardless of type (e.g. Public Improvement District and/or tax parcels):

For All Parcels Located in Galveston County \$0.27/parcel

For All Parcels Located in Harris County \$1.03/parcel

- IV. Parties agree that the Interlocal Collection Agreement or Resolution for Tax Assessment and Collection Services and subsequent Amendments on file with the Office of Galveston County Clerk constitute the complete understanding of the parties. No other representation, oral or written, between the parties shall be of any force and effect unless specifically stated in writing.

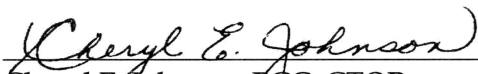
Executed this the _____ day of _____, 2026.

City of Texas City

Presiding Officer

Witness

**GALVESTON COUNTY
TAX ASSESSOR COLLECTOR**


Cheryl E. Johnson, ECC, CTOP

March 17, 2026

Date



Cheryl E. Johnson, PCC, CTOP
Assessor and Collector of Taxes
County of Galveston

722 Moody Avenue, Galveston Texas 77550
Toll Free (877) 766-2284 Fax:(409) 766-2479
Email: galcotax@galvestoncountytx.gov
March 17, 2026



Rhomari Leigh, City Secretary
City of Texas City
P.O. Box 2608
Texas City, TX 77592

Re: Amendment to Services Agreement Regarding
Per Parcel Fee

Dear Ms. Leigh:

It has been my pleasure to provide assessment and collection services to your organization. Since taking office in January 2005, I have strived to increase the level and quality of services provided to our customers – both individual property owners and partner governments - while simultaneously reducing cost of those services. If my memory serves me, at that time a per parcel fee of \$0.62 was assessed and I immediately began to analyze that cost from a legal standpoint (what does the Tax Code require/allow). A methodology was established and through the years, our practices streamlined enabling me to continually reduce the per parcel fee to the level enjoyed since 2019 of \$0.21 for Galveston County, \$0.97 for Harris County and \$0.256 for PID parcels.

As you know, inflation has impacted us all but despite that, we continued to provide services to our partner governments without an increase. Sadly, this year that was no longer possible due to ever increasing paper, personnel and postage costs (to name a few). Therefore, beginning with the 2026 tax year, our fee will increase \$0.06 for both Galveston and Harris County parcels (\$0.27 and \$1.03 respectively). The PID fee will be in line with the County tax parcel fee. You will not be billed at this rate until February/March 2027 for the 2026 tax year.

Enclosed please find two copies of an Amendment to the Interlocal Collection Agreement and/or Resolution for Tax Assessment and Collection Services reflecting this fee change along with the policy defining the methodology utilized. The County Auditor reviewed the analysis and March 16th, County Commissioners ratified the change. Upon approval by your governing body, please return one signed original to me via USPS or email to galcotax@galvestoncountytx.gov.

Should you have questions or concerns, please call me at 409-765-3277.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cheryl E. Johnson".

Cheryl E. Johnson, PCC, CTOP

Enclosures



Cheryl E. Johnson, PCC, CTOP
Assessor and Collector of Taxes
Galveston County
722 Moody Avenue
Galveston, Texas 77550
(409) 765-3277
Cheryl.E.Johnson@co.galveston.tx.us



March 5, 2026

Ms. Cynthia Rushing, Chief Financial Officer
City of Texas City
P.O. Box 2608
Texas City, TX 77592

**INVOICE FOR PROPERTY TAX
ASSESSMENT & COLLECTION SERVICES**

Invoice for tax assessment and collection services at \$0.21 per parcel (Galveston County properties) and \$0.97 per parcel (Harris County properties):

Parcel count	29261
Total Due for Services	<u>\$6144.81</u>

Please remit payment to GCTO (Galveston County Tax Office), Attn: Support Services, 722 21st Street, Galveston, TX 77550 at your earliest convenience.

Thank you,

Aimee McBride
Administrative Assistant
(409) 766-2260
Aimee.McBride@galvestoncountytx.gov

CITY COMMISSION REGULAR MTG

(10) (b)

Meeting Date: 04/15/2026

Consider and take action on the first reading of Ordinance No. 2026-08 to set speed zones for SH 3 and FM 1764 as recommended by TxDOT on the basis of an engineering and traffic investigation.

Submitted For: Kim Golden, Transportation and Planning

Submitted By: Curt Kelly, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST

Consider and take action on the first reading of Ordinance No. 2026-08 to set speed zones for SH 3 and FM 1764 as recommended by TxDOT on the basis of an engineering and traffic investigation.

BACKGROUND (Brief Summary)

On the basis of an engineering and traffic investigation, TxDOT recommends the following speed limits be fixed by ordinance for vehicles traveling on the named streets and highways, to-wit:

Along **SH 3** a school zone from 185 feet west of north frontage road of FM 1764 to 1135 feet west of north frontage road of FM 1764, a distance of approximately 0.180 mile, the speed limit shall be 35 MPH when flashing.

Along **FM 1764 north frontage road** from the I-45 frontage road to 2112 feet west of SH 3, a distance of approximately 2.825 miles, the speed limit shall be 50 MPH.

Along **FM 1764 north frontage road** from 2112 feet west of SH 3 to the centerline of SH 3, a distance of approximately 0.400 mile, the speed limit shall be 35 MPH.

Along **FM 1764 north frontage road** a school zone from 1215 feet west of SH 3 to 2112 feet west of SH 3, a distance of approximately 0.170 mile, the speed limit shall be 20 MPH when flashing.

Any person violating any of the provisions of the ordinance shall be guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not more than One Thousand (\$1,000.00) Dollars.

RECOMMENDATION

Upon review of the engineering and traffic investigation by an independent professional traffic operations engineer (P.T.O.E.), the City Engineer concurs in the TxDOT recommended speed limits indicated for vehicles traveling upon the named streets and highways.

Fiscal Impact

Funds Available Y/N: N/A

Amount Requested: N/A

Source of Funds: N/A

Account #: N/A

Fiscal Impact:

No fiscal impact

Attachments

Ordinance

Request for City Speed Zone Ordinance FM 1764 & SH 3 Texas City

TDAI Review Letter

ORDINANCE NO. 2026-08

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS, ALTERING THE PRIMA FACIE SPEED LIMITS ESTABLISHED FOR VEHICLES UNDER THE PROVISIONS OF SECTIONS 545.356 AND 545.353 OF THE TEXAS TRANSPORTATION CODE, ON CERTAIN STREETS AND HIGHWAYS OR PARTS THEREOF WITHIN THE CORPORATE LIMITS OF THE CITY OF TEXAS CITY, AS SET OUT IN THIS ORDINANCE, TO WIT: SPEED ZONES FOR SH 3 AND FM 1764 AS RECOMMENDED BY TXDOT ON THE BASIS OF AN ENGINEERING AND TRAFFIC INVESTIGATION; PROVIDING A PENALTY NOT TO EXCEED \$1,000.00 FOR THE VIOLATION OF THIS ORDINANCE; PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.

WHEREAS, Section 545.356, Texas Transportation Code, provides that whenever the governing body of the City shall determine, upon the basis of an engineering and traffic investigation, that any prima facie speed therein set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or other place or upon any part of a street or highway within the City, taking into consideration the width and condition of the pavement and other circumstances on such portion of said street or highway, as well as the usual traffic thereon, said governing body may determine and declare a reasonable and safe prima facie speed limit thereat or thereon by the passage of an Ordinance, which shall be effective when appropriate signs giving notice thereof are erected at such intersection or other place or part of the street or highway; and

WHEREAS, the City Commission of the City of Texas City agrees it is in the best interest of the citizens of Texas City to determine and declare such designated areas as suggested by the Texas Department of Transportation.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: Upon the basis of the Texas Department of Transportation speed zone study made as authorized by the provisions of section 545.356 of the Texas Transportation Code, the following prima facie speed limits hereafter indicated for vehicles are hereby determined and declared to be reasonable and safe; and such speed limits are hereby fixed at the rate of speed indicated for vehicles traveling upon the named streets and highways, or parts thereof, described as follows:

Along **SH 3** a school zone from 185 feet west of north frontage road of FM 1764 to 1135 feet west of north frontage road of FM 1764, a distance of approximately 0.180 mile, the speed limit shall be 35 MPH when flashing.

Along **FM 1764 north frontage road** from the I-45 frontage road to 2112 feet west of SH 3, a distance of approximately 2.825 miles, the speed limit shall be 50 MPH.

Along **FM 1764 north frontage road** from 2112 feet west of SH 3 to the centerline of SH 3, a distance of approximately 0.400 mile, the speed limit shall be 35 MPH.

Along **FM 1764 north frontage road** a school zone from 1215 feet west of SH 3 to 2112 feet west of SH 3, a distance of approximately 0.170 mile, the speed limit shall be 20 MPH when flashing.

SECTION 2: Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not more than One Thousand Dollars (\$1,000.00).

SECTION 3: That all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed. In the event any section, clause, sentence, paragraph, or part of this Ordinance shall be for any reason adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, invalidate, or impair the remainder of this Ordinance.

SECTION 4: That this Ordinance shall be read on three (3) separate days and shall become effective upon its final reading, passage, and adoption.

SECTION 5: That this Ordinance shall be finally passed upon the date of its introduction and shall become effective from and after its passage and adoption and publication by caption only in the official newspaper of the City.

PASSED ON FIRST READING this 15th day of April 2026.

Dedrick D. Johnson, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

PASSED ON SECOND READING this 6th day of May 2026.

Dedrick D. Johnson, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

PASSED AND FINALLY ADOPTED this 20th day of May 2026.

Dedrick D. Johnson, Mayor
City of Texas City, Texas

,
ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney



P.O. Box 1386 | Houston, Texas 77251-1386
713.802.5000
txdot.gov

August 29, 2025

The Honorable Dedrick Johnson, Sr.
Mayor, City of Texas City
1801 9th Avenue North
Texas City, Texas 77590

**RE: Request for City Speed Zone Ordinance
City of Texas City
Roadway: SH 3 & FM 1764
Galveston County
Control Section: 51-03 & 1607-01**

Dear Mayor Johnson:

Our office has completed a Speed Zone Study along SH 3 and FM 1764 within the city limits of the City of Texas City.

Attached you will find Speed Zone Strip Maps numbered 5997 B, 5696 D, and a prepared Speed Zone Ordinance suggested by the Texas League of Municipalities containing the recommended zone along SH 3 and FM 1764.

If you concur with the recommended speed zone, please furnish this office with a copy of your executed ordinance.

Should you have any questions, please contact Gaurang Pandit at (713) 802-5856 or Roberto Lewis (713) 802-5046.

Sincerely,

A handwritten signature in blue ink that reads "Randee W.T. Shields, P.E." in a cursive style.

Randee W.T. Shields, P.E.
Director of Transportation Operations
Houston District

Attachments

CC: Rhomari Leigh, City Secretary, City of Texas City
Gaurang S. Pandit, P.E., Transportation Engineer Supervisor, HOU, TxDOT
David R. Lazaro, P.E., Galveston Area Engineer, Houston District, TxDOT



P.O. Box 1386 | Houston, Texas 77251-1386
713.802.5000
txdot.gov

August 29, 2025

The Honorable Dedrick Johnson, Sr.
Mayor, City of Texas City
1801 9th Avenue North
Texas City, Texas 77590

**RE: Request for City Speed Zone Ordinance
City of Texas City
Roadway: SH 3 & FM 1764
Galveston County
Control Section: 51-03 & 1607-01**

Dear Mayor Johnson:

Our office has completed a Speed Zone Study along SH 3 and FM 1764 within the city limits of the City of Texas City.

Attached you will find Speed Zone Strip Maps numbered 5997 B, 5696 D, and a prepared Speed Zone Ordinance suggested by the Texas League of Municipalities containing the recommended zone along SH 3 and FM 1764.

If you concur with the recommended speed zone, please furnish this office with a copy of your executed ordinance.

Should you have any questions, please contact Gaurang Pandit at (713) 802-5856 or Roberto Lewis (713) 802-5046.

Sincerely,

Randee W.T. Shields, P.E.
Director of Transportation Operations
Houston District

Attachments

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Gaurang S. Pandit, P.E., Transportation Engineer Supervisor, HOU, TxDOT
David R. Lazaro, P.E., Galveston Area Engineer, Houston District, TxDOT

SPEED ZONE ORDINANCE # _____

AN ORDINANCE ALTERING THE PRIMA FACIE SPEED LIMITS ESTABLISHED FOR VEHICLES UNDER THE PROVISIONS OF § 545.356, TEXAS TRANSPORTATION CODE, UPON THE BASIS OF AN ENGINEERING AND TRAFFIC INVESTIGATION, UPON CERTAIN STREETS AND HIGHWAYS, OF PARTS THEREOF, WITHIN THE CORPORATE LIMITS OF THE CITY OF TEXAS, AS SET OUT IN THIS ORDINANCE; AND PROVIDING A PENALTY OF A FINE NOT TO EXCEED \$200 FOR THE VIOLATION OF THIS ORDINANCE.

WHEREAS, § 545.356, Texas Transportation Code, provides that whenever the governing body of the City shall determine upon the basis of an engineering and traffic investigation that any prima facie speed therein set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or other place or upon any part of a street or highway within the City, taking into consideration the width and condition of the pavement and other circumstances on such portion of said street or highway, as well as the usual traffic thereon, said governing body may determine and declare a reasonable and safe prima facie speed limit thereat or thereon by the passage of an Ordinance, which shall be effective when appropriate signs giving notice thereof are erected at such intersection or other place or part of the street or highway;

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

Section 1. Upon the basis of an engineering and traffic investigation heretofore made as authorized by the provisions of § 545.356, Texas Transportation Code, the following prima facie speed limits hereafter indicated for vehicles are hereby determined and declared to be reasonable and safe; and such speed limits are hereby fixed at the rate of speed indicated for vehicles traveling upon the named streets and highways, or parts thereof, described as follows:

Along **SH 3** a school zone from 185 feet west of north frontage road of FM 1764 to 1135 feet west of north frontage road of FM 1764, a distance of approximately 0.180 mile, the speed limit shall be 35 MPH when flashing.

Along **FM 1764 north frontage road** from the I-45 frontage road to 2112 feet west of SH 3, a distance of approximately 2.825 miles, the speed limit shall be 50 MPH.

Along **FM 1764 north frontage road** from 2112 feet west of SH 3 to the centerline of SH 3, a distance of approximately 0.400 mile, the speed limit shall be 35 MPH.

Along **FM 1764 north frontage road** a school zone from 1215 feet west of SH 3 to 2112 feet west of SH 3, a distance of approximately 0.170 mile, the speed limit shall be 20 MPH when flashing.

Section 2. Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not more than Two Hundred Dollars (\$200).

PASSED AND APPROVED THIS _____ day of _____, 2025.

ATTEST:

APPROVED:

City Secretary

Mayor



P.O. Box 1386 | Houston, Texas 77251-1386
713.802.5000
txdot.gov

August 29, 2025

The Honorable Dedrick Johnson, Sr.
Mayor, City of Texas City
1801 9th Avenue North
Texas City, Texas 77590

**RE: Request for City Speed Zone Ordinance
City of Texas City
Roadway: SH 3 & FM 1764
Galveston County
Control Section: 51-03 & 1607-01**

Dear Mayor Johnson:

Our office has completed a Speed Zone Study along SH 3 and FM 1764 within the city limits of the City of Texas City.

Attached you will find Speed Zone Strip Maps numbered 5997 B, 5696 D, and a prepared Speed Zone Ordinance suggested by the Texas League of Municipalities containing the recommended zone along SH 3 and FM 1764.

If you concur with the recommended speed zone, please furnish this office with a copy of your executed ordinance.

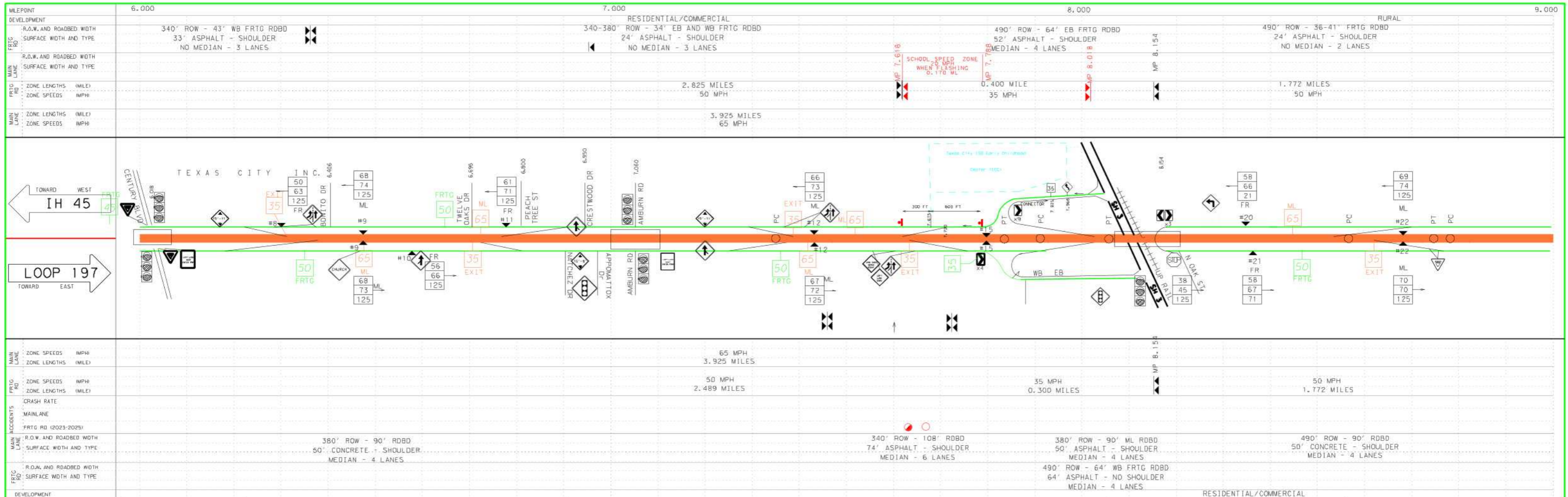
Should you have any questions, please contact Gaurang Pandit at (713) 802-5856 or Roberto Lewis (713) 802-5046.

Sincerely,

Rande W.T. Shields, P.E.
Director of Transportation Operations
Houston District

Attachments

CC: Rhomari Leigh, City Secretary, City of Texas City
Gaurang S. Pandit, P.E., Transportation Engineer Supervisor, HOU, TxDOT
David R. Lazaro, P.E., Galveston Area Engineer, Houston District, TxDOT
BC: Roberto V. Lewis, MBA, Transportation Specialist, Houston District, TxDOT
Igor Ginzburg, Transportation Engineer Specialist, Houston District, TxDOT



DISTRICT	HOUSTON (DIST 12)	COUNTY	GALVESTON	MINUTE NO.	DATE
HIGHWAY	FM 1764	CITY	TEXAS CITY	REPLACES	DATE
DATE OF SURVEY	4/2021	SCALE	5" = 1 MILE	REPLACED BY	DATE
				CANCELED BY	DATE

LIMITS OF ZONE					
SECTION ONE		SECTION TWO		SECTION THREE	
STA. OR M.P.	CONT. & SECT.	STA. OR M.P.	CONT. & SECT.	STA. OR M.P.	CONT. & SECT.
BEGNS	4.793	1607-01			
ENDS	5.670	1607-01			

LIMITS OF ZONE					
SECTION THREE		SECTION FOUR		SECTION FIVE	
STA. OR M.P.	CONT. & SECT.	STA. OR M.P.	CONT. & SECT.	STA. OR M.P.	CONT. & SECT.
BEGNS					
ENDS					

<p>SPEED CHECK BLOCK:</p> <ul style="list-style-type: none"> XXX - 85 PERCENTILE SPEED XXX - TOP SPEED MEASURED XXX - NUMBER OF CARS CHECKED 	<ul style="list-style-type: none"> ● - FATAL ACCIDENT ○ - PERSONAL INJURY ACCIDENT Ⓝ - PROPERTY DAMAGE ACCIDENT — - SECTION ZONED BY COMMISSION MINUTE ORDER XX - EXISTING SPEED LIMIT SIGN — - SECTION ZONED BY CITY ORDINANCE —X - SPEED CHECK STATION
--	---

<ul style="list-style-type: none"> ★ - EXCEEDED STATEWIDE AVERAGE ACCIDENT Ⓢ - EXISTING SIGNAL Ⓢ - EXISTING FLASHING BECON Ⓢ - EXISTING POLE Ⓢ - PROPOSED SIGN PC - POINT OF CURVE PT - POINT OF TANGENT

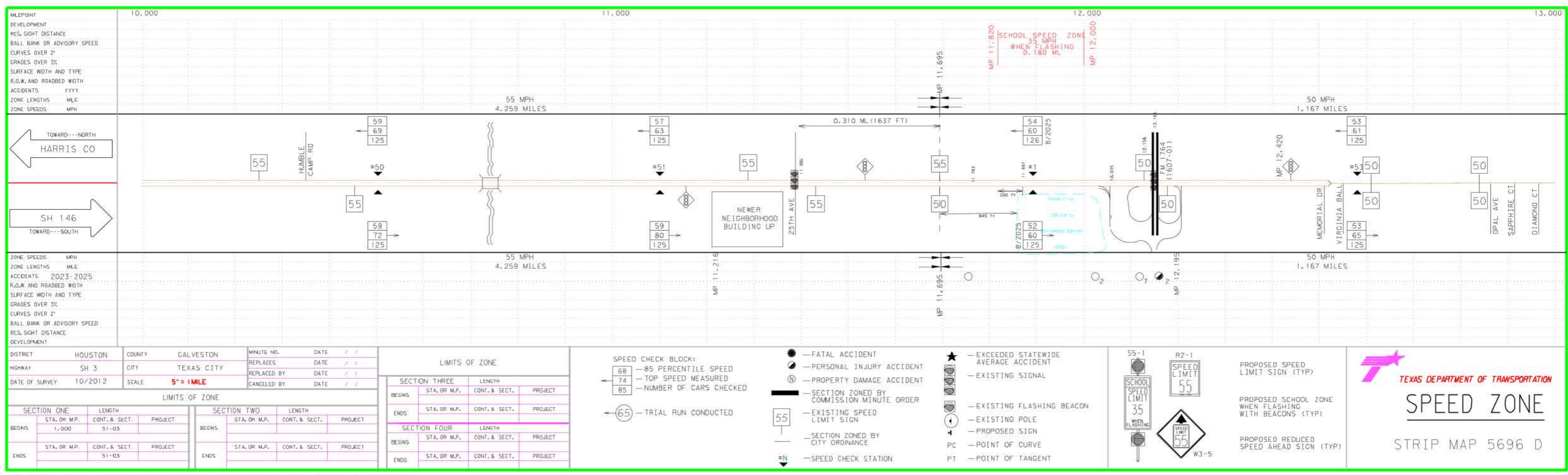
FOR MAINTENANCE CREW INFORMATION ONLY:

R2-1	PROPOSED SPEED LIMIT SIGN (TYP)
W3-5	PROPOSED REDUCED SPEED AHEAD SIGN (TYP)
SS-1	PROPOSED SCHOOL ZONE WHEN FLASHING WITH BEACONS (TYP)

TEXAS DEPARTMENT OF TRANSPORTATION

SPEED ZONE

STRIP MAP 5997 B



MILEPOINT
 DEVELOPMENT
 RES. SIGHT DISTANCE
 BALL BANK OR ADVISORY SPEED
 CURVES OVER 2"
 GRADES OVER 3%
 SURFACE WIDTH AND TYPE
 R.O.W. AND ROADBED WIDTH
 ACCIDENTS YYY
 ZONE LENGTHS MILE
 ZONE SPEEDS MPH

TOWARD--NORTH
 HARRIS CO
 TOWARD--SOUTH
 SH 146

ZONE SPEEDS MPH
 ZONE LENGTHS MILE
 ACCIDENTS 2023-2025
 R.O.W. AND ROADBED WIDTH
 SURFACE WIDTH AND TYPE
 GRADES OVER 3%
 CURVES OVER 2"
 BALL BANK OR ADVISORY SPEED
 RES. SIGHT DISTANCE
 DEVELOPMENT

DISTRICT	HOUSTON	COUNTY	GALVESTON	MINUTE NO.	DATE	///
HIGHWAY	SH 3	CITY	TEXAS CITY	REPLACES	DATE	///
DATE OF SURVEY	10/2012	SCALE	5" = 1 MILE	REPLACED BY	DATE	///
				CANCELED BY	DATE	///

LIMITS OF ZONE							
SECTION ONE			SECTION TWO				
BEGINS	STA. OR M.P.	CONT. & SECT.	PROJECT	BEGINS	STA. OR M.P.	CONT. & SECT.	PROJECT
	1.000	51-03					
ENDS				ENDS			

LIMITS OF ZONE			
SECTION THREE		LENGTH	
BEGINS	STA. OR M.P.	CONT. & SECT.	PROJECT
ENDS			

SPEED CHECK BLOCK:	
68	- 85 PERCENTILE SPEED
74	- TOP SPEED MEASURED
85	- NUMBER OF CARS CHECKED
65	- TRIAL RUN CONDUCTED

- - FATAL ACCIDENT
- - PERSONAL INJURY ACCIDENT
- ⊙ - PROPERTY DAMAGE ACCIDENT
- ⊖ - SECTION ZONED BY COMMISSION MINUTE ORDER
- 55 - EXISTING SPEED LIMIT SIGN
- 55 - SECTION ZONED BY CITY ORDINANCE
- #N - SPEED CHECK STATION
- ★ - EXCEEDED STATEWIDE AVERAGE ACCIDENT
- ★ - EXISTING SIGNAL
- ★ - EXISTING FLASHING BEACON
- ⊕ - EXISTING POLE
- ⊕ - PROPOSED SIGN
- PC - POINT OF CURVE
- PT - POINT OF TANGENT

S5-1 SCHOOL SPEED LIMIT 35 WHEN FLASHING
 R2-1 SPEED LIMIT 55
 PROPOSED SPEED LIMIT SIGN (TYP)
 PROPOSED SCHOOL ZONE WHEN FLASHING WITH BEACONS (TYP)
 PROPOSED REDUCED SPEED AHEAD SIGN (TYP)

TEXAS DEPARTMENT OF TRANSPORTATION
SPEED ZONE
 STRIP MAP 5696 D

TDAI *Traff Data & Associates. Inc.*

a
Traffic Engineering Advocacy Group

(713) 446-8167

March 31, 2026

Kim Golden, P.E
City Engineer
City of Texas City, Texas
7800 Emmett F. Lowry Expy
Texas City, Texas 77591

Traff Data & Associates have completed a review and investigation of the speed zone study as presented by the Texas Department of Transportation (TxDOT) along SH 3 and FM 1764 within the City of Texas City, Texas. This review and investigation indicate that we are in concurrence with the Zone Strip Maps number 5997 B, 5696 D, and a prepared Speed Zone Ordinance suggested by the Texas League of Municipalities containing the recommended zone along SH 3 and FM 1764.

Respectfully submitted,

I. Samson Ukaegbu

I. Samson Ukaegbu, P.E.
Principal
Traff Data & Associates, Inc
9894 Bissonnet, Suite 640
Houston, Texas 77036