



**HORIZON CITY**

**Incorporated 1988**

**AGENDA  
PUBLIC MEETING  
REGULAR CITY COUNCIL MEETING  
THE TOWN OF HORIZON CITY, TEXAS  
Tuesday, April 13, 2021, 6:00 PM**

Notice is hereby given that a Regular City Council Meeting of the Town of Horizon City, Texas will be held on **Tuesday, April 13, 2021 at 6:00 PM** at Virtual Meeting , at which time the following will be discussed and considered:

**\*\* OPEN MEETINGS DURING COVID-19 EMERGENCY DISASTER PERIOD \*\***

After declaring a state emergency on March 16, 2020, Governor Greg Abbott temporarily suspended certain requirements of the Texas Open Meetings Act that require governmental officials and the public to be physically present at the public meeting location in order to reduce face-to-face contact and mitigate the spread of COVID-19.

Participation by members of the public is welcome. To participate in public comment, interested members of the public **MUST** sign up prior to the meeting by emailing [citycouncilmeetings@horizoncity.org](mailto:citycouncilmeetings@horizoncity.org) or calling (915) 852-1046, EXT #106, or submit their comment or question by emailing [citycouncilmeetings@horizoncity.org](mailto:citycouncilmeetings@horizoncity.org) and the comments will be read during the Open Forum or the appropriate agenda item.

An electronic copy of the meeting agenda materials will be posted on our City Website at the following link:  
<https://v3.boardbook.org/Public/PublicHome.aspx?ak=1001244>.

The Town Council and staff will participate in this meeting via videoconferencing or telephone conference. Members of the public may view the meeting online or by videoconferencing via the following:

To watch by videoconferencing:

<https://townofhorizoncity.my.webex.com/townofhorizoncity.my/j.php?MTID=mdbbe3715218d700a26517565aacdf8df>

Meeting number (access code): 182 349 3087

Meeting password: AmQmHrA5B74

To Join by Phone

1-408-418-9388

1. **Call to order; Pledge of Allegiance; Establishment of Quorum**
2. **Open Forum:**

**CONSENT AGENDA**

*All matters listed under the CONSENT AGENDA are considered routine and will be enacted in one motion. There will be no separate discussion of these items unless a member(s) of the City Council requests one or*

more items be removed from the CONSENT AGENDA to the REGULAR AGENDA for separate discussion and action prior to the City Council's vote to adopt the CONSENT AGENDA.

**3. Approval of Minutes from:** 4  
March 9, 2021 Regular City Council Meeting

**4. Discussion and Action:** 8  
Mayor/CIP Manager  
On an update on the Capital Improvement Program.

**5. Discussion and Action:**  
Mayor/CIP Manager  
On the appointment of Sandra Esqueda to the Economic Development Corporation Board of Directors.

**6. Discussion and Action:** 40  
Mayor/Chief McConnell  
On the approval of the Mayor to sign the Master Customer Agreement and Equipment Purchase and Software License Addendum for the purchase of a Motorola Solutions/Watchguard Video server for the police department for \$18,400.50 using Texas Department of Information Resources contract DIR-TSO-4163 with the funds coming from the federal asset forfeiture line item.

**7. Request to Excuse Absent Council Members:**  
**REGULAR AGENDA**

**8. PRESENTATION:** 66  
Mayor/CIP Manager  
On the Horizon Regional Municipal Utility District's May 2021 Bond Election.

**9. Discussion and Action:** 69  
Mayor/Finance Director  
On the acceptance of findings of Town of Horizon City audit prepared by SBNG, PC for FY2020.

**10. Discussion and Action:** 179  
Mayor/CIP Manager  
On a Resolution authorizing the Mayor to sign Change Order #5 and related documents regarding the construction contract with Spartan Construction for Horizon Mesa park Improvements Project, Solicitation No. CIP 2018-002 (103) and authorizing the Mayor to execute documents.

**11. Discussion:** 227  
Mayor/CIP Manager  
On N. Darrington Reconstruction Project.

**12. Discussion and Action:** 228  
Mayor/Planning Director  
On the final and recording plat applications for the Rancho Desierto Bello Unit Thirteen subdivision (SUB002464-2021), legally described as a portion of Leigh Clark Survey 297, and Section 43, Block 78, Township 3, Texas and Pacific Railroad Company, Town of Horizon City, El Paso County, Texas and authorizing the Mayor sign the recording plat and finalize negotiations on and execute the Subdivision Construction Agreement and Developer Participation Agreement for the parkland dedication requirements. Application submitted by TRE & Associates, L.L.C.

**13. Discussion:**  
Mayor/Planning Director  
On an update on the City's Parks and Grounds Maintenance Contract.

**14. Executive Session**  
The City Council of the Town of Horizon City may recess into EXECUTIVE SESSION pursuant to the Texas Government Code, Chapter 551, Subchapter D, under Article 551.071 – Consultation with Attorney; 551.072 – Deliberation Regarding Real Property; 551.073 – Deliberation Regarding Gifts and Donations; 551.074 – Personnel Matters; 551.076 – Deliberation Regarding Security Devices and 551.087 – Deliberation Regarding Economic Development Negotiations.

Adjournment:

Motion to Adjournment: \_\_\_\_\_ 2nd \_\_\_\_\_

Dated this Friday, 4/9/2021

By: \_\_\_\_\_  
Elvia Schuller, City Clerk

I, the undersigned authority, hereby certify that the above notice of the Regular City Council Meeting of the Town of Horizon City, Texas is a correct copy of this notice, and that I posted this notice at least seventy-two (72) hours preceding the scheduled meeting at the City Hall Bulletin Boards of the Town of Horizon City, Texas on this Friday, 4/9/2021 by 5:00 p.m.

Agenda Removed: \_\_\_\_\_ Time \_\_\_\_\_ By \_\_\_\_\_

In compliance with the Americans with Disabilities Act, the Town of Horizon City will provide for reasonable accommodations for persons attending meetings. Requests for auxiliary aids and services must be made 48 hours prior to this meeting by calling the City Clerk at (915) 852-1046.

**MINUTES  
AGENDA  
PUBLIC MEETING  
REGULAR CITY COUNCIL MEETING  
THE TOWN OF HORIZON CITY, TEXAS  
Tuesday, March 9, 2021, 6:00 PM**

Notice is hereby given that a Regular City Council Meeting of the Town of Horizon City, Texas was held on **Tuesday, March 9, 2021 at 6:00 PM**, via Virtual Meeting, at which time the following was discussed and considered:

*The Town Council and staff participated in this meeting via videoconferencing.*

**1. Call to order; Pledge of Allegiance; Establishment of Quorum**

All City Council Members present. Quorum Established.

**2. Open Forum:**

Representatives from El Paso Physical Therapy Services spoke regarding their products and services.

**CONSENT AGENDA**

*All matters listed under the CONSENT AGENDA are considered routine and will be enacted in one motion. There will be no separate discussion of these items unless a member(s) of the City Council requests one or more items be removed from the CONSENT AGENDA to the REGULAR AGENDA for separate discussion and action prior to the City Council's vote to adopt the CONSENT AGENDA.*

**3. Approval of Minutes from:**

2/9/2021 Regular City Council Meeting.

**4. Discussion and Action:**

Mayor/Public Works Director

On the approval of the Town of Horizon City's Phase II MS4 Annual Report for the 2020 calendar year and authorizing the Mayor to sign the report and transmittal letter, all to be submitted to the Texas Commission on Environmental Quality.

**5. Discussion and Action:**

Mayor/Public Works Director

On the award of Informal Bid No. 2021-001PW for the installation of landscaping rock along a portion of the walk trail just north of 17018 Darrington Road to Double H Contracting, Inc. in the amount of \$41,700.00.

**6. Discussion and Action:**

Mayor/CIP Manager

On a Resolution authorizing Mayor Mendoza or his designee to negotiate on behalf of the Town of Horizon City to purchase the required real estate for the Transit Oriented Development/Town Center and to allow Mayor Mendoza to sign contracts upon conclusion of the negotiations in accordance with the parameters set by City Council.

**7. Discussion and Action:**

Mayor/CIP Manager

On an update on the Capital Improvement Program.

**8. Request to Excuse Absent Council Members:**

Alderman Corral requested item #7 be pulled and heard under the regular agenda.

A motion was made by Alderman Corral and seconded by Alderman Miller to pull item #7 and approve the remainder of the Consent Agenda. The CITY CLERK polled the Council: MILLER - Aye; GARCIA – Aye; ORTEGA – Aye; RENTERIA – Aye; DURAN – Aye; PADILLA – Aye; CORRAL – Aye. Motion passed.

**REGULAR AGENDA**

**7. Discussion and Action:**

Mayor/CIP Manager

On an update on the Capital Improvement Program.

CIP Manager, Terry Quezada spoke regarding this item. No action taken.

**9. Discussion and Action:**

Mayor/CIP Manager

On a Resolution authorizing the Mayor to sign a revised Construction Management Contract with Huitt Zollars for the Desmond Corcoran (Corky) Park Improvements project.

CIP Manager, Terry Quezada spoke regarding this item.

A motion was made by Alderman Miller and seconded by Alderman Duran to approve the Resolution authorizing the Mayor to sign a revised Construction Management Contract with Huitt Zollars for the Desmond Corcoran (Corky) Park Improvements project. The CITY CLERK polled the Council: MILLER - Aye; GARCIA – Aye; ORTEGA – Aye; RENTERIA – Aye; DURAN – Aye; PADILLA – Aye; CORRAL – Aye. Motion passed.

**10. PUBLIC HEARING:**

Mayor/Asst. City Atty/Planning Director

**2nd Reading of Ordinance No. \_\_\_\_.** An Ordinance amending the municipal code of the Town of Horizon City, Texas, Chapter 6, Health and Sanitation, Article 3, Tobacco Products, to add the following: Division 3.03, Public Places and Workplace Smoking Regulations to prohibit smoking of tobacco products and electronic smoking; and providing for the following: findings of fact; repealer; severability; proper notice and hearing; the penalty being as provided herein, creating a misdemeanor punishable by a fine not to exceed \$500.00.

American Heart Association Rep, Eva Olivas and three other members of the community spoke regarding this item.

**11. Discussion and Action:**

Mayor/Asst. City Atty/Planning Director

**2nd Reading of Ordinance No. \_\_\_\_.** An Ordinance amending the municipal code of the Town of Horizon City, Texas, Chapter 6, Health and Sanitation, Article 3, Tobacco Products, to add the following: Division 3.03, Public Places and Workplace Smoking Regulations to prohibit smoking of tobacco products and electronic smoking; and providing for the following: findings of fact; repealer; severability; proper notice and hearing; the penalty being as provided herein, creating a misdemeanor punishable by a fine not to exceed \$500.00.

Planning Director, Michelle Padilla, Asst. City Atty, Bertha Ontiveros and American Heart Assoc. Rep, Eva Olivas spoke regarding this item.

A motion was made by Alderman Corral and seconded by Alderman Ortega to approve the Ordinance amending the municipal code of the Town of Horizon City, Texas, Chapter 6, Health and Sanitation, Article 3, Tobacco Products, to add the following: Division 3.03, Public Places and Workplace Smoking Regulations to prohibit smoking of tobacco products and electronic smoking. The CITY CLERK polled the Council: MILLER - Aye; GARCIA – Aye; ORTEGA – Aye; RENTERIA – Aye; DURAN – Aye; PADILLA – Aye; CORRAL – Aye. Motion passed.

12. **Discussion and Action:**

Mayor/Planning Director  
On an update regarding Rifton Street Lighting.

Planning Director, Michelle Padilla, spoke regarding this item. No action taken.

13. **PUBLIC HEARING:**

Mayor/Finance Director  
**2nd Reading of Ordinance** \_\_\_\_\_, An ordinance amending Ordinance No. 0260 (Amendment No. 01) of the Town of Horizon City, adopting the Municipal Budget for the 2020-2021 fiscal year, to allow for the budgeting and expenditure of funds for tax increment reinvestment zone services and expenditures; and providing for repealer and severability clauses.

No one from the public spoke on this item.

14. **Discussion and Action:**

Mayor/Finance Director  
**2nd Reading of Ordinance** \_\_\_\_\_, An ordinance amending Ordinance No. 0260 (Amendment No. 01) of the Town of Horizon City, adopting the Municipal Budget for the 2020-2021 fiscal year, to allow for the budgeting and expenditure of funds for tax increment reinvestment zone services and expenditures; and providing for repealer and severability clauses.

A motion was made by Alderman Duran and seconded by Alderman Corral to approve the Ordinance amending Ordinance No. 0260 (Amendment No. 01) of the Town of Horizon City, adopting the Municipal Budget for the 2020-2021 fiscal year, to allow for the budgeting and expenditure of funds for tax increment reinvestment zone services and expenditures. The CITY CLERK polled the Council: MILLER - Aye; GARCIA – Aye; ORTEGA – Aye; RENTERIA – Aye; DURAN – Aye; PADILLA – Aye; CORRAL – Aye. Motion passed.

15. **Discussion and Action:**

Mayor/Finance Director  
***This item was postponed at the 2/9/21 Regular City Council Meeting.***  
On a CARES Act subrecipient/subcontractor agreement with Elite Medical Transport for COVID-19 emergency services related expenditures in an amount not to exceed \$19,252.00.

Finance Director, Pat Randleel and Elite Medical Transport President, Rob Campion spoke regarding this item.

A motion was made by Alderman Miller and seconded by Alderman Duran to approve the CARES Act subrecipient/subcontractor agreement with Elite Medical Transport for COVID-19 emergency services related expenditures in an amount not to exceed \$17,828.09 as presented. The CITY CLERK polled the Council: MILLER - Aye; GARCIA – Aye; ORTEGA – Aye; RENTERIA – Aye; DURAN – Aye; PADILLA – Aye; CORRAL – Aye. Motion passed.

16. **Discussion and Action:**

Mayor

On a proposal to consider the closure of City Hall and Courts Administrative offices on December 27, 28 & 29, 2021.

Mayor Ruben Mendoza spoke regarding this item.

A motion was made by Alderman Duran and seconded by Alderman Corral to approve the proposal to close City Hall and Courts Administrative offices on December 27, 28 & 29, 2021. The CITY CLERK polled the Council: MILLER - Aye; GARCIA – Aye; ORTEGA – Aye; RENTERIA – Aye; DURAN – Aye; PADILLA – Aye; CORRAL – Aye. Motion passed.

***City Council Recessed for Executive Session at: 7:05 pm and Reconvened at: 7:44 pm***

17. **Executive Session**

The City Council of the Town of Horizon City may recess into EXECUTIVE SESSION pursuant to the Texas Government Code, Chapter 551, Subchapter D, under Article 551.071 – Consultation with Attorney; 551.072 – Deliberation Regarding Real Property; 551.073 – Deliberation Regarding Gifts and Donations; 551.074 – Personnel Matters; 551.076 – Deliberation Regarding Security Devices and 551.087 – Deliberation Regarding Economic Development Negotiations.

18. **Discussion and Action:**

Mayor/Planning Director

On a request from HCIA to purchase real estate located in Horizon City Estates owned by the Town of Horizon City. (551.072)

A motion was made by Alderman Padilla and seconded by Alderman Duran to decline the sale of real estate located in Horizon City Estates owned by the Town of Horizon City. The CITY CLERK polled the Council: MILLER - Aye; GARCIA – Aye; ORTEGA – Aye; RENTERIA – Aye; DURAN – Aye; PADILLA – Aye; CORRAL – Aye. Motion passed.

19. **Discussion and Action:**

Mayor/Asst. City Atty

On real estate acquisitions for Transit Oriented Development/Town Center. (551.072)

No action taken on this item.

**ADJOURNMENT**

A motion was made by Alderman Corral and seconded by Alderman Miller to adjourn at 7:45 PM.

Approved this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**Attest:**

\_\_\_\_\_  
Elvia Schuller, City Clerk

\_\_\_\_\_  
Ruben Mendoza, Mayor

# Town of Horizon City Capital Improvement Program

Council Meeting  
April 13, 2021

# Oxbow & Pawling Street Improvements

- Have begun coordinating with HRMUD's water line projects on Breaux and Oxbow
- Project will likely follow HRMUD project for improvements on Horizon Blvd., Breaux and Oxbow<sup>9</sup>
- Reviewing plans

# Ryderwood Extension

## Next steps

- Verify completion for acceptance
  - Coordinating with County for completion
  - Council accepted street and improvements November 10, 2020.
- Coordinate with school to address concerns expressed

# Municipal Facilities – Phase 1

- Total square footage increased to accommodate permanent PW Department, Municipal Court requests, and entry requirements – will impact Phase 1 costs
- Staff continues to work on final application for USDA which requires a department-specific environmental document
- Staff is reviewing draft environmental document

# Municipal Facilities – Phase 1

To meet USDA Requirements, staff is working on the following:

- Council approval of the letter of intent outlining loan conditions – programmed for **Spring 2021**<sup>12</sup>
- Bond ordinance – coordinating with bond counsel
- USDA review of final plans and specifications – coordinating with consultant and USDA

# Municipal Facilities – Phase 1

- Staff reviewing specifications
- Coordinating with TXDOT and design team for drainage work required in connection with N. Darrington Reconstruction
- Schedule is to advertise by mid-2021
- Schedule is contingent on USDA loan approval

# Municipal Facilities – Phase 1



Rendering from Exigo Architecture – December 2020

# Golden Eagle Park

## Construction

- Construction contract awarded September 16, 2019
- Construction Start – Fall 2019
- Projected completion date – Fall 2020
- Contractor not on schedule and has been advised of contractual liquidated damages
- Contractor continues to work on punchlist items but has not completed them – walkthroughs continue to be postponed

# Horizon Mesa Park

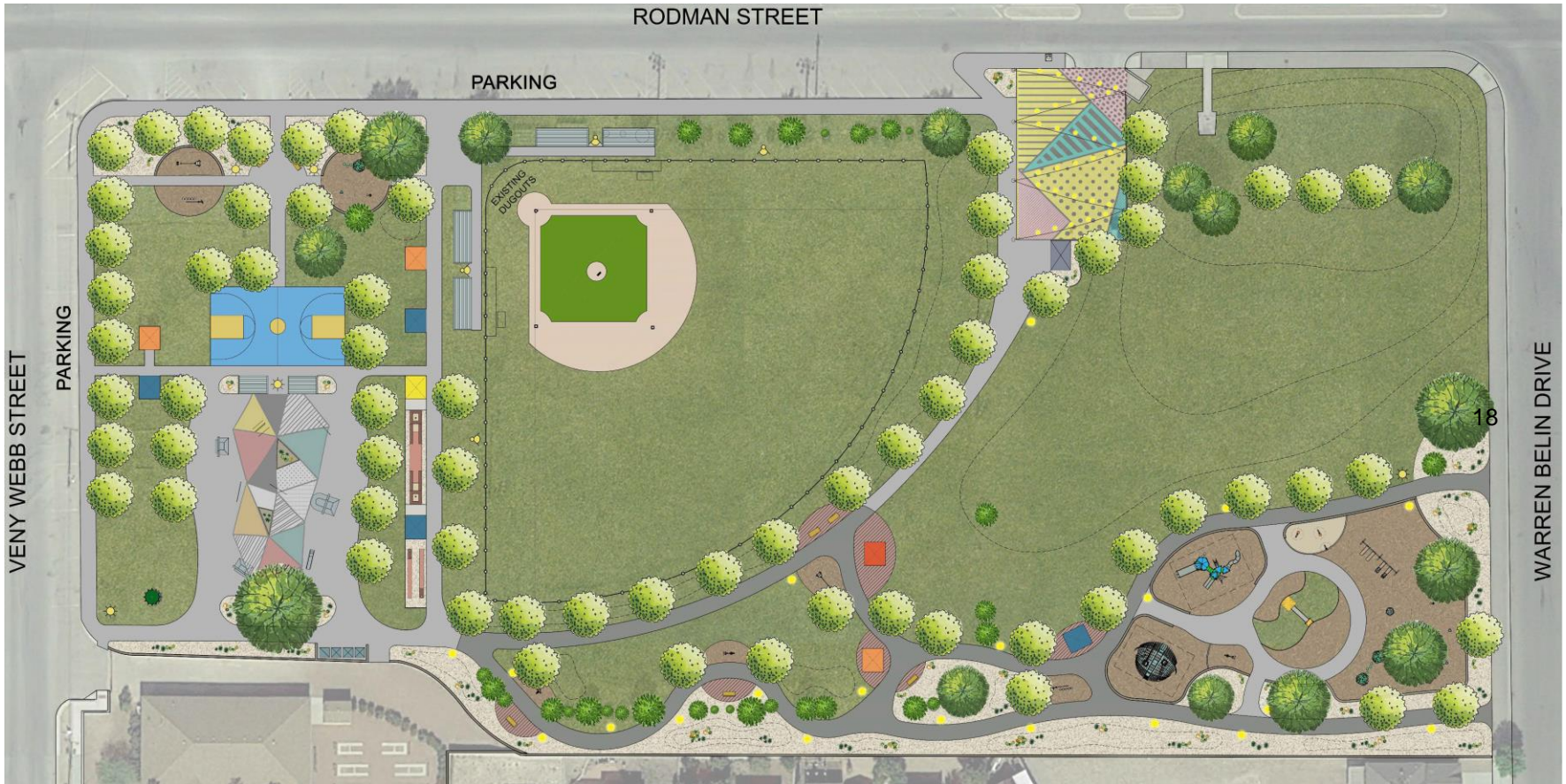
- Final change order on today's council agenda
- Contractor working with Town to schedule repairs at basketball court

# Desmond Corcoran (Corky) Park

## Construction

- Construction start – January 11, 2021
- Contractor working on skate park
- Working with HRMUD for sewer line connection
- Completion winter 2021/2022

# Desmond Corcoran (Corky) Park



# Corky Park



## Skate Park Construction

Photos from Huitt Zollars  
Week of April 5, 2021



# Regional Park

- EDC has commissioned an analysis of recreational facilities that can spur commercial activity in the vicinity of a regional sports complex
- Consultant is Pegasus
- **Goal** is to plan a regional facility that:
  - Meets Town's needs for park space;
  - Includes facilities and amenities that are sustainable; and
  - Fosters high value commercial development and activity in the vicinity

# Existing Parks Compared to NRPA Benchmarks



- NRPA Median Park Land per 1,000 Residents = 9.7 acres (for populations between 20,000 – 49,999).
- Horizon City currently has 6 public parks, totaling approximately 18.85 acres.
- At 20,000 residents, Horizon would need 194 acres of park land to meet median benchmark.

Sources: Horizon City Comprehensive Plan and the 2016 NRPA Field Report

# Regional Park

- Preliminary report to EDC Board on March 30, 2021
- Report presented model facilities
  - Round Rock Sports Center in Round Rock,<sup>22</sup> Texas
  - Eastside Regional Park in El Paso, Texas
  - Rocky Mount Event Center in Rocky Mount, North Carolina

# Other Considerations

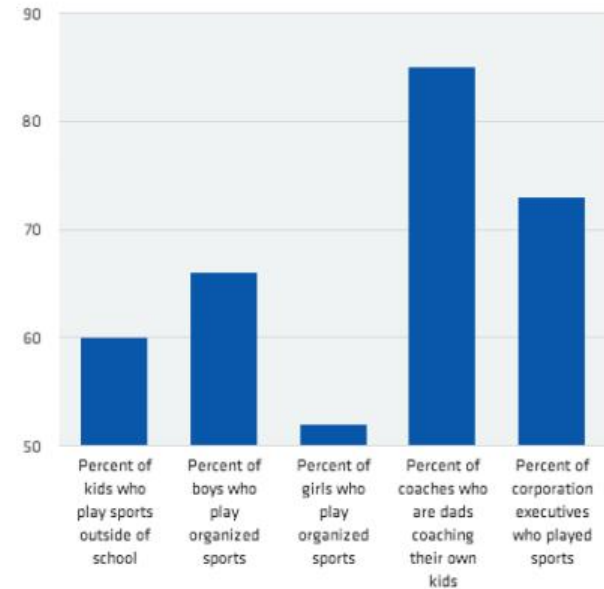
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# Explosive Youth Sports Tourism Movement

- **\$ 15.3 billion** industry in 2017 on sports tourism (55% growth since 2010)\*
- Youth sports tourism is the fastest growing segment in travel – **45 + million**
- Communities are supporting sport health and wellness
- Visitors spend **\$ 250** a day (EA/average)
- **70 percent** of children (6-17) are playing team sports\*\*

\* source WinterGreen Research    \*\* source National Association of Sports Commissions (NASC)

Source: Sports Venues – New Trends that Maximize Economic Impact, Woolpert 2018



Percentage of Youth Participates

\*\*\* source Michigan State University

# Key items when planning for Sports Venues

- Excellent facilities
  - Fields that are in good to great condition / ample parking
- Evaluate tourist infrastructure
  - Existing quality hotels
  - Restaurants (choices / alternatives)
  - Attractions nearby
- Participants must have a positive experience – *“the Disney effect”*



Smith River Sports Complex, Martinsville, VA

Source: *Sports Venues – New Trends that Maximize Economic Impact*, Woolpert 2018

# Most notable increase in sports participation\* :

Most notable increase in sports participation include:

- Squash (65.9%)
- Boxing (58.5%)
- Lacrosse (47.2%)
- Rugby (43.5%)
- Roller hockey (38.4%)
- Field hockey (32.4%)

Following directly behind these sports are:

- Ice hockey (19%)
- Cheerleading (15.1%)
- Gymnastics (5.9%)
- Beach volleyball (0.7%)

\* source 2017 NCRPA Trends Presentation by Pros Consulting

Source: Sports Venues – New Trends that Maximize Economic Impact, Woolpert 2018

| National Participatory Trends - General Sports |                      |        |        |          |       |
|--|----------------------|--------|--------|----------|-------|
| Activity                                       | Participation Levels |        |        | % Change |       |
|  | 2010                 | 2014   | 2015   | 10-15    | 14-15 |
| Golf   | 26,122               | 24,700 | 24,120 | -7.7%    | -2.3% |
| Basketball                                     | 25,156               | 23,067 | 23,410 | -6.9%    | 1.5%  |
| Tennis   | 18,719               | 17,904 | 17,963 | -4.0%    | 0.3%  |
| Baseball                                       | 14,198               | 13,152 | 13,711 | -3.4%    | 4.3%  |
| Soccer (Outdoor)                               | 13,883               | 12,592 | 12,646 | -8.9%    | 0.4%  |
| Badminton                                      | 7,645                | 7,176  | 7,198  | -5.8%    | 0.3%  |
| Softball (Slow Pitch)                          | 8,477                | 7,077  | 7,114  | -16.1%   | 0.5%  |
| Football, Touch                                | 8,663                | 6,586  | 6,487  | -25.1%   | -1.5% |
| Volleyball (Court)                             | 7,315                | 6,304  | 6,423  | -12.2%   | 1.9%  |
| Football, Tackle                               | 6,850                | 5,978  | 6,222  | -9.2%    | 4.1%  |
| Football, Flag                                 | 6,660                | 5,508  | 5,829  | -12.5%   | 5.8%  |
| Soccer (Indoor)                                | 4,920                | 4,530  | 4,813  | -2.2%    | 6.2%  |
| Volleyball (Sand/Beach)                        | 4,752                | 4,651  | 4,785  | 0.7%     | 2.9%  |
| Gymnastics                                     | 4,418                | 4,621  | 4,679  | 5.9%     | 1.3%  |
| Ultimate Frisbee                               | 4,571                | 4,530  | 4,409  | -3.5%    | -2.7% |
| Track and Field                                | 4,383                | 4,105  | 4,222  | -3.7%    | 2.9%  |
| Racquetball                                    | 4,603                | 3,594  | 3,883  | -15.6%   | 8.0%  |
| Cheerleading                                   | 3,134                | 3,456  | 3,608  | 15.1%    | 4.4%  |
| Ice Hockey                                     | 2,140                | 2,421  | 2,546  | 19.0%    | 5.2%  |
| Pickleball                                     | N/A                  | 2,462  | 2,506  | N/A      | 1.8%  |
| Softball (Fast Pitch)                          | 2,513                | 2,424  | 2,460  | -2.1%    | 1.5%  |
| Lacrosse                                       | 1,423                | 2,011  | 2,094  | 47.2%    | 4.1%  |
| Wrestling                                      | 2,536                | 1,891  | 1,978  | -22.0%   | 4.6%  |
| Roller Hockey                                  | 1,374                | 1,736  | 1,907  | 38.8%    | 9.9%  |
| Squash   | 1,031                | 1,596  | 1,710  | 65.9%    | 7.1%  |
| Field Hockey                                   | 1,182                | 1,557  | 1,565  | 37.4%    | 0.5%  |
| Boxing for Competition                         | 855                  | 1,278  | 1,355  | 58.5%    | 6.0%  |
| Rugby  | 940                  | 1,276  | 1,349  | 43.5%    | 5.7%  |

NOTE: Participation figures are in 000's for the US population ages 6 and over

|                |                                      |                                  |                                   |                                    |
|----------------|--------------------------------------|----------------------------------|-----------------------------------|------------------------------------|
| <b>Legend:</b> | Large Increase<br>(greater than 25%) | Moderate Increase<br>(0% to 25%) | Moderate Decrease<br>(0% to -25%) | Large Decrease<br>(less than -25%) |
|----------------|--------------------------------------|----------------------------------|-----------------------------------|------------------------------------|

# Next Steps

- Gather data on operations and maintenance
- Meet with stakeholders for input

# Street Maintenance Fund

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# 2020 Street Maintenance Program

- Finalizing specifications for requirements contract to address
  - **Duanesburg from McMahon to S. Kenazo**
  - **Acra**
- Updated Schedule
  - Review and revise contractual language – Spring/Summer 2021
  - Award Summer 2021

# 2021 Street Maintenance

Reviewing available funding to develop a pipeline for maintenance of other eligible streets

- Given aggressive schedule for **N. Darrington Reconstruction** and current resources, directing repair efforts to streets identified below
- **Breaux** – to be packaged with Oxbow & Pawling
- **Duanesburg**
- **S. Kenazo**
- **Acra**

# Funding Updates – 2050 MTP

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# 2050 Metropolitan Transportation Plan (MTP)

Horizon City Staff submitted projects to MPO as presented to Council at the June 9, 2020 Meeting.

Next steps are to go through project evaluation and selection at the MPO.

# Proposed MTP Projects

| Project  | City Design | TIRZ | City /County Funding |
|--|-------------|------|----------------------|
| S. Darrington Rd. Repaving (Oxbow to Alberton)       | X           |      |                      |
| N.. Kenazo Ave. Reconstruction (Eastlake to Horizon) | X           |      |                      |
| Alberton Ave/Antwerp Rd. Construction                | X           |      |                      |
| Dilley & Delake (TOD Phase 1 Roadways)               |             | X    |                      |
| Transit Plaza with park & ride (TOD)                 |             | X    |                      |
| Horizon City – Socorro Circulator Bus Route          |             |      | X                    |
| Horizon City – UTEP Express Route                    |             |      | X                    |

# Safety Projects

- Town submitted several projects for safety funding consideration through TXDOT
- 2 projects are were **approved** for construction
  - **S. Darrington Safety Lighting** from Alberton to LTV Rd. – **FY 2023**
  - **N. Kenazo Safety Lighting** from Eastlake to Horizon Blvd. – **FY 2022**
- Funding agreements and participation must be developed and funding identified

# TIRZ Update

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# Horizon City's Proposed TIRZ



# TOD Projects

Submitted **Dilley and Delake street construction** and **Transit Plaza construction** to Congresswoman Escobar for consideration in the reauthorization of the transportation act and for appropriations consideration

# Current Activities

- Coordinating with TXDOT for drainage pond acquisition for N. Darrington Reconstruction
- Coordinating with potential partners:
  - HRMUD
  - County of El Paso
- Coordinating with Camino Real Regional Mobility Authority for potential funding and project management
- Architectural Guideline Development – preparing to advertise for a consulting firm to develop the Architectural Guidelines for the TOD

# Town of Horizon City Capital Improvement Program

Council Meeting  
April 13, 2021

# MEMO



**TO:** Mayor Mendoza and City Council Members

**FROM:** Police Chief McConnell

**RE:** Purchase of Motorola Solutions/Watchguard Video Server with Forfeiture Funds

**DATE:** March 26, 2021

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## **Background**

The police department has utilized in-car cameras and bodycam equipment for many years. While there are various brands of video technologies in the market, we are pleased with the Watchguard Video system's performance currently in use. Our videos are presently stored within an in-house server (4TB) that is at end-of-life and more importantly, is full with no ability to add space. Therefore, we must now replace the server.

We have received pricing from Motorola Solutions/Watchguard Video for the server replacement. The server will have 43 TB of storage which should last us approximately four years or more. For the reason that the video storage requires a great deal of hard drive space and we record our videos as high definition, the files add up rather quickly, necessitating additional space. Several years from now, it may be better to store our video in a cloud environment. That possibility exists now, but the costs for one year of storage equals the cost to purchase our own server.

## **Recommendation**

We recommend the purchase of the proposed server for \$18,400.50 using Texas Department of Information Resources contract of DIR-TSO-4163. Motorola Solutions/Watchguard Video is also the sole provider of this equipment. This purchase will come from the federal asset forfeiture funds. The use of these funds for police equipment is appropriate and allowable.

## **Discussion and Action**

On the approval of the Mayor to sign the Master Customer Agreement and Equipment Purchase and Software License Addendum for the purchase of a Motorola Solutions/Watchguard Video server for the police department for \$18,400.50 using Texas Department of Information Resources contract DIR-TSO-4163 with the funds coming from the federal asset forfeiture line item.

## Equipment Purchase and Software License Addendum

This Equipment Purchase and Software License Addendum (this “**EPSLA**”) is entered into between WatchGuard Video, Inc., with offices at 415 E. Exchange Parkway, Allen, TX 75002 (“**WatchGuard**”) and the entity set forth in the signature block below or in the MCA (“**Customer**”), and will be subject to, and governed by, the terms of the Master Customer Agreement entered into between the Parties, effective as of [REDACTED] (the “**MCA**”). Capitalized terms used in this EPSLA, but not defined herein, will have the meanings set forth in the MCA.

**1. Addendum.** This EPSLA governs Customer’s purchase of Equipment and license of Licensed Software (and, if set forth in an Ordering Document, related Services) from WatchGuard, and will form part of the Parties’ Agreement.

### **2. Delivery of Equipment and Licensed Software.**

**2.1. Delivery and Risk of Loss.** WatchGuard will provide to Customer the Products (and, if applicable, related Services) set forth in an Ordering Document, in accordance with the terms of the Agreement. WatchGuard will, using commercially reasonable practices, pack the ordered Equipment and ship such Equipment to the Customer address set forth in the applicable Ordering Document or otherwise provided by Customer in writing, using a carrier selected by WatchGuard. Notwithstanding the foregoing, delivery of Equipment (and any incorporated Licensed Software) will occur, and title and risk of loss for the Equipment will pass to Customer, upon shipment by WatchGuard in accordance with Ex Works, WatchGuard’s premises (Incoterms 2020). Customer will pay all shipping costs, taxes, and other charges applicable to the shipment and import or export of the Products and Services, as applicable, and Customer will be responsible for reporting the Products for personal property tax purposes. Delivery of Licensed Software for installation on Equipment or Customer-Provided Equipment will occur upon the earlier of (a) electronic delivery of the Licensed Software by WatchGuard, and (b) the date WatchGuard otherwise makes the Software available for download by Customer. If agreed upon in an Ordering Document, WatchGuard will also provide Services related to such Products.

**2.2. Delays.** Any shipping dates set forth in an Ordering Document are approximate, and while WatchGuard will make reasonable efforts to ship Products by any such estimated shipping date, WatchGuard will not be liable for any delay or related damages to Customer. Time for delivery will not be of the essence, and delays will not constitute grounds for cancellation, penalties, termination, or a refund.

**2.3. Beta Services.** If WatchGuard makes any beta version of a software application (“**Beta Service**”) available to Customer, Customer may choose to use such Beta Service at its own discretion, provided, however, that Customer will use the Beta Service solely for purposes of Customer’s evaluation of such Beta Service, and for no other purpose. Customer acknowledges and agrees that all Beta Services are offered “as-is” and without any representations or warranties or other commitments or protections from WatchGuard. WatchGuard will determine the duration of the evaluation period for any Beta Service, in its sole discretion, and WatchGuard may discontinue any Beta Service at any time. Customer acknowledges that Beta Services, by their nature, have not been fully tested and may contain defects or deficiencies.

### 3. Licensed Software License and Restrictions.

**3.1. Licensed Software License.** Subject to Customer's and its Authorized Users' compliance with the Agreement (including payment terms), WatchGuard hereby grants Customer and its Authorized Users a limited, non-transferable, non-sublicenseable, and non-exclusive license to use the Licensed Software identified in an Ordering Document, in object code form only, and the associated Documentation, solely in connection with the Equipment provided by WatchGuard or authorized Customer-Provided Equipment (as applicable, the "**Designated Products**") and solely for Customer's internal business purposes. Unless otherwise stated in an Addendum or the Ordering Document, the foregoing license grant will be limited to the number of licenses set forth in the applicable Ordering Document and will continue for the life of the applicable Designated Product. Except as otherwise permitted in an applicable Addendum or Ordering Document, Customer may install, access, and use Licensed Software only in Customer's owned or controlled facilities, including any authorized mobile sites; provided, however, that Authorized Users using authorized mobile or handheld devices may also log into and access the Licensed Software remotely from any location.

**3.2. Subscription License Model.** If the Parties mutually agree that any Licensed Software purchased under this EPSLA will be replaced with or upgraded to Subscription Software, then upon such time which the Parties execute the applicable Ordering Document, the licenses granted under this EPSLA will automatically terminate, and such Subscription Software will be governed by the terms of the applicable Addendum under this Agreement.

**3.3. End User Licenses.** Notwithstanding any provision to the contrary in the Agreement, certain Licensed Software is governed by a separate license, EULA, or other agreement, including terms governing third-party equipment or software, such as open source software, included in the Products and Services. Customer will comply, and ensure its Authorized Users comply, with any such additional terms applicable to third-party equipment or software.

**3.4. Customer Restrictions.** Customers and Authorized Users will comply with the applicable Documentation in connection with their use of the Products. Customer will not and will not allow others, including the Authorized Users, to: (a) make the Licensed Software available for use by unauthorized third parties, including via a commercial rental or sharing arrangement; (b) reverse engineer, disassemble, or reprogram the Licensed Software or any portion thereof to a human-readable form; (c) modify, create derivative works of, or merge the Licensed Software with other software or equipment; (d) copy, reproduce, distribute, lend, lease, or transfer the Licensed Software or Documentation for or to any third party without the prior express written permission of WatchGuard; (e) take any action that would cause the Licensed Software or Documentation to be placed in the public domain; (f) use the Licensed Software to compete with WatchGuard; or (g) remove, alter, or obscure, any copyright or other notice.

**3.5. Copies.** Customer may make one (1) copy of the Licensed Software solely for archival, back-up, or disaster recovery purposes during the term of the applicable Licensed Software license. Customer may make as many copies of the Documentation reasonably required for the internal use of the Licensed Software during such Licensed Software's license term. Unless otherwise authorized by WatchGuard in writing, Customer will not, and will not enable or allow any third party to: (a) install a licensed copy of the Licensed Software on more than one (1) unit of a Designated Product; or (b) copy onto or transfer Licensed Software installed in a unit of a Designated Product onto another device. Customer may temporarily transfer Licensed Software installed on a Designated Product to another device if the Designated Product is inoperable or malfunctioning, if Customer provides written notice to WatchGuard of the

temporary transfer and identifies the device on which the Licensed Software is transferred. Temporary transfer of the Licensed Software to another device must be discontinued when the original Designated Product is returned to operation and the Licensed Software must be removed from the other device. Customer must provide prompt written notice to WatchGuard at the time temporary transfer is discontinued.

**3.6. Resale of Equipment.** Equipment contains embedded Licensed Software. If Customer desires to sell its used Equipment to a third party, Customer must first receive prior written authorization from WatchGuard and obtain written acceptance of the applicable Licensed Software license terms, including the obligation to pay relevant license fees, from such third party.

#### **4. Term.**

**4.1. Term.** The term of this EPSLA (the “**EPSLA Term**”) will commence upon either (a) the Effective Date of the MCA, if this EPSLA is attached to the MCA as of such Effective Date, or (b) the EPSLA Date set forth on the signature page below, if this EPSLA is executed after the MCA Effective Date, and will continue until the later of (i) three (3) years after the first order for Products is placed via an Ordering Document, or (ii) the expiration of all applicable warranty periods (as set forth in **Section 6.1 – WatchGuard Warranties** below) under this EPSLA, unless this EPSLA or the Agreement is earlier terminated in accordance with the terms of the Agreement.

**4.2. Termination.** Notwithstanding the termination provisions of the MCA, WatchGuard may terminate this EPSLA (and any Ordering Documents hereunder) immediately upon notice to Customer if Customer breaches **Section 3 – Licensed Software License and Restrictions** of this EPSLA, or any other provision related to Licensed Software license scope or restrictions set forth in an Ordering Document, EULA, or other applicable Addendum. For clarity, upon termination or expiration of the EPSLA Term, all WatchGuard obligations under this EPSLA (including with respect to Equipment and Licensed Software delivered hereunder) will terminate. If Customer desires to purchase additional Services in connection with such Equipment or Licensed Software, Customer may enter into a separate Addendum with WatchGuard, governing such Services. Customer acknowledges that WatchGuard made a considerable investment of resources in the development, marketing, and distribution of the Licensed Software and Documentation, and that Customer’s breach of the Agreement will result in irreparable harm to WatchGuard for which monetary damages would be inadequate. If Licensee breaches this Agreement, in addition to termination, WatchGuard will be entitled to all available remedies at law or in equity, including immediate injunctive relief and repossession of all non-embedded Licensed Software and associated Documentation.

**4.3. Equipment as a Service.** In the event that Customer purchases any Equipment at a price below the MSRP for such Equipment in connection Customer entering into a fixed- or minimum required-term agreement for Subscription Software, and Customer or WatchGuard terminates the Agreement, this EPSLA, or other applicable Addendum (such as the Addendum governing the purchase of such Subscription Software) prior to the expiration of such fixed- or minimum required-term, then WatchGuard will have the right to invoice Customer for, and Customer will pay, the amount of the discount to the MSRP for the Equipment or such other amount set forth in the applicable Addendum or Ordering Document. This Section will not limit any other remedies WatchGuard may have with respect to an early termination.

**5. Payment.** Customer will pay invoices for the Products and Services provided under this EPSLA in accordance with the invoice payment terms set forth in the MCA. Generally, invoices

are issued after shipment of Equipment or upon WatchGuard's delivery of Licensed Software (in accordance with **Section 2.1 – Delivery and Risk of Loss**), as applicable, but if a specific invoicing or payment schedule is set forth in the applicable Ordering Document, EULA or other Addendum, such schedule will control with respect to the applicable Products and Services referenced therein. WatchGuard will have the right to suspend future deliveries of Products and Services if Customer fails to make any payments when due.

## **6. Representations and Warranties; Liability.**

**6.1. WatchGuard Warranties.** Subject to the disclaimers and exclusions set forth in the MCA and this EPSLA, (a) for a period of one (1) year commencing upon the delivery of WatchGuard-manufactured Equipment under **Section 2.1 – Delivery and Risk of Loss**, WatchGuard represents and warrants that such WatchGuard-manufactured Equipment, under normal use, will be free from material defects in materials and workmanship; (b) to the extent permitted by the providers of third-party software or hardware included in the Products and Services, WatchGuard will pass through to Customer any warranties provided by such third parties, which warranties will apply for the period defined by the applicable third party; and (c) for a period of ninety (90) days commencing upon the delivery of WatchGuard-owned Licensed Software under **Section 2.1 – Delivery and Risk of Loss**, WatchGuard represents and warrants that such Licensed Software, when used in accordance with the Documentation and the Agreement, will be free from reproducible defects that prevent operation of features critical to the primary functionality or successful operation of the WatchGuard-developed Licensed Software (as determined by WatchGuard). The warranty set forth in subsection (c) will be referred to as the **“WatchGuard Licensed Software Warranty”**. As Customer's sole and exclusive remedy for any breach of the WatchGuard Licensed Software Warranty, WatchGuard will use commercially reasonable efforts to remedy the material defect in the applicable Licensed Software; provided, however, that if WatchGuard does not remedy such material defect within a reasonable time, then at WatchGuard's sole option, WatchGuard will either replace the defective Software with functionally-equivalent software, provide substitute software to Customer, or terminate the applicable software license and refund any paid license fees to Customer on a pro-rata basis. For clarity, the WatchGuard Licensed Software Warranty applies only to the most current version of the Licensed Software issued by WatchGuard, and issuance of updated versions of any Licensed Software does not result in a renewal or extension of the WatchGuard Licensed Software Warranty beyond the ninety (90) day warranty period.

**6.2. ADDITIONAL EXCLUSIONS.** IN ADDITION TO THE EXCLUSIONS FROM DAMAGES SET FORTH IN THE MCA, AND NOTWITHSTANDING ANY PROVISION OF THE AGREEMENT TO THE CONTRARY, WATCHGUARD WILL HAVE NO LIABILITY FOR (A) DEFECTS IN OR DAMAGE TO PRODUCTS RESULTING FROM USE OTHER THAN IN THE NORMAL AUTHORIZED MANNER, OR FROM ACCIDENT, LIQUIDS, OR NEGLIGENCE; (B) TESTING, MAINTENANCE, REPAIR, INSTALLATION, OR MODIFICATION BY PARTIES OTHER THAN WATCHGUARD; (C) CUSTOMER'S OR ANY AUTHORIZED USER'S FAILURE TO COMPLY WITH INDUSTRY AND OSHA OR OTHER LEGAL STANDARDS; (D) DAMAGE TO RADIO ANTENNAS, UNLESS CAUSED BY DEFECTS IN MATERIAL OR WORKMANSHIP; (E) EQUIPMENT WITH NO SERIAL NUMBER; (F) BATTERIES OR CONSUMABLES; (G) FREIGHT COSTS FOR SHIPMENT TO REPAIR DEPOTS; (H) COSMETIC DAMAGE THAT DOES NOT AFFECT OPERATION; (I) NORMAL WEAR AND TEAR; (J) ISSUES OR OBSOLESCENCE OF LICENSED SOFTWARE DUE TO CHANGES IN CUSTOMER OR AUTHORIZED USER REQUIREMENTS, EQUIPMENT, OR SYSTEMS; (K) TRACKING AND LOCATION-BASED SERVICES; OR (L) BETA SERVICES.

**6.3. Voluntary Remedies.** WatchGuard is not obligated to remedy, repair, replace, or refund the purchase price for the disclaimed or excluded issues in the MCA or **Section 6.2 – Additional Exclusions** above, but if WatchGuard agrees to provide Services to help resolve such issues, Customer will reimburse WatchGuard for its reasonable time and expenses, including by paying WatchGuard any Fees set forth in an Ordering Document for such Services, if applicable.

**7. Copyright Notices.** The existence of a copyright notice on any Licensed Software will not be construed as an admission or presumption of publication of the Licensed Software or public disclosure of any trade secrets associated with the Licensed Software.

**8. Survival.** The following provisions will survive the expiration or termination of this EPSLA for any reason: **Section 3 – Licensed Software License and Restrictions; Section 4 – Term; Section 5 – Payment; Section 6.2 – Additional Exclusions; Section 8 – Survival.**

The Parties hereby enter into this EPSLA as of [REDACTED] (the “EPSLA Date”).<sup>1</sup>

**WatchGuard Video, Inc.**

**Customer:** [REDACTED]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

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<sup>1</sup> [REDACTED] NTD: Signature blocks can be removed if this EPSLA is attached to the MCA when the MCA is executed.

|  |  |  |  |   |             |
|--|--|--|--|---|-------------|
|  |  | <b>WatchGuard Video</b><br>415 E. Exchange<br>Allen, TX 75002<br>(P) 800-605-6734 (F) 212-383-9661 |  |  |             |
| Issued To:   | Horizon City Police Department Attention: Michael McConnell, PHD |  |  | Date:   | 03-24-21    |
| Project Name:  | Server   |  |  | Quote ID:   | WIV-0057-03 |

| Qty   | Item #          | Description   |
|---|-----------------|---|
| (1)   | IV-SE-3U-25--43 | <b>Rack Server 11-25 Concurrent Devices 43TB Usable Storage</b> <ul style="list-style-type: none"> <li>• Server, EL5, 16 HDD, RAID 6, 3U, 11-25 Concurrent Devices, 5CAL, Gen 4.</li> <li>• Quantity 5 HDD, 16TB, 6GB/s 7,200 RPM, 256MB</li> <li>• Windows Server 2019 Std 5 CAL</li> <li>• SQL Server 2016 Std 5 CAL</li> </ul> |
| <b>Subtotal Price</b> (Excluding sales tax) |                 | <b>\$11,943.00</b>  |

| Qty   | Item #    | Description  |
|---|-----------|--|
| (1)   | WGW001040 | <b>Extended Warranty, Rack Server (WGA00421-116,-216,-117,-217) Full Service On Site, 5-Year</b> |
| <b>Subtotal Price</b> (Excluding sales tax) |           | <b>\$1,057.50</b>  |

| Qty   | Item #       | Description  |
|---|--------------|--|
| (1)   | WGP02400-500 | <b>Evidence Library, Web Server Site License Key</b> |
| <b>Subtotal Price</b> (Excluding sales tax) |              | <b>\$0.00</b>  |

| Qty   | Item #       | Description   |
|---|--------------|---|
| (1)   | WGW00122-400 | <b>Managed Software Installation Service; On-Site Assist Install, Training, Configuration, Project Management, Consultation</b> |
| <b>Subtotal Price</b> (Excluding sales tax) |              | <b>\$4,750.00</b>   |

| Qty   | Item #          | Description   |
|---|-----------------|---|
| (1)   | Video Migration | <b>Video migration from EL4 to EL5 billed per TB.</b> |
| <b>Subtotal Price</b> (Excluding sales tax) |                 | <b>\$650.00</b>                                       |

**Quote Notes:**

1. Title and risk of loss for the Equipment will pass to Customer upon shipment by Motorola, notwithstanding any other terms and conditions.
2. Payment Terms: (net 30 days) - Equipment upon shipment; Installation upon completion; Services and Subscription Agreements upfront
3. Video migration billed per TB.

- 4. Pricing based on Texas DIR contract: DIR-TSO-4163
- 5. This quote is valid for 60 days from date of issue

Quoted by: Izzy Valdovino - Sr. Account Manager - 214-417-1041 - izzy.v@motorolasolutions.com

|  |                    |
|--|--------------------|
| <b>Total Price</b> (Excluding sales tax) | <b>\$18,400.50</b> |
|--|--------------------|

## Terms & Conditions

These Terms and Conditions apply to Quote WIV-0057-03 to which they are attached and, together with a WatchGuard purchase order, and the WatchGuard Subscription Services Agreement (this Quote, the purchase order, and the Subscription Services Agreement, collectively the "Agreement") that you will enter into with WatchGuard Video, Inc. or its affiliates ("WatchGuard, "we" or "us"), forms the entire agreement between WatchGuard and you for the provision of the Services, as defined in this Quote. By your signature electronically applied to this Quote you agree to accept and pay for the Services according to the terms set forth herein. In the event of a conflict in interpretation of the terms of this Quote, the purchase order, and the Subscription Services Agreement, the order of priority in interpretation shall be (i) the Subscription Services Agreement, (ii) the purchase order, and (iii) this Quote.

All prices for the Services set forth in the Quote are in US Dollars. Quoted prices shall remain firm for thirty (30) days from the date on the face of the Quote. After such 30-day period we may adjust quoted prices, which will require a new quote.

IN WITNESS WHEREOF, the Customer, by signing below, agrees to and accepts the Services described in this Quote, which includes the Terms and Conditions attached hereto and made a part hereof.

Customer Organization Name: \_\_\_\_\_

Signer's Full Name: \_\_\_\_\_

Signer's Company Title: \_\_\_\_\_

Signer's Email Address: \_\_\_\_\_

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

Signature: \_\_\_\_\_

## Master Customer Agreement

This Master Customer Agreement (the “**MCA**”) is entered into between WatchGuard Video, Inc., with offices at 415 E. Exchange Parkway, Allen, TX 75002 (“**WatchGuard**”) and the entity set forth in the signature block below (“**Customer**”). WatchGuard and Customer will each be referred to herein as a “**Party**” and collectively as the “**Parties**”. This Agreement (as defined below) is effective as of the date of the last signature (the “**Effective Date**”).

### 1. Agreement.

**1.1. Scope; Agreement Documents.** This MCA governs Customer’s purchase of Products (as defined below) and Services (as defined below) from WatchGuard. Additional terms and conditions applicable to specific Products and Services are set forth in one or more addenda attached to this MCA (each an “**Addendum**”, and collectively the “**Addenda**”). In addition, the Parties may agree upon solution descriptions, equipment lists, statements of work, schedules, technical specifications, and other ordering documents setting forth the Products and Services to be purchased by Customer and provided by WatchGuard and additional rights and obligations of the Parties (the “**Ordering Documents**”). To the extent required by applicable procurement law, a proposal submitted by WatchGuard in response to a competitive procurement process will be included within the meaning of the term Ordering Documents. This MCA, the Addenda, and any Ordering Documents collectively form the Parties’ “**Agreement**”.

**1.2. Order of Precedence.** Each Addendum will control with respect to conflicting terms in the MCA, but only as applicable to the Products and Services described in such Addendum. Each Ordering Document will control with respect to conflicting terms in the MCA or any Addenda, but only as applicable to the Products and Services described on such Ordering Document.

### 2. Products and Services.

**2.1. Products.** WatchGuard will (a) sell hardware provided by WatchGuard (“**Equipment**”), (b) license software which is either preinstalled on Equipment or installed on Customer-Provided Equipment (as defined below) and licensed to Customer by WatchGuard for a perpetual or other defined license term (“**Licensed Software**”), and (c) license cloud-based software as a service products and other software which is either preinstalled on Equipment or installed on Customer-Provided Equipment, but licensed to Customer by WatchGuard on a subscription basis (“**Subscription Software**”) to Customer, to the extent each is set forth in an Ordering Document, for Customer’s own use in accordance with this Agreement. The Equipment, Licensed Software, and Subscription Software shall collectively be referred to herein as “**Products**”, or individually as a “**Product**”. At any time during the Term (as defined below), WatchGuard may substitute any Products at no cost to Customer, if the substitute is substantially similar to the Products set forth in the applicable Ordering Documents.

#### 2.2. Services.

2.2.1. WatchGuard will provide services related to purchased Products (“**Services**”), to the extent set forth in an Ordering Document.

2.2.2. Integration Services; Maintenance and Support Services. If specified in an Ordering Document, WatchGuard will provide, for the term of such Ordering Document, (a) design, deployment, and integration Services in order to design, install, set up, configure, and/or integrate the applicable Products at the

applicable locations (“**Sites**”), agreed upon by the Parties (“**Integration Services**”), or (b) break/fix maintenance, technical support, or other Services (such as software integration Services) (“**Maintenance and Support Services**”), each as further described in the applicable statement of work. Maintenance and Support Services and Integration Services will each be considered “Services”, as defined above.

2.2.3. Service Ordering Documents. The Fees for Services will be set forth in an Ordering Document and any applicable project schedules. A Customer point of contact will be set forth in the applicable statement of work for the Services. For purposes of clarity, each statement of work will be incorporated into, and form an integral part of, the Agreement.

2.2.4. Service Completion. Unless otherwise specified in the applicable Ordering Document, Services described in an Ordering Document will be deemed complete upon WatchGuard’s performance of all Services listed in such Ordering Document (“**Service Completion Date**”); provided, however, that Maintenance and Support Services may be offered on an ongoing basis during a given Ordering Document term, in which case such Maintenance and Support Services will conclude upon the expiration or termination of such Ordering Document.

2.3. Non-Preclusion. If, in connection with the Products and Services provided under this Agreement, WatchGuard makes recommendations, including a recommendation to purchase other products or services, nothing in this Agreement precludes WatchGuard from participating in a future competitive bidding process or otherwise offering or selling the recommended products or other services to Customer. Customer represents that this paragraph does not violate its procurement standards or other laws, regulations, or policies.

2.4. Customer Obligations. Customer will ensure that information Customer provides to WatchGuard in connection with receipt of Products and Services are accurate and complete in all material respects. Customer will make timely decisions and obtain any required management approvals that are reasonably necessary for WatchGuard to provide the Products and Services and perform its other duties under this Agreement. Unless the applicable Ordering Document states otherwise, WatchGuard may rely upon and is not required to evaluate, confirm, reject, modify, or provide advice concerning any assumptions or Customer information, decisions, or approvals described in this Section. If any assumptions in the Ordering Documents or information provided by Customer prove to be incorrect, or if Customer fails to perform any of its obligations under this Agreement, WatchGuard’s ability to perform its obligations may be impacted and changes to the Agreement, including the scope, Fees, and performance schedule may be required.

2.5. Documentation. Products and Services may be delivered with documentation for the Equipment, software Products, or data that specifies technical and performance features, capabilities, users, or operation, including training manuals, and other deliverables, such as reports, specifications, designs, plans, drawings, analytics, or other information (collectively, “**Documentation**”). Documentation is and will be owned by WatchGuard, and unless otherwise expressly agreed in an Addendum or Ordering Document that certain Documentation will be owned by Customer. WatchGuard hereby grants Customer a limited, royalty-free, worldwide, non-exclusive license to use the Documentation solely for its internal business purposes in connection with the Products and Services.

**2.6. WatchGuard Tools and Equipment.** As part of delivering the Products and Services, WatchGuard may provide certain tools, equipment, models, and other materials of its own. Such tools and equipment will remain the sole property of WatchGuard, unless they are to be purchased by Customer as Products and are explicitly listed on an Ordering Document. The tools and equipment may be held by Customer for WatchGuard's use without charge and may be removed from Customer's premises by WatchGuard at any time without restriction. Customer will safeguard all tools and equipment while in Customer's custody or control, and be liable for any loss or damage. Upon the expiration or earlier termination of this Agreement, Customer, at its expense, will return to WatchGuard all tools and equipment in its possession or control.

**2.7. Authorized Users.** Customer will ensure its employees and Authorized Users comply with the terms of this Agreement and will be liable for all acts and omissions of its employees and Authorized Users. Customer is responsible for the secure management of Authorized Users' names, passwords and login credentials for access to Products and Services. "**Authorized Users**" are Customer's employees, full-time contractors engaged for the purpose of supporting the Products and Services that are not competitors of WatchGuard, and the entities (if any) specified in an Ordering Document or otherwise approved by WatchGuard in writing (email from an authorized WatchGuard signatory accepted), which may include affiliates or other Customer agencies.

**2.8. Export Control.** Customer, its employees, and any other Authorized Users will not access or use the Products and Services in any jurisdiction in which the provision of such Products and Services is prohibited under applicable laws or regulations (a "**Prohibited Jurisdiction**"), and Customer will not provide access to the Products and Services to any government, entity, or individual located in a Prohibited Jurisdiction. Customer represents and warrants that (a) it and its Authorized Users are not named on any U.S. government list of persons prohibited from receiving U.S. exports, or transacting with any U.S. person; (b) it and its Authorized Users are not a national of, or a company registered in, any Prohibited Jurisdiction; (c) Customer will not permit its Authorized Users to access or use the Products or Services in violation of any U.S. or other applicable export embargoes, prohibitions or restrictions; and (d) Customer and its Authorized Users will comply with all applicable laws regarding the transmission of technical data exported from the U.S. and the country in which Customer, its employees, and the Authorized Users are located.

**2.9. Change Orders.** Unless a different change control process is agreed upon in writing by the Parties, a Party may request changes to an Addendum or an Ordering Document by submitting a change order to the other Party (each, a "**Change Order**"). If a requested change in a Change Order causes an increase or decrease in the Products or Services, the Parties by means of the Change Order will make appropriate adjustments to the Fees, project schedule, or other matters. Change Orders are effective and binding on the Parties only upon execution of the Change Order by an authorized representative of both Parties.

### **3. Term and Termination.**

**3.1. Term.** The term of this MCA ("**Term**") will commence on the Effective Date and continue until six (6) months after the later of (a) the termination, expiration, or discontinuance of services under the last Ordering Document in effect, or (b) the expiration of all applicable warranty periods, unless the MCA is earlier terminated as set forth herein. The applicable Addendum or Ordering Document will set forth the term for the Products and Services governed thereby.

**3.2. Termination.** Either Party may terminate the Agreement or the applicable Addendum or Ordering Document if the other Party breaches a material obligation under the Agreement and does not cure such breach within thirty (30) days after receipt of notice of the breach or fails to produce a cure plan within such period of time. Each Addendum and Ordering Document may be separately terminable as set forth therein.

**3.3. Suspension of Services.** WatchGuard may terminate or suspend any Products or Services under an Ordering Document if WatchGuard determines: (a) the related Product license has expired or has terminated for any reason; (b) the applicable Product is being used on a hardware platform, operating system, or version not approved by WatchGuard; (c) Customer fails to make any payments when due; or (d) Customer fails to comply with any of its other obligations or otherwise delays WatchGuard's ability to perform.

**3.4. Effect of Termination or Expiration.** Upon termination for any reason or expiration of this Agreement, an Addendum, or an Ordering Document, Customer and the Authorized Users will return or destroy (at WatchGuard's option) all WatchGuard Materials and WatchGuard Confidential Information in their possession or control and, as applicable, provide proof of such destruction, except that Equipment purchased by Customer should not be returned. If Customer has any outstanding payment obligations under this Agreement, WatchGuard may accelerate and declare all such obligations of Customer immediately due and payable by Customer. Notwithstanding the reason for termination or expiration, Customer must pay WatchGuard for Products and Services already delivered. Customer has a duty to mitigate any damages under this Agreement, including in the event of default by WatchGuard and Customer's termination of this Agreement.

#### **4. Payment and Invoicing.**

**4.1. Fees.** Fees and charges applicable to the Products and Services (the "**Fees**") will be as set forth in the applicable Addendum or Ordering Document, and such Fees may be changed by WatchGuard at any time, except that WatchGuard will not change the Fees for Products and Services purchased by Customer during the term of an active Ordering Document or during a Subscription Term (as defined and further described in the applicable Addendum). Changes in the scope of Services described in an Ordering Document may require an adjustment to the Fees due under such Ordering Document. If a specific invoicing or payment schedule is set forth in the applicable Addendum or Ordering Document, such schedule will apply solely with respect to such Addendum or Ordering Document. Unless otherwise specified in the applicable Ordering Document, the Fees for any Services exclude expenses associated with unusual and costly Site access requirements (e.g., if Site access requires a helicopter or other equipment), and Customer will reimburse WatchGuard for these or other expenses incurred by WatchGuard in connection with the Services.

**4.2. Taxes.** The Fees do not include any excise, sales, lease, use, property, or other taxes, assessments, duties, or regulatory charges or contribution requirements (collectively, "**Taxes**"), all of which will be paid by Customer, except as exempt by law, unless otherwise specified in an Ordering Document. If WatchGuard is required to pay any Taxes, Customer will reimburse WatchGuard for such Taxes (including any interest and penalties) within thirty (30) days after Customer's receipt of an invoice therefore. Customer will be solely responsible for reporting the Products for personal property tax purposes, and WatchGuard will be solely responsible for reporting taxes on its income and net worth.

**4.3. Invoicing.** WatchGuard will invoice Customer at the frequency set forth in the applicable Addendum or Ordering Document, and Customer will pay all invoices within thirty (30) days of

the invoice date or as otherwise specified in the applicable Addendum or Ordering Document. Late payments will be subject to interest charges at the maximum rate permitted by law, commencing upon the due date. WatchGuard may invoice electronically via email, and Customer agrees to receive invoices via email at the email address set forth in an Ordering Document. Customer acknowledges and agrees that a purchase order or other notice to proceed is not required for payment for Products or Services.

## **5. Sites; Customer-Provided Equipment; Non-WatchGuard Content.**

**5.1. Access to Sites.** Customer will be responsible for providing all necessary permits, licenses, and other approvals necessary for the installation and use of the Products and the performance of the Services at each applicable Site, including for WatchGuard to perform its obligations hereunder, and for facilitating WatchGuard's access to the Sites. No waivers of liability will be imposed on WatchGuard or its subcontractors by Customer or others at Customer facilities or other Sites, but if and to the extent any such waivers are imposed, the Parties agree such waivers are void.

**5.2. Site Conditions.** Customer will ensure that (a) all Sites are safe and secure, (b) Site conditions meet all applicable industry and legal standards (including standards promulgated by OSHA or other governmental or regulatory bodies), (c) to the extent applicable, Sites have adequate physical space, air conditioning, and other environmental conditions, electrical power outlets, distribution, equipment, connections, and telephone or other communication lines (including modem access and interfacing networking capabilities), and (d) Sites are suitable for the installation, use, and maintenance of the Products and Services. This Agreement is predicated upon normal soil conditions as defined by the version of E.I.A. standard RS-222 in effect on the Effective Date.

**5.3. Site Issues.** WatchGuard will have the right at any time to inspect the Sites and advise Customer of any deficiencies or non-conformities with the requirements of this **Section 5 – Sites; Customer-Provided Equipment; Non-WatchGuard Content**. If WatchGuard or Customer identifies any deficiencies or non-conformities, Customer will promptly remediate such issues or the Parties will select a replacement Site. If a Party determines that a Site identified in an Ordering Document is not acceptable or desired, the Parties will cooperate to investigate the conditions and select a replacement Site or otherwise adjust the installation plans and specifications as necessary. A change in Site or adjustment to the installation plans and specifications may cause a change in the Fees or performance schedule under the applicable Ordering Document.

**5.4. Customer-Provided Equipment.** Certain components, including equipment and software, not provided by WatchGuard may be required for use of the Products and Services ("**Customer-Provided Equipment**"). Customer will be responsible, at its sole cost and expense, for providing and maintaining the Customer-Provided Equipment in good working order. Customer represents and warrants that it has all rights in Customer-Provided Equipment to permit WatchGuard to access and use the applicable Customer-Provided Equipment to provide the Products and Services under this Agreement, and such access and use will not violate any laws or infringe any third-party rights (including intellectual property rights). Customer (and not WatchGuard) will be fully liable for Customer-Provided Equipment damage, loss, change, or theft that may impact WatchGuard's ability to provide the Products and Services under this Agreement, and Customer acknowledges that any such events may cause a change in the Fees or performance schedule under the applicable Ordering Document.

**5.5. Non-WatchGuard Content.** In certain instances, Customer may be permitted to access, use, or integrate Customer or third-party software, services, content, and data that is not provided by WatchGuard (collectively, “**Non-WatchGuard Content**”) with or through the Products and Services. If Customer accesses, uses, or integrates any Non-WatchGuard Content with the Products or Services, Customer will first obtain all necessary rights and licenses to permit Customer’s and its Authorized Users’ use of the Non-WatchGuard Content in connection with the Products and Services. Customer will also obtain the necessary rights for WatchGuard to use such Non-WatchGuard Content in connection with providing the Products and Services, including the right for WatchGuard to access, store, and process such Non-WatchGuard Content (e.g., in connection with Subscription Software), and to otherwise enable interoperation with the Products and Services. Customer represents and warrants that it will obtain the foregoing rights and licenses prior to accessing, using, or integrating the applicable Non-WatchGuard Content with the Products and Services, and that Customer and its Authorized Users will comply with any terms and conditions applicable to such Non-WatchGuard Content. If any Non-WatchGuard Content require access to Customer Data (as defined below in Section \_\_\_ below), Customer hereby authorizes WatchGuard to allow the provider of such Non-WatchGuard Content to access Customer Data, in connection with the interoperation of such Non-WatchGuard Content with the Products and Services. Customer acknowledges and agrees that WatchGuard is not responsible for, and makes no representations or warranties with respect to, the Non-WatchGuard Content (including any disclosure, modification, or deletion of Customer Data resulting from use of Non-WatchGuard Content or failure to properly interoperate with the Products and Services). If Customer receives notice that any Non-WatchGuard Content must be removed, modified, or disabled within the Products or Services, Customer will promptly do so. WatchGuard will have the right to disable or remove Non-WatchGuard Content if WatchGuard believes a violation of law, third-party rights, or WatchGuard’s policies is likely to occur, or if such Non-WatchGuard Content poses or may pose a security or other risk or adverse impact to the Products or Services, WatchGuard, WatchGuard’s systems, or any third party (including other WatchGuard customers). Nothing in this Section will limit the exclusions set forth in **Section 7.2 – Intellectual Property Infringement.**

## **6. Representations and Warranties.**

**6.1. Mutual Representations and Warranties.** Each Party represents and warrants to the other Party that (a) it has the right to enter into the Agreement and perform its obligations hereunder, and (b) the Agreement will be binding on such Party.

**6.2. WatchGuard Warranties.** Subject to the disclaimers and exclusions below, WatchGuard represents and warrants that (a) Services will be provided in a good and workmanlike manner and will conform in all material respects to the descriptions in the applicable Ordering Document; and (b) for a period of ninety (90) days commencing upon the Service Completion Date for one-time Services, the Services will be free of material defects in materials and workmanship. Other than as set forth in subsection (a) above, recurring Services are not warranted but rather will be subject to the requirements of the applicable Addendum or Ordering Document. WatchGuard provides other express warranties for WatchGuard-manufactured Equipment, WatchGuard-owned software Products, and certain Services. Such express warranties are included in the applicable Addendum or Ordering Document. Such representations and warranties will apply only to the applicable Product or Service that is the subject of such Addendum or Ordering Document.

**6.3. Warranty Claims; Remedies.** To assert a warranty claim, Customer must notify WatchGuard in writing of the claim prior to the expiration of any warranty period set forth in this MCA or the applicable Addendum or Ordering Document. Unless a different remedy is otherwise expressly set forth for a particular warranty under an Addendum, upon receipt of such claim, WatchGuard will investigate the claim and use commercially reasonable efforts to repair or replace any confirmed materially non-conforming Product or re-perform any non-conforming Service, at its option. Such remedies are Customer's sole and exclusive remedies for WatchGuard's breach of a warranty. WatchGuard's warranties are extended by WatchGuard to Customer only, and are not assignable or transferrable.

**6.4. Pass-Through Warranties.** Notwithstanding any provision of this Agreement to the contrary, WatchGuard will have no liability for third-party software or hardware provided by WatchGuard; provided, however, that to the extent offered by third-party providers of software or hardware and to the extent permitted by law, WatchGuard will pass through express warranties provided by such third parties.

**6.5. WARRANTY DISCLAIMER.** EXCEPT FOR THE EXPRESS AND PASS THROUGH WARRANTIES IN THIS AGREEMENT, PRODUCTS AND SERVICES PURCHASED HEREUNDER ARE PROVIDED "AS IS" AND WITH ALL FAULTS. WARRANTIES SET FORTH IN THE AGREEMENT ARE THE COMPLETE WARRANTIES FOR THE PRODUCTS AND SERVICES AND WATCHGUARD DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND QUALITY. WATCHGUARD DOES NOT REPRESENT OR WARRANT THAT USE OF THE PRODUCTS AND SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR FREE OF SECURITY VULNERABILITIES, OR THAT THEY WILL MEET CUSTOMER'S PARTICULAR REQUIREMENTS.

## **7. Indemnification.**

**7.1. General Indemnity.** WatchGuard will defend, indemnify, and hold Customer harmless from and against any and all damages, losses, liabilities, and expenses (including reasonable fees and expenses of attorneys) arising from any actual third-party claim, demand, action, or proceeding ("**Claim**") for personal injury, death, or direct damage to tangible property to the extent caused by WatchGuard's negligence, gross negligence or willful misconduct while performing its duties under an Ordering Document or an Addendum, except to the extent the claim arises from Customer's negligence or willful misconduct. WatchGuard's duties under this **Section 7.1 – General Indemnity** are conditioned upon: (a) Customer promptly notifying WatchGuard in writing of the Claim; (b) WatchGuard having sole control of the defense of the suit and all negotiations for its settlement or compromise; and (c) Customer cooperating with WatchGuard and, if requested by WatchGuard, providing reasonable assistance in the defense of the Claim.

**7.2. Intellectual Property Infringement.** WatchGuard will defend Customer against any third-party claim alleging that a WatchGuard-developed or manufactured Product or Service (the "**Infringing Product**") directly infringes a United States patent or copyright ("**Infringement Claim**"), and WatchGuard will pay all damages finally awarded against Customer by a court of competent jurisdiction for an Infringement Claim, or agreed to in writing by WatchGuard in settlement of an Infringement Claim. WatchGuard's duties under this **Section 7.2 – Intellectual Property Infringement** are conditioned upon: (a) Customer promptly notifying WatchGuard in writing of the Infringement Claim; (b) WatchGuard having sole control of the defense of the suit and all negotiations for its settlement or compromise; and (c) Customer cooperating with

WatchGuard and, if requested by WatchGuard, providing reasonable assistance in the defense of the Infringement Claim.

- 7.2.1. If an Infringement Claim occurs, or in WatchGuard's opinion is likely to occur, WatchGuard may at its option and expense: (a) procure for Customer the right to continue using the Infringing Product; (b) replace or modify the Infringing Product so that it becomes non-infringing; or (c) grant Customer (i) a pro-rated refund of any amounts pre-paid for the Infringing Product (if the Infringing Product is a software Product, i.e., Licensed Software or Subscription Software) or (ii) a credit for the Infringing Product, less a reasonable charge for depreciation (if the Infringing Product is Equipment, including Equipment with embedded software).
- 7.2.2. In addition to the other damages disclaimed under this Agreement, WatchGuard will have no duty to defend or indemnify Customer for any Infringement Claim that arises from or is based upon: (a) Customer Data, Customer-Provided Equipment, Non-WatchGuard Content, or third-party equipment, hardware, software, data, or other third-party materials; (b) the combination of the Product or Service with any products or materials not provided by WatchGuard; (c) a Product or Service designed, modified, or manufactured in accordance with Customer's designs, specifications, guidelines or instructions; (d) a modification of the Product or Service by a party other than WatchGuard; (e) use of the Product or Service in a manner for which the Product or Service was not designed or that is inconsistent with the terms of this Agreement; or (f) the failure by Customer to use or install an update to the Product or Service that is intended to correct the claimed infringement. In no event will WatchGuard's liability resulting from an Infringement Claim extend in any way to any payments due on a royalty basis, other than a reasonable royalty based upon revenue derived by WatchGuard from Customer from sales or license of the Infringing Product.
- 7.2.3. This **Section 7.2 – Intellectual Property Infringement** provides Customer's sole and exclusive remedies and WatchGuard's entire liability in the event of an Infringement Claim. For clarity, the rights and remedies provided in this Section are subject to, and limited by, the restrictions set forth in **Section 8 – Limitation of Liability** below.

**7.3. Customer Indemnity.** Customer will defend, indemnify, and hold WatchGuard and its subcontractors, subsidiaries and other affiliates harmless from and against any and all damages, losses, liabilities, and expenses (including reasonable fees and expenses of attorneys) arising from any actual or threatened third-party claim, demand, action, or proceeding arising from or related to (a) Customer-Provided Equipment, Customer Data, or Non-WatchGuard Content, including any claim, demand, action, or proceeding alleging that any such equipment, data, or materials (or the integration or use thereof with the Products and Services) infringes or misappropriates a third-party intellectual property or other right, violates applicable law, or breaches the Agreement, (b) Customer-Provided Equipment's failure to meet the minimum requirements set forth in the applicable Documentation or match the applicable specifications provided to WatchGuard by Customer in connection with the Products or Services; (c) Customer's (or its service providers, agents, employees, or Authorized User's) negligence or willful misconduct; and (d) Customer's or its Authorized User's breach of this Agreement. This indemnity will not apply to the extent any such claim is caused by WatchGuard's use of Customer-Provided Equipment, Customer Data, or Non-WatchGuard Content in violation of the Agreement. WatchGuard will give Customer prompt, written notice of

any claim subject to the foregoing indemnity. WatchGuard will, at its own expense, cooperate with Customer in its defense or settlement of the claim.

## **8. Limitation of Liability.**

**8.1. DISCLAIMER OF CONSEQUENTIAL DAMAGES.** EXCEPT FOR PERSONAL INJURY OR DEATH, WATCHGUARD, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, SUBCONTRACTORS, AGENTS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE “**WATCHGUARD PARTIES**”) WILL NOT BE LIABLE IN CONNECTION WITH THIS AGREEMENT (WHETHER UNDER WATCHGUARD’S INDEMNITY OBLIGATIONS, A CAUSE OF ACTION FOR BREACH OF CONTRACT, UNDER TORT THEORY, OR OTHERWISE) FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR DAMAGES FOR LOST PROFITS OR REVENUES, EVEN IF WATCHGUARD HAS BEEN ADVISED BY CUSTOMER OR ANY THIRD PARTY OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES AND WHETHER OR NOT SUCH DAMAGES OR LOSSES ARE FORESEEABLE.

**8.2. DIRECT DAMAGES.** EXCEPT FOR PERSONAL INJURY OR DEATH, THE TOTAL AGGREGATE LIABILITY OF THE WATCHGUARD PARTIES, WHETHER BASED ON A CLAIM IN CONTRACT OR IN TORT, LAW OR EQUITY, RELATING TO OR ARISING OUT OF THE AGREEMENT WILL NOT EXCEED THE FEES SET FORTH IN THE ORDERING DOCUMENT UNDER WHICH THE CLAIM AROSE. NOTWITHSTANDING THE FOREGOING, FOR ANY SUBSCRIPTION SOFTWARE OR FOR ANY RECURRING SERVICES, THE WATCHGUARD PARTIES’ TOTAL LIABILITY FOR ALL CLAIMS RELATED TO SUCH PRODUCT OR RECURRING SERVICES IN THE AGGREGATE WILL NOT EXCEED THE TOTAL FEES PAID FOR SUCH SUBSCRIPTION SOFTWARE OR RECURRING SERVICE, AS APPLICABLE, DURING THE CONSECUTIVE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT FROM WHICH THE FIRST CLAIM AROSE.

**8.3. ADDITIONAL EXCLUSIONS.** NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, WATCHGUARD WILL HAVE NO LIABILITY FOR DAMAGES ARISING OUT OF (A) CUSTOMER DATA, INCLUDING ITS TRANSMISSION TO WATCHGUARD, OR ANY OTHER DATA AVAILABLE THROUGH THE PRODUCTS OR SERVICES; (B) CUSTOMER-PROVIDED EQUIPMENT, NON-WATCHGUARD CONTENT, THE SITES, OR THIRD-PARTY EQUIPMENT, HARDWARE, SOFTWARE, DATA, OR OTHER THIRD-PARTY MATERIALS, OR THE COMBINATION OF PRODUCTS AND SERVICES WITH ANY OF THE FOREGOING; (C) LOSS OF DATA OR HACKING; (D) MODIFICATION OF PRODUCTS OR SERVICES BY ANY PERSON OTHER THAN WATCHGUARD; (E) RECOMMENDATIONS PROVIDED IN CONNECTION WITH OR BY THE PRODUCTS AND SERVICES; (F) DATA RECOVERY SERVICES OR DATABASE MODIFICATIONS; OR (G) CUSTOMER’S OR ANY AUTHORIZED USER’S BREACH OF THIS AGREEMENT OR MISUSE OF THE PRODUCTS AND SERVICES.

**8.4. Voluntary Remedies.** WatchGuard is not obligated to remedy, repair, replace, or refund the purchase price for the disclaimed issues in **Section 8.3 – Additional Exclusions** above, but if WatchGuard agrees to provide Services to help resolve such issues, Customer will reimburse WatchGuard for its reasonable time and expenses, including by paying WatchGuard any Fees set forth in an Ordering Document for such Services, if applicable.

**8.5. Statute of Limitations.** Customer may not bring any claims against an WatchGuard Party in connection with this Agreement or the Products and Services more than one (1) year after the date of accrual of the cause of action.

## 9. Confidentiality.

**9.1. Confidential Information.** “**Confidential Information**” means any and all non-public information provided by one Party (“**Discloser**”) to the other (“**Recipient**”) that is disclosed under this Agreement in oral, written, graphic, machine recognizable, or sample form, being clearly designated, labeled or marked as confidential or its equivalent or that a reasonable businessperson would consider non-public and confidential by its nature. With respect to WatchGuard, Confidential Information will also include Products and Services, and Documentation, as well as any other information relating to the Products and Services. The nature and existence of this Agreement are considered Confidential Information of the Parties. In order to be considered Confidential Information, information that is disclosed orally must be identified as confidential at the time of disclosure and confirmed by Discloser by submitting a written document to Recipient within thirty (30) days after such disclosure. The written document must contain a summary of the Confidential Information disclosed with enough specificity for identification purpose and must be labeled or marked as confidential or its equivalent.

**9.2. Obligations of Confidentiality.** During the Term and for a period of three (3) years from the expiration or termination of this Agreement, Recipient will (a) not disclose Confidential Information to any third party, except as expressly permitted in this **Section 9 - Confidentiality**; (b) restrict disclosure of Confidential Information to only those employees (including, employees of any wholly owned subsidiary, a parent company, any other wholly owned subsidiaries of the same parent company), agents or consultants who must access the Confidential Information for the purpose of, and who are bound by confidentiality terms substantially similar to those in, this Agreement; (c) not copy, reproduce, reverse engineer, de-compile or disassemble any Confidential Information; (d) use the same degree of care as for its own information of like importance, but at least use reasonable care, in safeguarding against disclosure of Confidential Information; (e) promptly notify Discloser upon discovery of any unauthorized use or disclosure of the Confidential Information and take reasonable steps to regain possession of the Confidential Information and prevent further unauthorized actions or other breach of this Agreement; and (f) only use the Confidential Information as needed to fulfill its obligations and secure its rights under this Agreement.

**9.3. Exceptions.** Recipient is not obligated to maintain as confidential any information that Recipient can demonstrate by documentation (a) is publicly available at the time of disclosure or becomes available to the public without breach of this Agreement; (b) is lawfully obtained from a third party without a duty of confidentiality to Discloser; (c) is otherwise lawfully known to Recipient prior to such disclosure without a duty of confidentiality to Discloser; or (d) is independently developed by Recipient without the use of, or reference to, any of Discloser’s Confidential Information or any breach of this Agreement. Additionally, Recipient may disclose Confidential Information to the extent required by law, including a judicial or legislative order or proceeding.

**9.4. Ownership of Confidential Information.** All Confidential Information is and will remain the property of Discloser and will not be copied or reproduced without the express written permission of Discloser (including as permitted herein). Within ten (10) days of receipt of Discloser’s written request, Recipient will return or destroy all Confidential Information to Discloser along with all copies and portions thereof, or certify in writing that all such Confidential Information has been destroyed. However, Recipient may retain (a) one (1) archival copy of the Confidential Information for use only in case of a dispute concerning this Agreement and (b) Confidential Information that has been automatically stored in accordance with Recipient’s standard backup or recordkeeping procedures, provided, however that Recipient will remain

subject to the obligations of this Agreement with respect to any Confidential Information retained subject to clauses (a) or (b). No license, express or implied, in the Confidential Information is granted to the Recipient other than to use the Confidential Information in the manner and to the extent authorized by this Agreement. Discloser represents and warrants that it is authorized to disclose any Confidential Information it discloses pursuant to this Agreement.

## 10. Proprietary Rights; Data; Feedback.

**10.1. Data Definitions.** The following terms will have the stated meanings: “**Customer Contact Data**” means data WatchGuard collects from Customer, its Authorized Users, and their end users for business contact purposes, including marketing, advertising, licensing and sales purposes; “**Service Use Data**” means data generated by Customer’s use of the Products and Services or by WatchGuard’s support of the Products and Services, including personal information, location, monitoring and recording activity, product performance and error information, activity logs and date and time of use; “**Customer Data**” means data, information, and content, including images, text, videos, documents, audio, telemetry and structured data base records, provided by, through, or on behalf of Customer, its Authorized Users, and their end users through the use of the Products and Services. Customer Data does not include Customer Contact Data, Service Use Data, or information from publicly available sources or other Third-Party Data or WatchGuard Data; “**Third-Party Data**” means information obtained by WatchGuard from publicly available sources or its third party content providers and made available to Customer through the Products or Services; “**WatchGuard Data**” means data owned or licensed by WatchGuard; “**Feedback**” means comments or information, in oral or written form, given to WatchGuard by Customer or Authorized Users, including their end users, in connection with or relating to the Products or Services; and “**Process**” or “**Processing**” means any operation or set of operations which is performed on personal information or on sets of personal information, whether or not by automated means, such as collection, recording, copying, analyzing, caching, organization, structuring, storage, adaptation, or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

**10.2. WatchGuard Materials.** Customer acknowledges that WatchGuard may use or provide Customer with access to software, tools, data, and other materials, including designs, utilities, models, methodologies, systems, and specifications, which WatchGuard has developed or licensed from third parties (including any corrections, bug fixes, enhancements, updates, modifications, adaptations, translations, de-compilations, disassemblies, or derivative works of the foregoing, whether made by WatchGuard or another party) (collectively, “**WatchGuard Materials**”). The Products and Services, WatchGuard Data, Third-Party Data, and Documentation, are considered WatchGuard Materials. Except when WatchGuard has expressly transferred title or other interest to Customer by way of an Addendum or Ordering Document, the WatchGuard Materials are the property of WatchGuard or its licensors, and WatchGuard or its licensors retain all right, title and interest in and to the WatchGuard Materials (including, all rights in patents, copyrights, trademarks, trade names, trade secrets, know-how, other intellectual property and proprietary rights, and all associated goodwill and moral rights). For clarity, this Agreement does not grant to Customer any shared development rights in or to any WatchGuard Materials or other intellectual property, and Customer agrees to execute any documents and take any other actions reasonably requested by WatchGuard to effectuate the foregoing. WatchGuard and its licensors reserve all rights not expressly granted to Customer, and no rights, other than those expressly granted herein, are granted to Customer by implication, estoppel or otherwise. Customer will not modify, disassemble, reverse engineer, derive source code or create derivative works from, merge with other software, distribute,

sublicense, sell, or export the Products and Services or other WatchGuard Materials, or permit any third party to do so.

**10.3. Ownership of Customer Data.** Customer retains all right, title and interest, including intellectual property rights, if any, in and to Customer Data. WatchGuard acquires no rights to Customer Data except those rights granted under this Agreement including the right to Process and use the Customer Data as set forth in **Section 10.4 – Processing Customer Data** below and in other applicable Addenda. The Parties agree that with regard to the Processing of personal information which may be part of Customer Data, Customer is the controller and WatchGuard is the processor, and may engage sub-processors pursuant to **Section 10.4.3 – Sub-processors**.

**10.4. Processing Customer Data.**

10.4.1. WatchGuard Use of Customer Data. To the extent permitted by law, Customer grants WatchGuard and its subcontractors a right to use Customer Data and a royalty-free, worldwide, non-exclusive license to use Customer Data (including to process, host, cache, store, reproduce, copy, modify, combine, analyze, create derivative works from such Customer Data and to communicate, transmit, and distribute such Customer Data to third parties engaged by WatchGuard) to (a) perform Services and provide Products under the Agreement, (b) analyze the Customer Data to operate, maintain, manage, and improve WatchGuard Products and Services, and (c) create new products and services. Customer agrees that this Agreement, along with the Documentation, are Customer's complete and final documented instructions to WatchGuard for the processing of Customer Data. Any additional or alternate instructions must be agreed to according to the Change Order process. Customer represents and warrants to WatchGuard that Customer's instructions, including appointment of WatchGuard as a processor or sub-processor, have been authorized by the relevant controller.

10.4.2. Collection, Creation, Use of Customer Data. Customer further represents and warrants that the Customer Data, Customer's collection, creation, and use of the Customer Data (including in connection with WatchGuard's Products and Services), and WatchGuard's use of such Customer Data in accordance with the Agreement, will not violate any laws or applicable privacy notices or infringe any third-party rights (including intellectual property and privacy rights). Customer also represents and warrants that the Customer Data will be accurate and complete, and that Customer has obtained all required consents, provided all necessary notices, and met any other applicable legal requirements with respect to collection and use (including WatchGuard's and its subcontractors' use) of the Customer Data as described in the Agreement.

10.4.3. Sub-processors. Customer agrees that WatchGuard may engage sub-processors who in turn may engage additional sub-processors to Process personal data in accordance with this Agreement. When engaging sub-processors, WatchGuard will enter into agreements with the sub-processors to bind them to data processing obligations to the extent required by law.

**10.5. Data Retention and Deletion.** Except for anonymized Customer Data, as described above, or as otherwise provided under the Agreement, WatchGuard will delete all Customer Data following termination or expiration of this MCA or the applicable Addendum or Ordering

Document, with such deletion to occur no later than ninety (90) days following the applicable date of termination or expiration, unless otherwise required to comply with applicable law. Any requests for the exportation or download of Customer Data must be made by Customer to WatchGuard in writing before expiration or termination, subject to **Section 13.9 – Notices**. WatchGuard will have no obligation to retain such Customer Data beyond expiration or termination unless the Customer has purchased extended storage from WatchGuard through a mutually executed Ordering Document.

**10.6. Service Use Data.** Customer understands and agrees that WatchGuard may collect and use Service Use Data for its own purposes, including the uses described below. WatchGuard may use Service Use Data to (a) operate, maintain, manage, and improve existing and create new products and services, (b) test products and services, (c) to aggregate Service Use Data and combine it with that of other users, and (d) to use anonymized or aggregated data for marketing, research or other business purposes. Service Use Data may be disclosed to third parties. It is Customer's responsibility to notify Authorized Users of WatchGuard's collection and use of Service Use Data and to obtain any required consents, provide all necessary notices, and meet any other applicable legal requirements with respect to such collection and use, and Customer represents and warrants to WatchGuard that it has complied and will continue to comply with this Section.

**10.7. Third-Party Data and WatchGuard Data.** WatchGuard Data and Third-Party Data may be available to Customer through the Products and Services. Customer and its Authorized Users may use WatchGuard Data and Third-Party Data as permitted by WatchGuard and the applicable Third-Party Data provider, as described in the applicable Addendum. Unless expressly permitted in the applicable Addendum, Customer will not, and will ensure its Authorized Users will not: (a) use the WatchGuard Data or Third-Party Data for any purpose other than Customer's internal business purposes; (b) disclose the data to third parties; (c) "white label" such data or otherwise misrepresent its source or ownership, or resell, distribute, sublicense, or commercially exploit the data in any manner; (d) use such data in violation of applicable laws; (e) remove, obscure, alter, or falsify any marks or proprietary rights notices indicating the source, origin, or ownership of the data; or (f) modify such data or combine it with Customer Data or other data or use the data to build databases. Additional restrictions may be set forth in the applicable Addendum. Any rights granted to Customer or Authorized Users with respect to WatchGuard Data or Third-Party Data will immediately terminate upon termination or expiration of the applicable Addendum, Ordering Document, or this MCA. Further, WatchGuard or the applicable Third-Party Data provider may suspend, change, or terminate Customer's or any Authorized User's access to WatchGuard Data or Third-Party Data if WatchGuard or such Third-Party Data provider believes Customer's or the Authorized User's use of the data violates the Agreement, applicable law or WatchGuard's agreement with the applicable Third-Party Data provider. Upon termination of Customer's rights to use any WatchGuard Data or Third-Party Data, Customer and all Authorized Users will immediately discontinue use of such data, delete all copies of such data, and certify such deletion to WatchGuard. Notwithstanding any provision of the Agreement to the contrary, WatchGuard will have no liability for Third-Party Data or WatchGuard Data available through the Products and Services. WatchGuard and its Third-Party Data providers reserve all rights in and to WatchGuard Data and Third-Party Data not expressly granted in an Addendum or Ordering Document.

**10.8. Feedback.** Any Feedback provided by Customer is entirely voluntary, and will not create any confidentiality obligation for WatchGuard, even if designated as confidential by Customer. WatchGuard may use, reproduce, license, and otherwise distribute and exploit the Feedback without any obligation or payment to Customer or Authorized Users and Customer represents

and warrants that it has obtained all necessary rights and consents to grant WatchGuard the foregoing rights.

**10.9. Improvements; Products and Services.** The Parties agree that, notwithstanding any provision of this MCA or the Agreement to the contrary, all fixes, modifications and improvements to the Services or Products conceived of or made by or on behalf of WatchGuard that are based either in whole or in part on the Feedback, Customer Data, or Service Use Data (or otherwise) are the exclusive property of WatchGuard and all right, title and interest in and to such fixes, modifications or improvements will vest solely in WatchGuard. Customer agrees to execute any written documents necessary to assign any intellectual property or other rights it may have in such fixes, modifications or improvements to WatchGuard.

## **11. Force Majeure; Delays Caused by Customer.**

**11.1. Force Majeure.** Except for Customer's payment obligations hereunder, neither Party will be responsible for nonperformance or delayed performance due to events outside of its reasonable control. If performance will be significantly delayed, the affected Party will provide notice to the other Party, and the Parties will agree (in writing) upon a reasonable extension to any applicable performance schedule.

**11.2. Delays Caused by Customer.** WatchGuard's performance of the Products and Services will be excused for delays caused by Customer or its Authorized Users or subcontractors, or by failure of any assumptions set forth in this Agreement (including in any Addendum or Ordering Document). In the event of a delay under this **Section 11.2 – Delays Caused by Customer**, (a) Customer will continue to pay the Fees as required hereunder, (b) the Parties will agree (in writing) upon a reasonable extension to any applicable performance schedule, and (c) Customer will compensate WatchGuard for its out-of-pocket costs incurred due to the delay (including those incurred by WatchGuard's affiliates, vendors, and subcontractors).

**12. Disputes.** The Parties will use the following procedure to resolve any disputes relating to or arising out of this Agreement (each, a "**Dispute**"):

**12.1. Governing Law.** All matters relating to or arising out of the Agreement are governed by the laws of the State of Texas, unless Customer is the United States Government (or an agency thereof), in which case all matters relating to or arising out of the Agreement will be governed by the laws of the State in which the Products and Services are provided. The terms of the U.N. Convention on Contracts for the International Sale of Goods and the Uniform Computer Information Transactions Act will not apply.

**12.2. Negotiation; Mediation.** Either Party may initiate dispute resolution procedures by sending a notice of Dispute ("**Notice of Dispute**") to the other Party. The Parties will attempt to resolve the Dispute promptly through good faith negotiations, including timely escalation of the Dispute to executives who have authority to settle the Dispute (and who are at a higher level of management than the persons with direct responsibility for the matter). If a Dispute is not resolved through negotiation, either Party may initiate mediation by sending a notice of mediation ("**Notice of Mediation**") to the other Party. The Parties will choose an independent mediator within thirty (30) days of such Notice of Mediation. Neither Party may unreasonably withhold consent to the selection of a mediator, but if the Parties are unable to agree upon a mediator, either Party may request that the American Arbitration Association nominate a mediator. Each Party will bear its own costs of mediation, but the Parties will share the cost of the mediator equally. Each Party will participate in the mediation in good faith and will be represented at the mediation by a business executive with authority to settle the Dispute. All in

person meetings under this **Section 12.2 – Negotiation; Mediation** will take place in Dallas, Texas, and all communication relating to the Dispute resolution will be maintained in strict confidence by the Parties. Notwithstanding the foregoing, any Dispute arising from or relating to WatchGuard’s intellectual property rights will not be subject to negotiation or mediation in accordance with this Section, but instead will be decided by a court of competent jurisdiction, in accordance with **Section 12.3 – Litigation, Venue, Jurisdiction** below.

**12.3. Litigation, Venue, Jurisdiction.** If the Dispute has not been resolved by mediation within sixty (60) days from the Notice of Mediation, either Party may submit the Dispute to a court of competent jurisdiction in the state in which the Products and Services are provided. . Each Party expressly consents to the exclusive jurisdiction of such courts for resolution of any Dispute and to enforce the outcome of any mediation.

### **13. General.**

**13.1. Compliance with Laws.** Each Party will comply with applicable laws in connection with the performance of its obligations under this Agreement, including that Customer will ensure its and its Authorized Users’ use of the Products and Services complies with law (including privacy laws), and Customer will obtain any FCC and other licenses or authorizations (including licenses or authorizations required by foreign regulatory bodies) required for its and its Authorized Users’ use of the Products and Services. WatchGuard may, at its discretion, cease providing or otherwise modify Products and Services (or any terms related thereto in an Addendum or Ordering Document), in order to comply with any changes in applicable law.

**13.2. Audit; Monitoring.** WatchGuard will have the right to monitor and audit use of the Products, which may also include access by WatchGuard to Customer Data and Service Use Data. Customer will provide notice of such monitoring to its Authorized Users and obtain any required consents, including individual end users, and will cooperate with WatchGuard in any monitoring or audit. Customer will maintain during the Term, and for two (2) years thereafter, accurate records relating to any software licenses granted under this Agreement to verify compliance with this Agreement. WatchGuard or a third party (“**Auditor**”) may inspect Customer’s and, as applicable, Authorized Users’ premises, books, and records. WatchGuard will pay expenses and costs of the Auditor, unless Customer is found to be in violation of the terms of the Agreement, in which case Customer will be responsible for such expenses and costs.

**13.3. Assignment and Subcontracting.** Neither Party may assign or otherwise transfer this Agreement without the prior written approval of the other Party. WatchGuard may assign or otherwise transfer this Agreement or any of its rights or obligations under this Agreement without consent (a) for financing purposes, (b) in connection with a merger, acquisition or sale of all or substantially all of its assets, (c) as part of a corporate reorganization, or (d) to a subsidiary corporation. Subject to the foregoing, this Agreement will be binding upon the Parties and their respective successors and assigns.

**13.4. Waiver.** A delay or omission by either Party to exercise any right under this Agreement will not be construed to be a waiver of such right. A waiver by either Party of any of the obligations to be performed by the other, or any breach thereof, will not be construed to be a waiver of any succeeding breach or of any other obligation. All waivers must be in writing and signed by the Party waiving its rights.

**13.5. Severability.** If any provision of the Agreement is found by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, such provision will be deemed to be

modified to reflect as nearly as possible the original intentions of the Parties in accordance with applicable law. The remaining provisions of this Agreement will not be affected, and each such provision will be valid and enforceable to the full extent permitted by applicable law.

**13.6. Independent Contractors.** Each Party will perform its duties under this Agreement as an independent contractor. The Parties and their personnel will not be considered to be employees or agents of the other Party. Nothing in this Agreement will be interpreted as granting either Party the right or authority to make commitments of any kind for the other. This Agreement will not constitute, create, or be interpreted as a joint venture, partnership, or formal business organization of any kind.

**13.7. Third-Party Beneficiaries.** The Agreement is entered into solely between, and may be enforced only by, the Parties. Each Party intends that the Agreement will not benefit, or create any right or cause of action in or on behalf of, any entity other than the Parties. Notwithstanding the foregoing, a licensor or supplier of third-party software included in the software Products will be a direct and intended third-party beneficiary of this Agreement.

**13.8. Interpretation.** The section headings in this Agreement are included only for convenience. The words “including” and “include” will be deemed to be followed by the phrase “without limitation”. This Agreement will be fairly interpreted in accordance with its terms and conditions and not for or against either Party.

**13.9. Notices.** Notices required under this Agreement to be given by one Party to the other must be in writing and either personally delivered or sent to the address provided by the other Party by certified mail, return receipt requested and postage prepaid (or by a recognized courier service, such as FedEx, UPS, or DHL), and will be effective upon receipt.

**13.10. Cumulative Remedies.** Except as specifically stated in this Agreement, all remedies provided for in this Agreement will be cumulative and in addition to, and not in lieu of, any other remedies available to either Party at law, in equity, by contract, or otherwise. Except as specifically stated in this Agreement, the election by a Party of any remedy provided for in this Agreement or otherwise available to such Party will not preclude such Party from pursuing any other remedies available to such Party at law, in equity, by contract, or otherwise.

**13.11. Survival.** The following provisions will survive the expiration or termination of this Agreement for any reason: **Section 2.4 – Customer Obligations; Section 3.4 – Effect of Termination or Expiration; Section 4 – Payment and Invoicing; Section 6.5 – Warranty Disclaimer; Section 7.3 – Customer Indemnity; Section 8 – Limitation of Liability; Section 9 – Confidentiality; Section 10 – Proprietary Rights; Data; Feedback; Section 11 – Force Majeure; Delays Caused by Customer; Section 12 – Disputes; and Section 13 – General.**

**13.12. Entire Agreement.** This Agreement, including all Addenda and Ordering Documents, constitutes the entire agreement of the Parties regarding the subject matter hereto, and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter. This Agreement may be executed in multiple counterparts, and will have the same legal force and effect as if the Parties had executed it as a single document. The Parties may sign in writing or by electronic signature. An electronic signature, facsimile copy, or computer image of a signature, will be treated, and will have the same effect as an original signature, and will have the same effect, as an original signed copy of this document. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties. The preprinted terms and conditions found on any Customer purchase order, acknowledgment, or other form will not be considered an amendment or

modification or part of this Agreement, even if a representative of each Party signs such document.

The Parties hereby enter into this MCA as of the Effective Date.

**WatchGuard Video, Inc.**

**Customer: [REDACTED]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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



# HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

## 2021 BOND AUTHORIZATION PROPOSAL

Horizon Regional Municipal Utility District (HRMUD) is the water and sewer provider to Horizon City and the surrounding El Paso County area. HRMUD was created in 1961 and water and wastewater infrastructure began construction in the 1960s and 1970s. Over the years, some of this infrastructure has begun to exceed its life expectancy and needs replacement.

HRMUD pumps water from wells and treats the water with its own Reverse Osmosis (RO) Plant to provide drinking water to its customers. Some of the water wells have become more saline over time. This means that HRMUD needs to upgrade its existing RO treatment plant to treat the saltier water. To ensure that there is reliable back-up for the existing wells, HRMUD needs to drill additional wells and build a line to pump the new well field water to the RO plant.

Beyond plant upgrades, there are several waterlines and tanks that need replacing or upgrading to ensure that customer service remains reliable. HRMUD is working cooperatively with both the County of El Paso and the Town of Horizon to replace both water and wastewater lines during the reconstruction of existing roadways whenever possible.

HRMUD also collects wastewater from its customers and treats it at its existing wastewater plant near Horizon Boulevard and sends the treated effluent to a few different locations for beneficial reuse. Expansion of this plant as well as replacement of existing lift stations and older wastewater lines are necessary in the next few years.

The projects and improvements described below will be ongoing within the next eight to ten years.

### Summary of projects included:

|   |                   |
|---|-------------------|
| Water supply wells, lines and generators          | \$ 41.6 M         |
| RO Plant Upgrade                                  | \$ 16.5 M         |
| Water Distribution line replacements and upgrades | \$ 28.8 M         |
| Storage and pump station upgrades                 | \$ 11.0 M         |
| <b>WATER SUBTOTAL</b>                             | <b>\$ 97.9 M</b>  |
| Wastewater Treatment Plant expansion              | \$ 74.5 M         |
| Wastewater collection system upgrades             | \$ 40.4 M         |
| Lift station replacements and upgrades            | \$ 12.2 M         |
| <b>WASTEWATER SUBTOTAL</b>                        | <b>\$ 127.1 M</b> |
| <b>TOTAL BOND AUTHORIZATION</b>                   | <b>\$ 225 M</b>   |



Below is a breakdown of the anticipated projects for the proposed 2021 Bond Authorization:

| Project                                 | Quantity  | TOTAL                |
|---|-----------|----------------------|
| <b>Priority Water Projects</b>          |           |                      |
| <i>Supply-</i>                          |           |                      |
| 1 700 GPM Well                          | 10        | \$ 24,150,000        |
| 2 Upgrade Existing IH-10 Well Pumps     | 8         | \$ 2,760,000         |
| 3 Emergency Generator Upgrades          | 1         | \$ 8,280,000         |
| 4 24" Well Gathering Line               | 36,960    | \$ 6,375,600         |
| <i>Water Treatment-</i>                 |           |                      |
| 1 Upgrade Existing RO WTP               | 4,000,000 | \$ 16,560,000        |
| <i>Water Distribution-</i>              |           |                      |
| 1 Horizon Blvd WL - Ashford to Asencion | 16,360    | \$ 2,822,100         |
| 2 Distribution Line Replacements        | 90,000    | \$ 18,009,000        |
| 3 Darrington North Waterline            | 7,100     | \$ 1,224,750         |
| 4 Ashford Waterline                     | 5,300     | \$ 1,031,520         |
| 5 Darrington South Waterline            | 12,500    | \$ 2,760,000         |
| 6 Ascension Waterline                   | 10,560    | \$ 1,457,280         |
| 7 Horizon Blvd WL - Ascension to GST3   | 14,000    | \$ 1,449,000         |
| 8 GST-3 Replacement (0.3 MG old)        | 500,000   | \$ 1,725,000         |
| 9 BPS-3 Replacement (1,400 gpm old)     | 1,500     | \$ 1,656,000         |
| <i>Elevated Storage-</i>                |           |                      |
| 1 1.0 MG Elevated Storage Tank - North  | 1,000,000 | \$ 3,795,000         |
| 2 1.0 MG GST - Bone Hill Next to GST4   | 1,000,000 | \$ 3,795,000         |
| <b>PRIORITY WATER PROJECT TOTAL</b>     |           | <b>\$ 97,850,250</b> |

| Project  | Quantity  | TOTAL                 |
|--|-----------|-----------------------|
| <b>Priority Wastewater Projects</b>                            |           |                       |
| 1 2.0 MGD WWTP - New Service Area Site                         | 2,000,000 | \$ 49,680,000         |
| 2 Duanesburg Lift Station Replacement                          | 1         | \$ 1,035,000          |
| 3 Horizon Manor System Mods & WWL to Redirect to new WWTP Site | 1         | \$ 5,520,000          |
| 4 Horizon View Estates Collection System                       | 1         | \$ 5,520,000          |
| 5 Collection System Upgrades                                   | 1         | \$ 8,280,000          |
| 6 Lift Station Rehabilitation                                  | 1         | \$ 4,830,000          |
| 7 North Darrington WWL Replacement                             | 7,100     | \$ 1,224,750          |
| 8 VC WWL Line Replacement                                      | 90,000    | \$ 18,630,000         |
| 9 WWTP Influent LS Rehabilitation                              | 1         | \$ 828,000            |
| 10 Tertiary Treatment for Injection Well                       | 2,000,000 | \$ 16,560,000         |
| 11 Treated Effluent Disposal Injection Well                    | 2         | \$ 8,280,000          |
| 12 Horizon Boulevard Interceptor (36" wwl w/ manholes)         | 4,000     | \$ 1,242,000          |
| 13 Section 32 Dual Force Main to Mesa Spur Drain               | 15,000    | \$ 2,070,000          |
| 14 WWTP Effluent Lift Station to Section 32 LS & FM            | 1         | \$ 3,450,000          |
| <b>PRIORITY WASTEWATER PROJECT TOTAL</b>                       |           | <b>\$ 127,149,750</b> |

**TOTAL BOND AUTHORIZATION \$ 225,000,000**



# HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

## 2021 BOND AUTHORIZATION PROPOSAL

Horizon Regional Municipal Utility District (HRMUD) is the water and sewer provider to Horizon City and the surrounding El Paso County area. HRMUD was created in 1961 and water and wastewater infrastructure began construction in the 1960s and 1970s. Over the years, some of this infrastructure has begun to exceed its life expectancy and needs replacement.

The projects and improvements described below will be ongoing within the next eight to ten years.

### Summary of projects included:

|   |                   |
|---|-------------------|
| Water supply wells, lines and generators          | \$ 41.6 M         |
| RO Plant Upgrade                                  | \$ 16.5 M         |
| Water Distribution line replacements and upgrades | \$ 28.8 M         |
| Storage and pump station upgrades                 | <u>\$ 11.0 M</u>  |
| <b>WATER SUBTOTAL</b>                             | <b>\$ 97.9 M</b>  |
| Wastewater Treatment Plant expansion              | \$ 74.5 M         |
| Wastewater collection system upgrades             | \$ 40.4 M         |
| Lift station replacements and upgrades            | <u>\$ 12.2 M</u>  |
| <b>WASTEWATER SUBTOTAL</b>                        | <b>\$ 127.1 M</b> |
| <b>TOTAL BOND AUTHORIZATION</b>                   | <b>\$ 225 M</b>   |

For these projects the following propositions will appear on the upcoming election for approval:

#### **PROPOSITION A**

- |     |         |   |  |
|-----|---------|---|--|
| ( ) | FOR     | ) | THE ISSUANCE OF \$225,000,000 BONDS FOR THE CONSTRUCTION, REPAIR AND |
|     |         | ) | REPLACEMENT OF WATERWORKS SYSTEM                                     |
| ( ) | AGAINST | ) | AND SANITARY SEWER SYSTEM AND THE                                    |
|     |         | ) | LEVY OF TAXES ADEQUATE TO PROVIDE                                    |
|     |         | ) | FOR PAYMENT OF THE BONDS.  |

#### **PROPOSITION B**

- |     |         |   |                                   |
|-----|---------|---|-----------------------------------|
| ( ) | FOR     | ) | THE ISSUANCE OF \$225,000,000     |
|     |         | ) | REFUNDING BONDS FOR THE REFUNDING |
|     |         | ) | OF ANY BONDS OUTSTANDING AT THE   |
| ( ) | AGAINST | ) | TIME OF ISSUANCE AND THE LEVY OF  |
|     |         | ) | TAXES ADEQUATE TO PROVIDE FOR     |
|     |         | ) | PAYMENT FOR THE REFUNDING BONDS.  |

Proposition B will allow HRMUD to refund any bonds authorized by Proposition A if a lower interest is available in the future. Proposition B does not authorize any more bonds than authorized by Proposition A.

**TOWN OF HORIZON CITY, TEXAS**  
**BASIC FINANCIAL STATEMENTS AND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2020**

**TOWN OF HORIZON CITY, TEXAS**  
**BASIC FINANCIAL STATEMENTS AND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2020**

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**TOWN OF HORIZON CITY, TEXAS**  
**BASIC FINANCIAL STATEMENTS AND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2020**

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**TOWN OF HORIZON CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

As management of Town of Horizon City, Texas, we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2020. We encourage readers to consider this information in conjunction with the basic financial statements.

Fund-based financial reporting and government-wide reporting are not viewed as being in conflict; however, they are not comparable. A significant portion of this analysis focuses on the changes in the government-wide statements, while still providing information on the Town's fund-based comparative changes.

**FINANCIAL HIGHLIGHTS FISCAL YEAR 2020**

- The Town's total assets amounted to \$69,118,837. This represents an increase of 1% from the prior year.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,054,083 (net position). This represents an increase of 2.7% from the prior year.
- Total capital assets, net of accumulated depreciation amounted to \$47,069,380. This represents an increase of 7% from the prior year.
- Unrestricted net position, available to meet the Town's ongoing obligations, totaled \$5,687,940. The amount invested in capital assets, net of related debt, totaled \$28,940,004. Net position restricted for state mandated funds was \$426,139. This represents an increase of 37%, a decrease of 2% and an increase of 8% from prior year, respectively.
- The Town's governmental fund statement shows a combined ending fund balance of \$20,779,433, a decrease of \$2,788,181 or 12% compared to the prior year fund balance.
- Total liabilities amounted to \$34,147,634 of which \$2,349,389 is due in less than one year. This represents a decrease of \$502,263 and an increase of \$344,163, respectively, compared to the prior year.
- General Fund revenues were approximately 7% more than budgeted, while actual expenses were less than budgeted expenses by approximately 5%, resulting in an overall increase in the General Fund end of year balance of \$874,544.

## FINANCIAL HIGHLIGHTS FISCAL YEAR 2020 (Continued)

- The Town's primary source of revenue comes from property taxes levied for general purpose and debt service, which amounted to \$5,798,183 in the current fiscal year. This represents approximately a 37% increase in comparison to the amount of property tax revenue collected in the prior fiscal year. Total revenues amounted to \$11,147,775. This represents an increase of 19% compared to the prior year.
- Total debt service expenditures for the year amounted to \$2,072,132. The outstanding balance in bonds payable was \$26,664,269 at the end of the fiscal year.
- The Town received \$5,981 in capital grants and contributions in the current fiscal year. This represents approximately a 98% decrease from the amount of capital grants and contributions received in the prior fiscal year. The total amount of \$5,981 represents in-kind donations provided by the Texas Department of Transportation for infrastructure projects inside the Town's jurisdiction.
- The Town's revenues from sales taxes amounted to \$2,839,601 during 2020, of which \$468,775 was reserved for street maintenance and \$468,775 was reserved for economic development. Total sales taxes increased by approximately 22% from the prior year.
- The Town invested \$5,218,727 in equipment, intangibles, and infrastructure, resulting in a 7% increase in capital assets, net of accumulated depreciation. The Capital Improvements Fund maintains proceeds from Combination Tax and Revenue Series 2014 Certificates of Obligation and Combination Tax and Revenue Series 2019 Certificates of Obligation, which have been reserved by Town ordinance to be issued in infrastructure projects included in the Capital Improvements Master Plan. The Town's Capital Improvement Fund provided \$4,612,270 for infrastructure. At the end of the fiscal period, the net change in fund balance in the Capital Improvements Fund was \$4,375,717, representing a 25% decrease from the prior year. The decrease was driven by the increase in capital outlay, which was mainly funded by the issuance of Combination Tax and Revenue Series 2019 Certificates of Obligation.
- The Town reports deferred inflows of resources on its general and debt service funds. Deferred inflows of resources represent an acquisition of fund balance that applies to a future period which will not be recognized as an inflow of resources until that time. Unavailable revenues in the amount of \$126,109 at September 30, 2020, represent the portion of property tax revenue receivable and collected within 60 days following the end of the fiscal year. This represents an increase of 18% from the prior year.

## **FINANCIAL HIGHLIGHTS FISCAL YEAR 2020 (Continued)**

- During 2020, the Town's General Fund transferred a total of \$100,000 to the Capital Improvements Fund to be reserved for infrastructure. The General Fund also transferred \$25,000 to the Special Revenue Fund – Keep Horizon Beautiful and \$277 to the Special Revenue Fund – Federal Grants. The Capital Improvement Fund transferred \$1,495 to the Special Revenue Fund – Safe Routes to Schools to provide for matching funds for the grant.
- During 2020, the Town participated in the Texas Municipal Retirement System (“TMRS”) Pension Plan. The Town's net pension liability was measured at December 31, 2019, the plan year, for a total amount of \$1,492,858. This represented a decrease of \$64,455 or 4% from the previous year. In 2020, the Town recognized net pension expense of \$191,859, which represents a decrease of \$1,536,201 or 89%. This decrease is due to prior service credit granted to participants in 2019.
- At December 31, 2019, total deferred outflows and inflows of resources related to pensions were \$150,871 and \$71,248, respectively, which represented an increase of \$15,654 and \$71,248, respectively, from the previous year.
- In connection with its pension plan, the Town also offers a supplemental death benefit to all employees enrolled in TMRS. At December 31, 2019, the plan year, the Town recognized a total liability of \$46,438 for the supplemental death benefit plan. This represents an increase of \$14,295 or 45% from the previous year. Total deferred outflows and inflows of resources related to the Plan were \$10,207 and \$6,950, which represented an increase of \$10,207 and \$4,143, respectively, from the previous year.

## **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Town also includes in this report additional information to supplement the basic financial statements.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the financial position of the Town and are similar to private sector financial statements. The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements appear on pages 20 through 22 of this report.

The Statement of Net Position presents information on all the Town's assets and liabilities, with the difference between the two reported as net position as of September 30, 2020. Net position is shown in three categories: 1) invested in capital assets, net of related debt, 2) restricted for state mandated funds, and 3) unrestricted.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)**

The Statement of Activities presents information showing how the Town's net position changed during the fiscal year ended September 30, 2020. It provides a breakdown of revenues and expenses by function. All changes in net position are reported as soon as the underlying event, which contributes to the change, occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods. Examples of such items include revenues earned and expenses incurred but not yet paid, all of which will produce changes in cash in a future fiscal period.

Both statements attempt to distinguish functions of the Town that are principally supported by taxes (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees. The governmental activities of the Town include general government, finance, executive, public services, building services, community development, public safety – police, public safety – dispatch, municipal court, storm water, code enforcement, parks and recreation, and planning. The Town does not engage in any business-type activities.

## **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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town only has governmental funds. The governmental funds financial statements are on pages 23 through 29.

The Town's finances are segregated into five types of funds: General Fund, Special Revenue Funds, Debt Service Fund, Capital Improvements Fund, and Agency Fund.

The General Fund reflects revenues and expenditures to provide all the basic Town services to the community, such as public safety, general government, streets, building services and community services.

The Special Revenue Funds are utilized to recognize and segregate revenues derived from grants and payments from other agencies not included in the General Fund. Grant revenues accounted for in the Special Revenue Funds have been restricted for specific uses by external authorities or regulation.

The Debt Service Fund is utilized to account for the payment of general long-term debt principal, interest, and related costs.

The Capital Improvements Fund is utilized to account for the use of reserved funds for the costs of infrastructure and other development projects. The balance remaining in this fund has been designated for these purposes by the Town Council Members and its activity is not included in the General Fund.

The Town holds an Agency Fund for its terminated 457 Deferred Compensation Plan. The remaining balance in the Plan is expected to be distributed to participants subsequent to September 30, 2020.

The Town does not maintain any Proprietary Funds.

## **FUND FINANCIAL STATEMENTS (Continued)**

Governmental funds are used to account for essentially the same functions of those reported in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

The focus of governmental funds is narrower than that of government-wide financial statements. Therefore, it can be useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations have been provided as a link between the governmental fund statements and the government-wide financial statements to assist in this comparison. Pages 24 and 28 provide a reconciliation of the balance sheet of governmental funds to the statement of net position as well as a reconciliation of the statement of revenues, expenditures, and changes in funds balance of governmental funds to the statement of activities.

## **NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide fund financial statements. The notes to the financial statements can be found on pages 30 through 73 of this report.

## OTHER INFORMATION

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparison schedules for its General Fund and its Special Revenue Funds for which a budget has been approved by Town Council. The report also includes other supplementary information consisting of the Town's combining schedules of Aggregate Non-Major Funds. The required and other supplementary information can be found beginning on Page 74.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Position

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole. The Town's net position (total assets and deferred outflows less liabilities and deferred inflows) at fiscal year-end totaled \$35,054,083 reflecting an increase of \$923,341 over the previous fiscal year. This increase is primarily due to an increase in property taxes levied. The table below summarizes the Town's total assets, deferred outflows or resources, liabilities and net position for the fiscal years ended September 30, 2020 and 2019, respectively.

|   | <u>Governmental Activities</u> |                     |
|---|--------------------------------|---------------------|
|   | <u>09/30/20</u>                | <u>09/30/19</u>     |
| Cash and cash equivalents                           | \$18,874,842                   | \$21,777,062        |
| Investments   | 2,338,943                      | 2,312,680           |
| Receivables (taxes, grants, other miscellaneous)    | 765,265                        | 468,478             |
| Prepaid expenses                                    | 62,895                         | 62,128              |
| Other assets  | 7,512                          | 8,141               |
| Capital assets, net of accumulated depreciation     | 47,069,380                     | 44,019,740          |
| Deferred outflows of resources                      | <u>161,078</u>                 | <u>135,217</u>      |
| Total assets and deferred outflows of resources     | <u>69,279,915</u>              | <u>68,783,446</u>   |
| Short-term liabilities                              | 2,349,389                      | 2,005,226           |
| Long-term liabilities                               | 31,798,245                     | 32,644,671          |
| Deferred inflows of resources                       | <u>78,198</u>                  | <u>2,807</u>        |
| Total liabilities and deferred inflows of resources | <u>34,225,832</u>              | <u>34,652,704</u>   |
| Net position:                                       |                                |                     |
| Invested in capital assets, net of related debt     | 28,940,004                     | 29,595,453          |
| Restricted for State mandated funds                 | 426,139                        | 393,663             |
| Unrestricted  | <u>5,687,940</u>               | <u>4,141,626</u>    |
| Total net position                                  | <u>\$35,054,083</u>            | <u>\$34,130,742</u> |

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

### Net Position (Continued)

Other indicators of the Town's financial position and performance are revenues; program, general and restricted, and budget performance. Comparison of this indicator data as they are accumulated over the years may provide the reader with information of developing trends in the Town's financial health.

For fiscal year 2020, the Town collected \$11,147,775 in revenues from all sources, while expending \$10,224,434, resulting in a net increase in financial position. The table below summarizes the fiscal years 2020 and 2019 revenues and expenses for the Town, respectively.

### Change in Net Position

|   | <u>Year Ended</u> |                  |
|---|-------------------|------------------|
|   | <u>09/30/20</u>   | <u>09/30/19</u>  |
| Charges for services, fees, fines and forfeitures | \$ 1,418,551      | \$ 1,514,826     |
| Operating grants and contributions                | 308,892           | 110,670          |
| Capital grants and contributions                  | <u>5,981</u>      | <u>374,343</u>   |
| Total program revenues                            | <u>1,733,424</u>  | <u>1,999,839</u> |
| Property taxes-general purpose                    | 5,798,183         | 4,244,293        |
| Sales taxes                                       | 2,839,601         | 2,336,819        |
| Franchise taxes                                   | 477,785           | 408,427          |
| Interest income                                   | 292,193           | 296,248          |
| Gain (loss) on disposal of assets                 | (25,034)          | 1,755            |
| Miscellaneous income                              | <u>31,623</u>     | <u>83,796</u>    |
| Total general revenues                            | <u>9,414,351</u>  | <u>7,371,338</u> |
| Total revenues                                    | <u>11,147,775</u> | <u>9,371,177</u> |

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Change in Net Position  
(Continued)**

|                            | <u>Year Ended</u> |                     |
|----------------------------|-------------------|---------------------|
|                            | <u>09/30/20</u>   | <u>09/30/19</u>     |
| Public safety – police     | \$ 2,260,904      | \$ 2,759,919        |
| Community development      | 2,138,083         | 1,682,980           |
| General government         | 1,105,951         | 1,115,226           |
| Public safety – dispatch   | 841,380           | 1,070,219           |
| Parks and recreation       | 438,174           | 363,857             |
| Finance                    | 411,409           | 393,741             |
| Public services            | 338,511           | 325,102             |
| Building services          | 325,369           | 404,928             |
| Planning                   | 294,592           | 329,267             |
| Information technology     | 282,962           | 116,439             |
| Municipal court            | 272,650           | 328,482             |
| Code enforcement           | 194,784           | 247,065             |
| Storm water                | 76,261            | 62,187              |
| Executive                  | 39,107            | 41,326              |
| Debt issuance costs        |                   | 208,056             |
| Interest on long-term debt | <u>1,204,297</u>  | <u>715,189</u>      |
| Total expenses             | <u>10,224,434</u> | <u>10,163,983</u>   |
| Change in net position     | <u>\$ 923,341</u> | <u>\$ (792,806)</u> |

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

### Governmental Activities

The largest ongoing revenue source for the Town's governmental activities is property taxes of \$5,798,183, which represents 52% of the total revenues. Another significant source of revenue for governmental activities is state sharing of sales taxes. The revenue sharing totals \$2,839,601 or 25% of total revenues for governmental activities. Additional significant sources of revenue for governmental activities are charges for services, fees, fines, and forfeitures of \$1,418,551 or 13% of total revenues for governmental activities.

The largest expenditure category among governmental activities was public safety, totaling \$2,260,904 or 22% of total expenditures. This expenditure category includes the cost of the Town providing police protection to residents.

The following table presents the cost of each of the Town's programs, as well as each program's net cost (total cost less fees generated by the activities). The net cost shows the financial burden placed on the Town's taxpayers for each of these functions.

|                            | <u>Total Cost of Services</u> |                     | <u>Net Cost of Services</u> |                    |
|----------------------------|-------------------------------|---------------------|-----------------------------|--------------------|
|                            | <u>09/30/20</u>               | <u>09/30/19</u>     | <u>09/30/20</u>             | <u>09/30/19</u>    |
| Public safety - police     | \$ 2,260,904                  | \$ 2,759,919        | \$1,501,357                 | \$2,205,726        |
| Community development      | 2,138,083                     | 1,682,980           | 2,132,102                   | 1,333,582          |
| General government         | 1,105,951                     | 1,115,226           | 326,502                     | 285,249            |
| Public safety – dispatch   | 841,380                       | 1,070,219           | 841,380                     | 1,045,274          |
| Parks and recreation       | 438,174                       | 363,857             | 438,174                     | 363,857            |
| Finance                    | 411,409                       | 393,741             | 411,409                     | 393,741            |
| Public services            | 338,511                       | 325,102             | 338,511                     | 325,102            |
| Building services          | 325,369                       | 404,928             | 325,369                     | 404,928            |
| Planning                   | 294,592                       | 329,267             | 294,592                     | 329,267            |
| Information technology     | 282,962                       | 116,439             | 282,962                     | 116,439            |
| Municipal court            | 272,650                       | 328,482             | 84,203                      | 87,156             |
| Code enforcement           | 194,784                       | 247,065             | 194,784                     | 247,065            |
| Storm water                | 76,261                        | 62,187              | 76,261                      | 62,187             |
| Executive                  | 39,107                        | 41,326              | 39,107                      | 41,326             |
| Debt issuance costs        |                               | 208,056             |                             | 208,056            |
| Interest on long-term debt | <u>1,204,297</u>              | <u>715,189</u>      | <u>1,204,297</u>            | <u>715,189</u>     |
| Totals                     | <u>\$10,224,434</u>           | <u>\$10,163,983</u> | <u>\$8,491,010</u>          | <u>\$8,164,144</u> |

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted above, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Town's governmental fund statements show a combined ending fund balance of \$20,779,433, a decrease of \$2,788,181 compared to the prior year fund balance. Of this amount, \$3,103,563 (14.9%) constitutes unassigned fund balance, which is available for spending at the Town's discretion. Of the total fund balances, approximately 84.8% (or \$17,612,975) is restricted for statutory requirements or committed for Town Council purposes. Less than 1% (or \$62,895) of the combined ending fund balance represents prepaid expenses in non-spendable form.

As mentioned earlier, the General Fund is the chief operating fund of the Town. The ending balance in the General Fund is \$4,214,897, an increase of \$874,544 compared to the prior year fund balance. Of this amount, \$2,782,291 (66.0%) is unassigned and available for spending at the Town's discretion. Of the remaining fund balances, \$1,369,711 (32.5%) is restricted for statutory requirements or committed for Town Council purposes and \$62,895 (1.5%) is in non-spendable form.

The Town's Special Revenue Fund for State and Local Grants is used to account for the expenditures of state and local awards that have been restricted to be used in public service. There was no balance in this fund at year-end, a decrease of \$1,216 compared to prior year.

The Town's Special Revenue Fund for Street Maintenance is used to account for the expenditures of sales taxes reserved for maintaining existing streets. The Fund receives 0.25% of sales tax revenue every year as determined by voter referendum. The balance in this fund at year-end was \$1,706,114, an increase of \$428,043 compared to the prior year and is classified as funds committed by Town Council.

The Debt Service fund is used to account for the receipt of property taxes designated for debt service expenditures. The balance in this fund at year-end was \$321,272, an increase of \$160,081 compared to the prior year and is classified as unassigned fund balance.

The Special Revenue Fund for Economic Development is used to account for the expenditures of sales taxes reserved for fostering economic growth in the Town. The Fund receives 0.25% of sales tax revenue every year as determined by voter referendum. The balance in this fund at year-end was \$1,584,934, an increase of \$140,431 compared to the prior year and is classified as funds committed by Town Council.

The Town's Capital Improvements Fund is used to account for the designation of proceeds from Combination Tax and Revenue Series 2014 Certificates of Obligation and Combination Tax and Revenue Series 2019 Certificates of Obligation that are to be used for future infrastructure and commercial development projects. The balance in this fund at year-end was \$12,869,321, a decrease of \$4,375,717 compared to the prior year and is classified as funds committed by Town Council.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

### Governmental Funds (Continued)

The Town's Aggregate Non-Major Funds had a combined fund balance of \$82,895, a decrease of \$14,347 over the prior year. The Aggregate Non-Major Funds represent property taxes levied for the payment of the Eastlake project intergovernmental loan as well as funds committed for Horizon City Parks. The total combined fund balance remaining in Aggregate Non-Major Funds is classified as committed by Town Council.

#### Year-End Governmental Fund Balances September 30,

|   | <u>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|
| General Fund                                  | \$ 4,214,897        | \$ 3,340,353        |
| Special Revenue Fund – State and Local Grants |                     | 1,216               |
| Special Revenue Fund – Street Maintenance     | 1,706,114           | 1,278,071           |
| Debt Service Fund                             | 321,272             | 161,191             |
| Economic Development Fund                     | 1,584,934           | 1,444,503           |
| Capital Improvements Fund                     | 12,869,321          | 17,245,038          |
| Aggregate Non-Major Funds                     | <u>82,895</u>       | <u>97,242</u>       |
| Combined Fund Balance                         | <u>\$20,779,433</u> | <u>\$23,567,614</u> |

The 12% decrease in overall fund balance can be primarily attributed to the increase in capital outlay in 2020, which was funded by the issuance of Combination Tax and Revenue Series 2019 Certificates of Obligation in the previous year. In addition, there were increases in debt service expenditures related to the Combination Tax and Revenue Series 2019 Certificates of Obligation.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

### Revenue Sources

Governmental fund revenues for the fiscal year ended September 30, 2020 and a comparison with the governmental fund revenues in the prior fiscal year are as follows:

|                              | <b>2020</b>          | <b>Percent</b>         | <b>Increase</b>          | <b>Percent</b>           |
|------------------------------|----------------------|------------------------|--------------------------|--------------------------|
|                              | <b><u>Amount</u></b> | <b><u>of Total</u></b> | <b><u>(Decrease)</u></b> | <b><u>Increase</u></b>   |
|                              |                      |                        | <b><u>Over 2019</u></b>  | <b><u>(Decrease)</u></b> |
| Property taxes               | \$ 5,778,641         | 51.6%                  | \$1,538,520              | 36.3%                    |
| Sales taxes                  | 2,839,601            | 25.4%                  | 502,782                  | 21.5%                    |
| Licenses, permits and fees   | 776,568              | 6.9%                   | (42,509)                 | (5.2)%                   |
| Franchise taxes              | 477,785              | 4.3%                   | 69,358                   | 17.0%                    |
| Charges for services         | 450,660              | 4.0%                   | (3,763)                  | (.80)%                   |
| Grant income                 | 314,868              | 2.8%                   | (134,300)                | (29.9)%                  |
| Interest income              | 292,193              | 2.6%                   | (4,055)                  | (1.4)%                   |
| Fines and forfeitures        | 191,323              | 1.7%                   | (50,003)                 | (20.7)%                  |
| Proceeds from sale of assets | 41,121               | 0.4%                   | 27,056                   | 192.4%                   |
| Contributions                | 5                    | 0.0%                   | (10,895)                 | (100.0)%                 |
| Local grants                 |                      | 0.0%                   | (24,945)                 | (100.0)%                 |
| Other income                 | <u>31,623</u>        | <u>0.3%</u>            | <u>(52,173)</u>          | <u>(62.3)%</u>           |
| Total                        | <u>\$11,194,388</u>  | <u>100%</u>            | <u>\$1,815,073</u>       | <u>19.4%</u>             |

### GENERAL FUND BUDGETARY HIGHLIGHTS

The original adopted General Fund budget for fiscal year September 30, 2020, totaled \$7,184,844. This was an increase of \$770,481 over the prior year budget. An increase in property taxes, sales tax revenue, and franchise tax revenue were the primary drivers in the revenue increase. The increase in budgeted revenue was to support the net effect of salary increases, adjustments and incentives. Full benefits for the additional positions are offset by decreases in contracted services.

The General Fund adopted budget was amended during the 2020 fiscal year. The amendments increased the budget by \$200,000. The first amendment transferred prior year fund surplus funds in the amount of \$100,000 for building maintenance, budgeting software, and general contingency. The second amendment added the transfer of \$100,000 from reserve funds to the Capital Improvement Fund. The last amendment transferred unused mass transit funds to be used for engineering services.

The increase in property taxes is due to the increase in property values and the property tax rate. The property tax rate increased by \$0.103584 per \$100 of assessed valuation or 21% from the previous year. The increase in sales tax revenue and franchise tax revenue is attributed to a continued increase in sales experienced by commercial establishments in the Town's taxing jurisdiction. In addition, electric franchise fees were increased by an additional amount for the renewal of the franchise agreement, which included an increase from 2.0% to 3.25%.

## GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

The Town's annual budget reflects the financial commitment to services and improvements by the governing body. As such, budget performance at the end of the fiscal year may be used as an indicator of the Town's progress toward stated goals and objectives. During fiscal year 2020, the Town expended \$339,778 less than budgeted in the General Fund.

### Final Budget Versus Actual Results General Fund

|                               | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u>   | <u>Actual</u>             | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------|----------------------------|---------------------------|---------------------------|---|
| <b>Revenues/inflows:</b>      |                            |                           |                           |   |
| Property taxes                | \$3,442,612                | \$3,442,612               | \$3,737,739               | \$295,127                                       |
| Sales taxes                   | 1,602,541                  | 1,602,541                 | 1,902,051                 | 299,510   |
| Licenses, permits and fees    | 795,890                    | 795,890                   | 776,568                   | (19,322)  |
| Franchise taxes               | 538,001                    | 538,001                   | 477,785                   | (60,216)  |
| Charges for services          | 450,660                    | 450,660                   | 450,660                   |   |
| Fines and forfeitures         | 247,323                    | 247,323                   | 191,323                   | (56,000)  |
| Interest income               | 77,214                     | 77,214                    | 76,433                    | (781)   |
| Proceeds from sale of assets  |                            |                           | 41,121                    | 41,121  |
| Contributions                 | 5,500                      | 5,500                     | 5                         | (5,495)   |
| Other income                  | <u>25,103</u>              | <u>25,103</u>             | <u>16,068</u>             | <u>(9,035)</u>                                  |
| <b>Total revenues</b>         | <b><u>\$7,184,844</u></b>  | <b><u>\$7,184,844</u></b> | <b><u>\$7,669,753</u></b> | <b><u>\$484,909</u></b>                         |
| <b>Expenditures/outflows:</b> |                            |                           |                           |   |
| Public safety - police        | \$2,114,755                | \$ 1,980,286              | \$ 1,898,290              | \$81,996  |
| Public safety - dispatch      | 848,270                    | 848,270                   | 837,023                   | 11,247  |
| General government            | 599,671                    | 604,714                   | 555,329                   | 49,385  |
| Capital outlay                | 254,093                    | 278,131                   | 501,355                   | (223,224)                                       |
| Community development         | 449,759                    | 439,061                   | 431,850                   | 7,211   |
| Finance                       | 377,389                    | 402,389                   | 403,695                   | (1,306)   |
| Parks and recreation          | 514,729                    | 500,110                   | 396,428                   | 103,682   |
| Public services               | 446,552                    | 358,552                   | 326,009                   | 32,543  |
| Building services             | 343,560                    | 330,637                   | 302,939                   | 27,698  |
| Information technology        | 293,133                    | 293,133                   | 275,732                   | 17,401  |
| Planning                      | 299,459                    | 387,459                   | 262,642                   | 124,817   |
| Municipal court               | 271,537                    | 279,494                   | 254,535                   | 24,959  |
| Code enforcement              | 242,998                    | 233,701                   | 179,814                   | 53,887  |
| Debt service                  |                            | 157,968                   | 149,732                   | 8,236   |
| Storm water                   | 53,100                     | 53,100                    | 43,586                    | 9,514   |
| Executive                     | <u>50,839</u>              | <u>50,839</u>             | <u>39,107</u>             | <u>11,732</u>                                   |
| <b>Total expenditures</b>     | <b><u>\$7,159,844</u></b>  | <b><u>\$7,197,844</u></b> | <b><u>\$6,858,066</u></b> | <b><u>\$339,778</u></b>                         |

## CAPITAL ASSETS

The Town's financial statements present capital assets in two categories: those assets subject to depreciation (such as buildings and equipment) and those not subject to depreciation (such as land and construction in progress).

The Town's investment in capital assets for its governmental activities was \$47,069,380, net of accumulated depreciation. Major capital asset events during the current fiscal year included the following:

- The Town's investment in machinery and equipment increased by approximately \$479,822 due to the leasing of 6 vehicles to be used for code enforcement, public safety, and community development.
- The Town's investment in infrastructure increased by \$2,571,466, of which \$1,831,499 represents the cost of Darrington Drainage Improvement project, \$731,745 represents the cost of Rancho Desierto Bello Park project, and \$8,222 represents the cost of various miscellaneous projects.
- The Town's investment in intangibles increased by \$270,519 primarily due to the completion of the 2030 Master Plan.

Capital assets held by the Town are summarized as follows:

### Capital assets, net of accumulated depreciation

|                           | <u>09/30/20</u>     | <u>09/30/19</u>      |
|---------------------------|---------------------|----------------------|
| Land                      | \$ 876,527          | \$ 745,140           |
| Building and improvements | 440,200             | 479,037              |
| Equipment                 | 1,166,465           | 1,065,416            |
| Infrastructure            | 39,035,475          | 38,211,384           |
| Intangibles               | 266,417             |                      |
| Construction in progress  | <u>5,284,296</u>    | <u>3,518,763</u>     |
| Total capital assets, net | <u>\$47,069,380</u> | <u>\$ 44,019,740</u> |

Additional information on the Town's capital assets can be found in the notes to the financial statements on Pages 44 and 45.

## LONG-TERM DEBT

At the end of the fiscal year, the Town had long-term debt outstanding in the amount of \$32,790,768. The Town's debt is composed of general obligation bonds, an intergovernmental payable, accrued compensated absences, net pension liability and other post-employment benefit liability at September 30, 2020. The following table shows the change in long-term debt from 2019 to 2020:

## LONG-TERM DEBT (Continued)

### Long-Term Debt Year Ended September 30,

|   | <u>2020</u>         | <u>2019</u>         | <u>Change</u>      |
|---|---------------------|---------------------|--------------------|
| Bonds payable                           | \$24,920,000        | \$25,595,000        | \$(675,000)        |
| Bond premium                            | 1,744,269           | 1,834,662           | (90,393)           |
| Intergovernmental payable               | 3,792,480           | 3,792,480           |                    |
| Capital lease obligations               | 541,948             | 447,183             | 94,765             |
| Compensated absences                    | 252,775             | 214,784             | 37,991             |
| Net pension liability                   | 1,492,858           | 1,557,313           | (64,455)           |
| Other post-employment benefit liability | <u>46,438</u>       | <u>32,143</u>       | <u>14,295</u>      |
| Total                                   | <u>\$32,790,768</u> | <u>\$33,473,565</u> | <u>\$(682,797)</u> |

More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements on Pages 46 through 63 of this report.

## ECONOMIC FACTORS AND FUTURE PLANS

The Town's financial health remains good with sufficient resources to continue the current level of service delivery. Improvements to the accounting system and continuing changes to the Town's internal fiscal policies and procedures will further enhance the Town's ability to monitor revenues and expenditures, as well as promote greater management oversight and control.

Continuing financial growth is projected. The Town enjoys steady growth and development in what was primarily a retirement community. With the continued development of commercial establishments and housing and construction and reconstruction of public infrastructure, the property tax base will continue to increase. Increases in housing units will bring new families to the Town and a concurrent increase in sales by local vendors and thus, will increase the sales and franchise tax rebates to the Town. The continuing growth of these two income streams will ensure that the Town remains on firm financial ground for the foreseeable future.

The Town has adopted a three-year 2020-2022 Capital Improvement Plan ("CIP") that focuses on the construction, reconstruction, and repair of public infrastructure. The projects will be funded by various sources that include the Town's Transportation Reinvestment Zone, the State's Surface Transportation Program, and Certificates of Obligation (CO's); with most of the projects being funded by the issuance of the CO's. Through implementation of the CIP, the Town is looking to stimulate growth and expansion in its commercial and industrial sectors to help diversify its tax base, while providing its citizens with proper roadway and drainage improvements.

**REQUESTS FOR INFORMATION**

Questions concerning this analysis, or the financial statements should be directed to the City Clerk, at 915-852-1046 or by mail to: Town of Horizon City, Texas, Attn: City Clerk, 14999 Darrington, Horizon City, Texas 79928.

A handwritten signature in black ink, appearing to read "Ruben Mendoza". The signature is fluid and cursive, with the first name "Ruben" being more prominent than the last name "Mendoza".

Honorable Mayor Ruben Mendoza  
Town of Horizon City, Texas

**INDEPENDENT AUDITORS' REPORT**

To Honorable Mayor Ruben Mendoza  
and Members of Town Council  
Town of Horizon City, Texas

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Horizon City, Texas ("the Town") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Town of Horizon City, Texas' basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

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

To Honorable Mayor Ruben Mendoza  
and Members of Town Council  
Town of Horizon City, Texas

### **Auditors' Responsibility (Continued)**

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Horizon City, Texas, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension related information and other post-employment benefit related information on Pages 1 through 16 and 74 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

To Honorable Mayor Ruben Mendoza  
and Members of Town Council  
Town of Horizon City, Texas

**Other Matters (Continued)**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Horizon City, Texas' basic financial statements. The combining aggregate non-major fund financial statements on Pages 88 and 89 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining aggregate non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining aggregate non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2021, on our consideration of Town of Horizon City, Texas' 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 Town of Horizon City, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Horizon City, Texas' internal control over financial reporting and compliance.

SBNG, PC

El Paso, Texas  
April 13, 2021

**TOWN OF HORIZON CITY, TEXAS**

**STATEMENT OF NET POSITION**

**September 30, 2020**

| <u><b>ASSETS</b></u>  | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| Cash and cash equivalents                                   | \$ 18,874,842                      |
| Investments   | 2,338,943                          |
| Taxes receivable  | 695,211                            |
| Grants receivable   | 39,679                             |
| Other receivables, net                                      | 5,375                              |
| Forgivable notes receivable                                 | 25,000                             |
| Prepaid expenses  | 62,895                             |
| Other assets  | 7,512                              |
| Non-depreciable capital assets                              | 6,160,823                          |
| Depreciable capital assets, net of accumulated depreciation | <u>40,908,557</u>                  |
| Total assets  | <u>69,118,837</u>                  |

**DEFERRED OUTFLOWS OF RESOURCES**

|   |                |
|---|----------------|
| Deferred outflows of resources related to pension                                     | 150,871        |
| Deferred outflows of resources related to other<br>post-employment benefit obligation | <u>10,207</u>  |
| Total deferred outflows of resources  | <u>161,078</u> |

(Continued)

TOWN OF HORIZON CITY, TEXAS

STATEMENT OF NET POSITION  
(CONTINUED)

September 30, 2020

| <u>LIABILITIES</u>                      | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| Accounts payable                        | \$ 818,903                         |
| Accrued liabilities                     | 491,493                            |
| Due within one year:                    |                                    |
| Bonds payable                           | 840,000                            |
| Capital leases                          | 125,950                            |
| Deferred revenues                       | 46,470                             |
| Compensated absences                    | 26,573                             |
| Due in more than one year:              |                                    |
| Bonds payable, net                      | 25,824,269                         |
| Intergovernmental payable               | 3,792,480                          |
| Capital leases                          | 415,998                            |
| Compensated absences                    | 226,202                            |
| Net pension liability                   | 1,492,858                          |
| Other post-employment benefit liability | <u>46,438</u>                      |
| Total liabilities                       | <u>34,147,634</u>                  |

DEFERRED INFLOWS OF RESOURCES

|  |               |
|--|---------------|
| Deferred inflows of resources related to pension                                     | 71,248        |
| Deferred inflows of resources related to other<br>post-employment benefit obligation | <u>6,950</u>  |
| Total deferred inflows of resources  | <u>78,198</u> |

NET POSITION

|   |                     |
|---|---------------------|
| Net position:                                   |                     |
| Invested in capital assets, net of related debt | 28,940,004          |
| Restricted for State mandated funds             | 426,139             |
| Unrestricted                                    | <u>5,687,940</u>    |
| Total net position                              | <u>\$35,054,083</u> |

The accompanying notes are an integral  
part of these financial statements.

TOWN OF HORIZON CITY, TEXAS

STATEMENT OF ACTIVITIES

Year Ended September 30, 2020

| FUNCTIONS/PROGRAMS              | Program Revenues |   |                                    | Net Revenue (Expenses) and Changes in Net Position |
|---------------------------------|------------------|---|------------------------------------|--|
|                                 | Direct Expenses  | Charges for Services, Fees, Fines and Forfeitures | Operating Grants and Contributions |  |
| Primary government:             |                  |   |                                    |  |
| Public safety - police          | \$ 2,260,904     | \$ 450,660  | \$ 308,887                         | \$ (1,501,357)                                     |
| Community development           | 2,138,083        |   |                                    | (2,132,102)  |
| Interest on long-term debt      | 1,204,297        |   |                                    | (1,204,297)  |
| General government              | 1,105,951        | 776,568   | 5                                  | (329,378)  |
| Public safety - dispatch        | 841,380          |   |                                    | (841,380)  |
| Parks and recreation            | 438,174          |   |                                    | (438,174)  |
| Finance                         | 411,409          |   |                                    | (411,409)  |
| Public services                 | 338,511          |   |                                    | (338,511)  |
| Building services               | 325,369          |   |                                    | (325,369)  |
| Planning                        | 294,592          |   |                                    | (294,592)  |
| Information technology          | 282,962          |   |                                    | (282,962)  |
| Municipal court                 | 272,650          | 191,323   |                                    | (81,327)   |
| Code enforcement                | 194,784          |   |                                    | (194,784)  |
| Storm water                     | 76,261           |   |                                    | (76,261)   |
| Executive                       | 39,107           |   |                                    | (39,107)   |
| Total governmental activities   | \$ 10,224,434    | \$ 1,418,551                                      | \$ 308,892                         | \$ 8,491,010                                       |
| General revenues:               |                  |   |                                    |  |
| Property taxes                  |                  |   |                                    | 5,798,183  |
| Sales taxes                     |                  |   |                                    | 2,839,601  |
| Franchise taxes                 |                  |   |                                    | 477,785  |
| Interest income                 |                  |   |                                    | 292,193  |
| Loss on disposal of assets      |                  |   |                                    | (25,034)   |
| Miscellaneous income            |                  |   |                                    | 31,623   |
| Total general revenues          |                  |   |                                    | 9,414,351  |
| Change in net position          |                  |   |                                    | 923,341  |
| Net position, beginning of year |                  |   |                                    | 34,130,742   |
| Net position, end of year       |                  |   |                                    | \$ 35,054,083                                      |

The accompanying notes are an integral part of these financial statements.

TOWN OF HORIZON CITY, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2020

|                                       | General Fund        | Special Revenue Fund - State and Local Grants | Street Maintenance Fund | Debt Service Fund | Economic Development Fund | Capital Improvements Fund | Aggregate Non-Major Funds | Total Governmental Funds |
|---------------------------------------|---------------------|---|-------------------------|-------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| <b>ASSETS</b>                         |                     |   |                         |                   |                           |                           |                           |                          |
| Cash and cash equivalents, non-pooled | \$ 789,623          | \$ 56,975                                     | \$ 1,235,385            | \$ 51,400         | \$ 993,149                | \$ 13,370,844             | \$ 15,886                 | \$ 15,169,502            |
| Pooled cash and cash equivalents      | 2,347,381           |   |                         |                   |                           |                           | 14,199                    | 3,705,340                |
| Investments                           | 317,388             |   |                         |                   | 604,180                   |                           |                           | 921,568                  |
| Pooled investments                    | 858,506             |   | 473,552                 | 35,600            |                           |                           | 49,717                    | 1,417,375                |
| Taxes receivable                      | 475,529             |   |                         | 219,682           |                           |                           |                           | 695,211                  |
| Due from other funds                  |                     |   |                         | 46,041            |                           |                           |                           | 46,041                   |
| Grants receivable                     |                     | 28,904  |                         |                   |                           |                           | 10,775                    | 39,679                   |
| Forgivable loan receivable            |                     |   |                         |                   | 25,000                    |                           |                           | 25,000                   |
| Other receivables, net                | 5,375               |   |                         |                   |                           |                           |                           | 5,375                    |
| Other assets                          |                     |   |                         |                   | 3,500                     | 4,012                     |                           | 7,512                    |
| Prepaid expenses                      | 62,895              |   |                         |                   |                           |                           |                           | 62,895                   |
| Total assets                          | <u>\$ 4,856,697</u> | <u>\$ 85,879</u>                              | <u>\$ 1,708,937</u>     | <u>\$ 352,723</u> | <u>\$ 1,625,829</u>       | <u>\$ 13,374,856</u>      | <u>\$ 90,577</u>          | <u>\$ 22,095,498</u>     |

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES**

|  |                     |                  |                     |                   |                     |                      |                   |                      |
|--|---------------------|------------------|---------------------|-------------------|---------------------|----------------------|-------------------|----------------------|
| Liabilities:   |                     |                  |                     |                   |                     |                      |                   |                      |
| Accounts payable   | \$ 248,401          | \$ 26,451        | \$ 2,823            | \$ 33,707         | \$ 818,903          | \$ 1,986             | \$ 1,986          | \$ 818,903           |
| Accrued liabilities  | 252,700             | 12,958           |                     | 7,188             | 278,542             | 5,696                |                   | 278,542              |
| Unearned revenue   |                     | 46,470           |                     |                   | 46,470              |                      |                   | 46,470               |
| Due to other funds   | 46,041              |                  |                     |                   | 46,041              |                      |                   | 46,041               |
| Total liabilities  | <u>547,142</u>      | <u>85,879</u>    | <u>2,823</u>        | <u>40,895</u>     | <u>505,535</u>      | <u>7,682</u>         | <u>1,189,956</u>  | <u>1,189,956</u>     |
| Deferred inflows of resources:                                     |                     |                  |                     |                   |                     |                      |                   |                      |
| Deferred property taxes  | 94,658              |                  |                     | 31,451            |                     |                      |                   | 126,109              |
| Total deferred inflows of resources                                | <u>94,658</u>       | <u>31,451</u>    | <u>31,451</u>       | <u>31,451</u>     | <u>126,109</u>      | <u>126,109</u>       | <u>126,109</u>    | <u>126,109</u>       |
| Fund balances:   |                     |                  |                     |                   |                     |                      |                   |                      |
| Nonspendable   | 62,895              |                  |                     |                   |                     |                      |                   | 62,895               |
| Restricted   | 426,139             |                  |                     |                   |                     |                      |                   | 426,139              |
| Committed  | 943,572             |                  | 1,706,114           |                   | 1,584,934           | 12,869,321           | 82,895            | 17,186,836           |
| Unassigned   | 2,782,291           |                  |                     | 321,272           |                     |                      |                   | 3,103,563            |
| Total fund balances  | <u>4,214,897</u>    | <u>1,706,114</u> | <u>321,272</u>      | <u>1,584,934</u>  | <u>12,869,321</u>   | <u>82,895</u>        | <u>20,779,433</u> | <u>20,779,433</u>    |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 4,856,697</u> | <u>\$ 85,879</u> | <u>\$ 1,708,937</u> | <u>\$ 352,723</u> | <u>\$ 1,625,829</u> | <u>\$ 13,374,856</u> | <u>\$ 90,577</u>  | <u>\$ 22,095,498</u> |

The accompanying notes are an integral part of these financial statements.

**TOWN OF HORIZON CITY, TEXAS**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

**Year Ended September 30, 2020**

|   |                               |
|---|-------------------------------|
| Total fund balances of governmental funds in the balance sheet  | \$ 20,779,433                 |
| Amounts reported in the statement of net position are different because:  |                               |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:  |                               |
| Governmental capital assets   | 54,700,196                    |
| Accumulated depreciation  | <u>(7,630,816)</u> 47,069,380 |
| Pension related deferred inflows and outflows are not due and payable in the current period, and are not available to pay current period expenditures, therefore are not reported in the governmental funds:  |                               |
| Deferred outflows of resources related to pension   | 150,871                       |
| Deferred outflows of resources related to other post-employment benefit obligation  | 10,207                        |
| Deferred inflows of resources related to pension  | (71,248)                      |
| Deferred inflows of resources related to other post-employment benefit obligation   | (6,950)                       |
| Certain property tax revenues will be collected after year-end but are not available soon enough to pay for the current period expenditures and, therefore, are deferred on the modified accrual basis in governmental funds:                                     |                               |
| Deferred property taxes   | 126,109                       |
| Net pension liability represents pension liabilities in excess of total pension assets, which are not available to pay current period expenditures and, therefore, excluded from the governmental funds:  |                               |
| Net pension liability   | (1,492,858)                   |
| Other post-employment benefit liability   | (46,438)                      |
| Some liabilities applicable to the Town's governmental activity are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position: |                               |
| Capital leases  | (541,948)                     |
| Bonds payable   | (26,664,269)                  |
| Intergovernmental payable   | (3,792,480)                   |
| Compensated absences  | (252,775)                     |
| Accrued interest  | <u>(212,951)</u> (31,464,423) |
| Total net position of governmental activities   | <u>\$ 35,054,083</u>          |

The accompanying notes are an integral part of these financial statements.

TOWN OF HORIZON CITY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

Year Ended September 30, 2020

|                              | General Fund | Special Revenue Fund - State and Local Grants | Street Maintenance Fund | Debt Service Fund | Economic Development Fund | Capital Improvements Fund | Aggregate Non-Major Funds | Total Governmental Funds |
|------------------------------|--------------|---|-------------------------|-------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| <b>REVENUES</b>              |              |   |                         |                   |                           |                           |                           |                          |
| Property taxes               | \$ 3,737,739 | \$  | \$ 468,775              | \$ 1,941,901      | \$ 468,775                | \$                        | \$ 99,001                 | \$ 5,778,641             |
| Sales taxes                  | 1,902,051    |   |                         |                   |                           |                           |                           | 2,839,601                |
| Licenses, permits and fees   | 776,568      |   |                         |                   |                           |                           |                           | 776,568                  |
| Franchise taxes              | 477,785      |   |                         |                   |                           |                           |                           | 477,785                  |
| Charges for services         | 450,660      |   |                         |                   |                           |                           |                           | 450,660                  |
| Federal and state grants     |              | 259,420                                       |                         |                   |                           |                           |                           | 259,420                  |
| Interest income              | 76,433       |   |                         |                   |                           |                           |                           | 76,433                   |
| Fines and forfeitures        | 191,323      |   | 11,364                  | 19,804            | 16,825                    | 167,007                   | 55,448                    | 314,868                  |
| Proceeds from sale of assets | 41,121       |   |                         |                   |                           |                           | 760                       | 292,193                  |
| Contributions                | 5            |   |                         |                   |                           |                           |                           | 191,323                  |
| Other income                 | 16,068       |   |                         |                   |                           | 10,818                    | 4,737                     | 41,121                   |
|                              |              |   |                         |                   |                           |                           |                           | 5                        |
|                              |              |   |                         |                   |                           |                           |                           | 31,623                   |
| Total revenues               | 7,669,753    | 259,420                                       | 480,139                 | 1,961,705         | 485,600                   | 177,825                   | 159,946                   | 11,194,388               |
| <b>EXPENDITURES</b>          |              |   |                         |                   |                           |                           |                           |                          |
| Public safety - police       | 1,898,290    | 46,700  |                         |                   |                           |                           | 66,271                    | 2,011,261                |
| General government           | 555,329      | 89,759  |                         |                   | 345,169                   |                           |                           | 990,257                  |
| Public safety - dispatch     | 837,023      | 7,092   |                         |                   |                           |                           |                           | 844,115                  |
| Community development        | 431,850      | 5,470   | 38,086                  |                   |                           | 9,380                     | 30                        | 484,786                  |
| Finance                      | 403,695      | 5,373   |                         | 2,907             |                           |                           |                           | 412,005                  |
| Parks and recreation         | 396,428      |   |                         |                   |                           |                           |                           | 396,428                  |
| Public services              | 326,009      |   |                         |                   |                           |                           | 3,605                     | 329,614                  |
| Building services            | 302,939      | 3,522   |                         |                   |                           |                           |                           | 306,461                  |
| Planning                     | 262,642      |   |                         |                   |                           | 30,397                    |                           | 293,039                  |
| Information technology       | 275,732      | 4,966   |                         |                   |                           |                           |                           | 280,698                  |

(Continued)

TOWN OF HORIZON CITY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
(CONTINUED)

Year Ended September 30, 2020

|  | General Fund | Special Revenue Fund - State and Local Grants | Street Maintenance Fund | Debt Service Fund | Economic Development Fund | Capital Improvements Fund | Aggregate Non-Major Funds | Total Governmental Funds |
|--|--------------|---|-------------------------|-------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| <b>EXPENDITURES (Continued)</b>                        |              |   |                         |                   |                           |                           |                           |                          |
| Municipal court  | \$ 254,535   | \$ 14,138                                     | \$                      | \$                | \$                        | \$                        | \$                        | \$ 268,673               |
| Code enforcement                                       | 179,814      |   |                         |                   |                           |                           |                           | 179,814                  |
| Storm water  | 43,586       |   |                         |                   |                           |                           |                           | 43,586                   |
| Executive  | 39,107       |   |                         |                   |                           |                           |                           | 39,107                   |
| Debt service:  |              |   |                         |                   |                           |                           |                           |                          |
| Principal  | 93,369       |   |                         | 675,000           |                           |                           |                           | 768,369                  |
| Interest   | 56,363       |   |                         | 1,123,717         |                           | 4,612,270                 | 123,683                   | 1,303,763                |
| Capital outlay   | 501,355      | 83,616  | 14,010                  |                   |                           |                           | 7,476                     | 5,218,727                |
| Total expenditures                                     | 6,858,066    | 260,636                                       | 52,096                  | 1,801,624         | 345,169                   | 4,652,047                 | 201,065                   | 14,170,703               |
| Excess (deficit) of revenues over (under) expenditures | 811,687      | (1,216)                                       | 428,043                 | 160,081           | 140,431                   | (4,474,222)               | (41,119)                  | (2,976,315)              |

TOWN OF HORIZON CITY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
(CONTINUED)

Year Ended September 30, 2020

|                                     | General Fund        | Special Revenue Fund - State and Local Grants | Street Maintenance Fund | Debt Service Fund | Economic Development Fund | Capital Improvements Fund | Aggregate Non-Major Funds | Total Governmental Funds |
|-------------------------------------|---------------------|---|-------------------------|-------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| Other financing sources (uses):     |                     |   |                         |                   |                           |                           |                           |                          |
| Interfund transfers                 | \$ (125,277)        | \$  | \$                      | \$                | \$                        | \$ 98,505                 | \$ 26,772                 | \$ 188,134               |
| Proceeds from capital leases        | <u>188,134</u>      |   |                         |                   |                           |                           |                           |                          |
| Total other financing sources       | <u>62,857</u>       |   |                         |                   |                           | <u>98,505</u>             | <u>26,772</u>             | <u>188,134</u>           |
| Net change in fund balance          | 874,544             | (1,216)                                       | 428,043                 | 160,081           | 140,431                   | (4,375,717)               | (14,347)                  | (2,788,181)              |
| Fund balance, beginning of the year | <u>3,340,353</u>    | <u>1,216</u>                                  | <u>1,278,071</u>        | <u>161,191</u>    | <u>1,444,503</u>          | <u>17,245,038</u>         | <u>97,242</u>             | <u>23,567,614</u>        |
| Fund balance, end of the year       | <u>\$ 4,214,897</u> | <u>\$</u>                                     | <u>\$ 1,706,114</u>     | <u>\$ 321,272</u> | <u>\$ 1,584,934</u>       | <u>\$ 12,869,321</u>      | <u>\$ 82,895</u>          | <u>\$ 20,779,433</u>     |

The accompanying notes are an integral part of these financial statements.

**TOWN OF HORIZON CITY, TEXAS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

**Year Ended September 30, 2020**

Net change in fund balances – total governmental funds \$ (2,788,181)

Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the government-wide statements, the cost of those assets are depreciated over their estimated useful lives:

|                                   |                    |           |
|-----------------------------------|--------------------|-----------|
| Net book value of disposed assets | (66,155)           |           |
| Capital outlay                    | 5,218,727          |           |
| Depreciation expense              | <u>(2,102,932)</u> | 3,049,640 |

Because some property taxes will not be collected for several months after the Town’s fiscal year ends, they are not considered “available” revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.

|                                   |        |
|-----------------------------------|--------|
| Change in deferred property taxes | 19,542 |
|-----------------------------------|--------|

The proceeds from intergovernmental payables provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

|                |           |
|----------------|-----------|
| Capital leases | (188,134) |
|----------------|-----------|

Payment of principal on bonds and amortization of bond premiums is an expenditure in the governmental funds but the principal payment reduces long-term liabilities in the statement of net position and interest expense in the statement of activities is reduced by bond premium amortization. Amortization for the current year amounted to \$90,393.

765,393

Payment of principal on capital leases is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position.

93,369

Certain items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

|   |               |                 |
|---|---------------|-----------------|
| Change in pension liability   | 64,455        |                 |
| Change in other post-employment benefit liability                     | (14,295)      |                 |
| Change in accrued interest payable                                    | 9,073         |                 |
| Change in compensated absences payable                                | (37,991)      |                 |
| Change in deferred inflows related to pension                         | (71,248)      |                 |
| Change in deferred inflows related to other post-employment benefits  | (4,143)       |                 |
| Change in deferred outflows related to other post-employment benefits | 10,207        |                 |
| Change in deferred outflows related to pension                        | <u>15,654</u> | <u>(28,288)</u> |

|   |                   |
|---|-------------------|
| Change in net position of governmental activities | <u>\$ 923,341</u> |
|---|-------------------|

The accompanying notes are an integral part of these financial statements.

**TOWN OF HORIZON CITY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**

**September 30, 2020**

|  | <b><u>Agency<br/>Funds</u></b> |
|--|--------------------------------|
| <b><u>ASSETS</u></b>                     |                                |
| Investments, at fair value               | <u>\$257,172</u>               |
| Total assets                             | <u>257,172</u>                 |
| <b><u>LIABILITIES</u></b>                |                                |
| Deferred compensation payable            | <u>257,172</u>                 |
| Total liabilities                        | <u>257,172</u>                 |
| <b><u>NET POSITION HELD IN-TRUST</u></b> |                                |
| Net position held in-trust               | <u>\$ _____</u>                |

The accompanying notes are an integral  
part of these financial statements.

## TOWN OF HORIZON CITY, TEXAS

### NOTES TO FINANCIAL STATEMENTS

#### ORGANIZATION AND OPERATIONS

The Town of Horizon City, Texas, (“the Town”) operates under a Council-Mayor form of government. The Mayor and all council members are elected at large. The Town provides general administrative services, public safety, streets and roads maintenance, public service, municipal court, and community development. The Town’s Council (“the Council”) is responsible for legislative and fiscal control of the Town.

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Horizon City, Texas are discussed in subsequent sections of the notes to the financial statements. The remainder of the notes to the financial statements are organized to provide explanations including required disclosures of the Town’s financial activities for the fiscal year ended September 30, 2020.

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – As required by generally accepted accounting principles, these financial statements present the activities of the Town, its component units, and fiduciary activities. All activities of the Town are governmental in nature and are financed through taxes and other non-exchange transactions. Component units are legally separate organizations for which the Town is financially accountable or other organizations whose nature and significant relationship with the Town are such that exclusion would cause the Town’s financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and (i) either the Town’s ability to direct the Organization or (ii) the potential for the Organization to provide a financial benefit to or impose a financial burden on the Town. The Town’s fiduciary activities are accounted for in the Agency Fund.

Blended component units, although legally separate entities are, in substance, part of the Town’s operations. Accordingly, data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. Further, the Town is not aware of any entity which would consider itself to be a discrete component unit of the Town.

(Continued)

## TOWN OF HORIZON CITY, TEXAS

### NOTES TO FINANCIAL STATEMENTS

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Blended Component Units –**

*Town of Horizon City Type 4B Economic Development Corporation* – Established to promote economic development activities within the Town of Horizon City, Texas to eliminate unemployment, encourage public welfare and develop projects of public interest related to sports, culture, tourism, amusement and commerce. The Corporation was established in 2011 and receives 0.25% of sales taxes collected by the Town, as designated by Council Ordinance. The Corporation is reported as a blended component unit as its governing body is appointed by the Town's Council and the Council has authority to make final approval of the Corporation's budget. In addition, the Town acts as a fiscal agent and is responsible for monitoring the Corporation's finances. The Corporation's activities are reported in the Town's governmental activities as a special revenue fund. Separate financial statements are not prepared for the Corporation. The Corporation's fiscal year ends on September 30.

Government-Wide and Fund Financial Statements – The government-wide financial statements (the statement of net position and the statement of activities) report information on all activities of the Town. The statement of activities demonstrates the degree to which the direct expenses of a given function or program 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 program, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not included among program revenues are reported instead as general revenue.

The Town has six major governmental funds. Aggregate non-major governmental funds are reported as a separate column in the fund financial statements.

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, generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property tax revenues are recognized in the year for which they are levied.

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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued) – Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

Grants and entitlements and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the Town receives cash.

In addition to assets and liabilities, the government fund balance sheet and the government-wide statement of net position may report separate sections of deferred outflows of resources and deferred inflows of resources. Accounting policies regarding deferred outflows and inflows of resources are explained on Page 37.

Fund Accounting – The Town’s accounting system is operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts for recording its assets, liabilities, revenues, expenditures, and fund balances. The various funds are for the purpose of carrying on specific activities or to obtain certain objectives. The various funds are grouped by type in the financial statements.

The Town reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the Town. It is used to account for all financial resources of the general government, except those accounted for in another fund.

Special Revenue Fund - Street Maintenance – This Special Revenue Fund is used to account for the expenditures of sales taxes reserved for maintaining existing streets. The Fund receives 0.25% of sales tax revenue every year as determined by voter referendum.

Debt Service Fund – This fund accounts for the accumulation of financial resources for the payment of principal and interest on the Town’s general obligation debt.

Special Revenue Fund - Economic Development – This Special Revenue Fund is used to account for the expenditures of sales taxes reserved for fostering economic growth in the Town. The Fund receives 0.25% of sales tax revenue every year as determined by voter referendum. Expenditures for economic growth are determined by the Economic Development Corporation, a blended component unit of the Town, and approved by the Town Council.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Accounting (Continued) –

Capital Improvements Fund – This fund accounts for the capital expenditures of 2014 and 2019 Combination Tax and Revenue Certificates of Obligation proceeds designated for use in infrastructure and commercial development projects.

Special Revenue Fund - State and Local Grants – This Special Revenue Fund is used to account for the expenditures of state and local awards that have been restricted to be used in public safety and other emergency spending. Grant revenue is recognized when compliance with the various contract requirements is achieved.

Additionally, the Town reports the following non-major governmental funds:

Special Revenue Fund – Federal Grants – This Special Revenue Fund is used to account for the expenditures of federal awards that have been restricted to be used in public safety. Grant revenue is recognized when compliance with the various contract requirements is achieved.

Special Revenue Fund - Safe Routes to School – This Special Revenue Fund is used to account for the expenditures of federal grant awards that have been restricted for use in the development of safer school zones. Grant revenue is recognized when compliance with the various contract requirements is achieved.

Special Revenue Fund – Special Events – This Special Revenue Fund is used to account for donations committed for environment work and other special events.

Special Revenue Fund - Transportation Reinvestment Zone – This Special Revenue Fund is used to account for tax revenues generated from the incremental tax values on the Transportation Reinvestment Zone #2 created by Town Ordinance pursuant to Section 222.106 of the Texas Transportation Code (“Municipal TRZ Act”). TRZ #2 Revenues are restricted for the financing of the Eastlake Blvd. Expansion Project.

The Town reports the following fiduciary fund:

Agency Fund – The Agency Fund is used to account for the remaining balance on the Town’s 457(b) Deferred Compensation Plan (terminated December 31, 2017), which is custodial in nature and does not involve measurement of results of operations. A fiduciary statement of net position is presented. The Agency funds are accounted for on a spending or “economic resources” measurement focus.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Accounting (Continued) – Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict current guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fines and forfeitures, 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.

Revenues – Exchange and Non-Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within 60 days of fiscal year-end. Under the modified accrual basis, interest and charges for services are considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the Town receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expenses/Expenditures – On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Budgets and Budgetary Accounting – The Town is required by the Texas Constitution to adopt an annual balanced budget. The Town Council officially adopts the annual budget ordinance and all project ordinances and has the authority to amend such ordinances. All budgets are prepared on the budgetary basis of accounting as required by Texas law.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents and Investments – Funds on deposit were maintained in interest bearing accounts and secured at the balance sheet date by the Federal Deposit Insurance Corporation and U.S. Government Securities.

The Town maintains and controls one major cash pool and one investment pool. The balance and activity in the cash pool and investment pool is allocated to each individual fund of the Town. In addition, the Town holds non-pooled cash and investment accounts discretely presented in separate funds.

Statutes authorize the Town to invest in Certificates of Deposit, repurchase agreements, passbook, bankers' acceptances, and other available bank investments, provided that approved securities are pledged in an amount equal to the amount of funds on deposit.

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the Town, are considered to be cash equivalents. Investments with an original maturity of more than three months are reported as investments. Investments are recorded at fair value, which is based on quoted market prices.

Property Tax Calendar – The Town is responsible for the assessment, collection, and apportionment of property taxes. The Council levies property taxes on October 1. The certified tax roll from El Paso Central Appraisal District reflected an adjusted taxable value of \$915,136,137 for the year ended September 30, 2020. Taxes are due upon receipt of the tax bill and are delinquent if not paid by January 31 of the year following in which levied. On January 1 of each year, a tax lien attaches to property to secure the payment of tax revenues, penalties and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable in the current period. The Town's 2019-2020 tax rate was \$.59534, per \$100 of assessed valuation. The Town incurred expenditures of \$62,709 for the services provided by El Paso Central Appraisal District for the year ended September 30, 2020.

Grants and Contracts Receivable – Grants and contracts receivable are stated at net realizable value. In determining whether to record an allowance for doubtful accounts, management makes a judgmental determination based on an evaluation of the facts and circumstances related to each account. On September 30, 2020, management determined all outstanding grants and contracts receivable to be fully collectable. Accordingly, no allowance has been established.

Capital Assets – General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets (Continued) – All capital assets are recorded at cost (or estimated historical cost) if purchased or constructed and updated for additions and retirements during the year. Donated capital assets are recorded at estimated fair market value at the date of the donation. The Town maintains a capitalization threshold of \$2,500. The Town maintains infrastructure asset records consistent with all other capital assets. Infrastructure is capitalized upon completion of construction. Improvements are also capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Depreciation is determined using the straight-line method over the estimated useful lives of the capital assets.

Estimated useful lives, in years, for depreciable assets are as follows:

|                                |     |
|--------------------------------|-----|
| Buildings and improvements     | 40  |
| Machinery and equipment        | 7   |
| Office furniture and equipment | 5-7 |
| Infrastructure                 | 25  |

Compensated Absences – The Town’s regular employees are granted compensated absence pay in varying amounts based on length of service. Earned compensated absences may be carried over up to a specified number of hours. Compensated absences are reported as accrued liabilities in the government-wide financial statements. Governmental funds report only compensated absences payable to currently terminating employees which are included in wages and benefits payable.

Pension – For purposes of measuring the net pension liability and other post-employment benefits liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense and other post-employment benefit expenses, information about the fiduciary net position of the Texas Municipal Retirement System Insurance Plan (“TMRS”) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments related to benefit plans are reported at fair value.

Long-Term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond discounts and premiums are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond discounts or premiums. Bond issuance costs, except for prepaid bond insurance, are reported as expenses in the period incurred.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Long-Term Obligations (Continued) – In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issue costs. Bond and other long-term debt proceeds are reported as another financing source net of applicable premium or discount. Issue costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Deferred Outflows of Resources and Deferred Inflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time. For the year ended September 30, 2020, the Town recognized deferred outflows of resources and deferred inflows of resources on its government-wide financial statements that were related to pension and other post-employment benefit plans. The fund basis financial statements include deferred inflows of resources related to unavailable property tax revenues.

Fund Balance – Beginning with fiscal year 2011, the Town implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained. On September 30, 2020, nonspendable fund balance consisted of prepaid expenses in the amount of \$62,895.

Restricted fund balance – amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors). Restricted fund balance in the amount of \$426,139 at September 30, 2020 represents amounts mandated by the State of Texas, the detail of which can be found on Page 64.

Committed fund balance – amounts that can be spent only for specific purposes determined by a resolution of the Town Council, the Town’s highest level of decision-making authority. The committed fund balance of \$17,186,836 is composed of funds for street development and maintenance, economic development, and capital improvement, the detail of which can be found on Page 64.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Balance (Continued) –

Assigned fund balance – amounts the Town intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Amounts may be assigned by Town Council by resolution.

Unassigned fund balance – amounts that are available for any purpose; these amounts are reported in the Town’s General Fund and Debt Service Fund.

Net Position – Net position is displayed in three components:

- 1) Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted net position – consists of net position with constraints placed on their use either by a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt.”

Net Position/Fund Balance Flow Assumptions – The Town may elect to fund outlays for a particular purpose from both restricted and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements and restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted balances to have been depleted before unrestricted balances are applied.

Internal Balances – Amounts reported in the fund financial statements as interfund receivables, payables, and advances, if any, are eliminated in the government-wide governmental columns of the statement of net position.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Allowance for Doubtful Accounts – Accounts receivable are stated net of an allowance for doubtful accounts. Management periodically evaluates the collectability of its accounts receivable. The allowance for doubtful accounts amounted to \$769 at September 30, 2020.

**DEPOSITS AND INVESTMENTS**

*Cash and Cash Equivalents*

At September 30, 2020, the reported amount of the Town’s deposits was \$18,874,842 and the bank balance was \$18,880,523. These deposits are held in deposit accounts, money market funds, and intergovernmental investment pools. Cash held in the Capital Improvement Fund in the amount of \$13,370,844 has been committed through Town Ordinance to be used in infrastructure projects. Cash held in the Economic Development Fund in the amount of \$286,702 has been committed through Town Council Ordinance to be used in economic development projects. Cash held in the General Fund totaling \$590,792 has been reserved as a stabilization amount through Council Ordinance. There are other balances other than cash that have been committed through Council Ordinances.

Statutes require the classification of funds held by the Town into three categories:

Category 1 consists of “active” funds – those funds required to be kept in “cash” or “near cash” status for immediate use by the Town. Such funds must be maintained as cash, withdrawable on demand, including negotiable order of withdrawal (NOW) accounts. At September 30, 2020, all deposits held by the Town were classified as Category 1.

Category 2 consists of “inactive” funds – those funds not required for use within the current two-year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds – those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 1) Commercial paper;
- 2) Bankers’ acceptances;
- 3) Repurchase agreements;
- 4) Certificates of deposit; and
- 5) Obligation of, or Guaranteed by Governmental Agencies, such as letters of credit or direct obligations.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**DEPOSITS AND INVESTMENTS (Continued)**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned, or the Town will not be able to recover collateral securities in the possession of an outside party. The Town's investment policy requires that bank deposits, including certificates of deposits and repurchase agreements, be 100% secured by collateral valued at market less the amount covered by the Federal Deposit Insurance Corporation (FDIC). Collateral agreements must be approved prior to deposit of funds. The Council approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of an evaluation committee.

In addition, the Town requires that any deposits in intergovernmental investment pools be approved by resolution of the Town Council. Investment pools are also required to meet certain minimum ratings to be monitored on a monthly basis. Any investment pool that fails to meet the minimum required ratings shall be liquidated.

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. Bank deposits were insured by the FDIC up to \$250,000. Money market funds are insured by the SPIC up to \$500,000. The Town has an investment policy which requires collateralization for bank deposits, certificates of deposits, and repurchase agreements. Management evaluates the exposure to credit risk for deposits exceeding the amount insured by the FDIC and SPIC by comparing the amounts of cash on-hand to collateral funds. On September 30, 2020, pledged collateral funds securing the Town's deposits had a fair market value of \$6,885,870, which exceeded the combined bank balance of \$6,018,719.

The Town's investment policy does not require that deposits in money market funds or intergovernmental investment pools be collateralized. On September 30, 2020, cash equivalents held in money market funds totaling \$4,631,462 were insured by the SPIC up to \$500,749. In addition, the Town held \$8,230,342 in a single intergovernmental investment pool. Management does not believe the Town is exposed to any significant credit risk.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**DEPOSITS AND INVESTMENTS (Continued)**

*Intergovernmental Investment Pools* - LOGIC is a local government investment pool organized and existing as a business trust under the laws of the State of Texas with all participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the participants. The units in LOGIC have not been registered under the Securities Act of 1933, as amended, or any state securities law. Its general investment objective is safety of principal, liquidity in accordance with the operating requirements of the participants, and a competitive rate of return. The portfolio seeks to maintain a net asset value of \$1.00 per unit and is designed to be used for investment of funds which may be needed at any time. LOGIC's Board of Trustees has determined, in good faith, that it is in the best interests of the portfolio and the unitholders to maintain a stable net asset value of \$1.00 per unit, by virtue of utilization of the amortized cost method which generally approximates the market value of the assets and has been deemed to be a proxy for fair value. The portfolio will continue to use such method only so long as the Board believes that it fairly reflects the market-based net asset value per unit. Units of LOGIC are currently rated "AAAm" by Standard & Poor's. Further information is available at the LOGIC website [www.logic.org](http://www.logic.org).

***Investments***

The Town's investments are categorized to give an indication of the level of risk assumed by the Town at fiscal year-end. The categories are described as follows:

- Category A: Insured, registered, or securities held by the Town or its agent in the Town's name.
- Category B: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name.
- Category C: Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent, but not in the Town's name.

The investment of surplus funds is governed by a policy of the Town. Investments in collateral mortgage obligations are prohibited. The maximum allowable stated maturity of any authorized investment type cannot exceed two years to maturity.

Investments held in the Economic Development Fund in the amount of \$604,180 have been committed through Town Council Ordinance to be used in economic development projects. There are other balances other than investments that have been committed through Council Ordinances.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**DEPOSITS AND INVESTMENTS (Continued)**

Investments consist of the following at September 30, 2020:

|                           | <u>Category</u> | <u>Carrying<br/>Amount</u> | <u>Fair Value</u>  |
|---------------------------|-----------------|----------------------------|--------------------|
| General Fund              | A               | \$1,175,894                | \$1,175,894        |
| Street Maintenance Fund   | A               | 473,552                    | 473,552            |
| Debt Service Fund         | A               | 35,600                     | 35,600             |
| Economic Development Fund | A               | 604,180                    | 604,180            |
| Aggregate Non-Major Funds | A               | <u>49,717</u>              | <u>49,717</u>      |
| Total                     |                 | <u>\$2,338,943</u>         | <u>\$2,338,943</u> |

The Town's investments consisted of certificates of deposit with maturities in excess of three months. Investments are reported at fair value which approximates cost. All investments are maintained in two separate financial institutions in the name of the Town. All certificates of deposit are fully insured by the FDIC.

*Concentration of Credit Risk* - The Town shall not invest more than 50% of its total deposits and investments with a single issuer, except for intergovernmental investment pools. At September 30, 2020, the Town had the following investments in single issuers representing more than five percent of the total investments on-hand (excluding intergovernmental investment pools):

|          |                    |
|----------|--------------------|
| Issuer A | \$ 313,105         |
| Issuer B | 307,638            |
| Issuer C | 304,270            |
| Issuer D | 203,740            |
| Issuer E | 203,506            |
| Issuer F | 203,100            |
| Issuer G | 201,918            |
| Issuer H | 201,226            |
| Issuer I | 200,420            |
| Issuer J | <u>200,020</u>     |
| Total    | <u>\$2,338,943</u> |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**PROPERTY TAX AND OTHER RECEIVABLES**

Property tax and other receivables consist of the following at September 30, 2020:

|                               | <u>Gross</u>     | <u>Allowance for<br/>Uncollectible<br/>Accounts</u> | <u>Net</u>       |
|-------------------------------|------------------|---|------------------|
| Governmental activities:      |                  |   |                  |
| Property taxes, current       | \$619,945        | \$  | \$619,945        |
| Property taxes, delinquent    | <u>75,266</u>    | <u>      </u>                                       | <u>75,266</u>    |
| Property taxes, total         | 695,211          |   | 695,211          |
| Other                         | <u>6,144</u>     | <u>(769)</u>  | <u>5,375</u>     |
| Total governmental activities | <u>\$701,355</u> | <u>\$(769)</u>                                      | <u>\$700,586</u> |

**GRANTS RECEIVABLE**

Grants receivable arise from amounts due to the Town from granting agencies for allowable expenditures not reimbursed at year-end. Grants receivable consisted of the following at September 30, 2020:

|              |                 |
|--------------|-----------------|
| Stone Garden | \$10,775        |
| Border Star  | <u>28,904</u>   |
| Total        | <u>\$39,679</u> |

**FORGIVABLE NOTES RECEIVABLE**

Effective November 2018, Town of Horizon City Type 4B Economic Development Corporation (“EDC”), a blended component unit of the Town, entered into an incentive grant and loan agreement with a private corporation for the completion of an economic development project. The private entity is to receive three economic incentive payments of \$25,000 to be used for the purchase of equipment, renovation of facilities and payment of personnel connected exclusively to the economic development project. The entire amount of the advanced principal may be forgiven by the Town in the form of a grant, so long as the private entity meets the project milestones in accordance with the Town Council’s satisfaction. At September 30, 2020, the Town had advanced all three of the \$25,000 payments to the grantee and two of the incentive payments have been forgiven. The third payment may be forgiven as long as the entity continues to meet the Town’s expectations per the agreement. The agreement is secured by a note agreement with an interest rate of prime plus 1.75% per annum. On July 2020, the agreement was amended to extend the final maturity date from November 2020 to February 2021.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**FORGIVABLE NOTES RECEIVABLE (CONTINUED)**

Effective July 2020, the EDC entered into an incentive grant and loan agreement with a private corporation for the completion of an economic development project. The private entity is to receive three economic incentive payments of \$46,667 to be used for the purchase of equipment, renovation of facilities and payment of personnel connected exclusively to the economic development project. The entire amount of the advanced principal may be forgiven by the Town in the form of a grant, so long as the private entity meets the project milestones in accordance with the Town Council's satisfaction. Management expects to make first payment subsequent to year end. The agreement is secured by a note agreement with an interest rate of prime plus 1.75% per annum. The final maturity date of the note is July 2022.

**INTERFUND RECEIVABLES AND PAYABLES**

The composition of the Town's interfund balances as of September 30, 2020 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------|---------------|
| Debt Service           | General Fund        | \$46,041      |

**CAPITAL ASSETS**

Capital asset activity for the Town for the year ended September 30, 2020, was as follows:

|                                      | <u>September 30,</u><br><u>2019</u> | <u>Increases</u>            | <u>Decreases</u>            | <u>Transfers</u>   | <u>September 30,</u><br><u>2020</u> |
|--------------------------------------|-------------------------------------|-----------------------------|-----------------------------|--------------------|-------------------------------------|
| Non-depreciable assets:              |                                     |                             |                             |                    |                                     |
| Land                                 | \$ 745,140                          | \$                          | \$                          | \$ 131,387         | \$ 876,527                          |
| Construction in progress             | <u>3,518,763</u>                    | <u>4,720,353</u>            | <u>                    </u> | <u>(2,954,820)</u> | <u>5,284,296</u>                    |
| Total non-depreciable capital assets | <u>4,263,903</u>                    | <u>4,720,353</u>            | <u>                    </u> | <u>(2,823,433)</u> | <u>6,160,823</u>                    |
| Depreciable assets:                  |                                     |                             |                             |                    |                                     |
| Building and improvements            | 851,522                             |                             |                             |                    | 851,522                             |
| Equipment                            | 3,234,132                           | 479,822                     | (217,223)                   |                    | 3,496,731                           |
| Intangibles                          |                                     | 18,552                      |                             | 251,967            | 270,519                             |
| Infrastructure                       | <u>41,456,048</u>                   | <u>                    </u> | <u>(106,913)</u>            | <u>2,571,466</u>   | <u>43,920,601</u>                   |
| Total depreciable capital assets     | <u>45,541,702</u>                   | <u>498,374</u>              | <u>(324,136)</u>            | <u>2,823,433</u>   | <u>48,539,373</u>                   |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**CAPITAL ASSETS (Continued)**

|                                     | <b>September 30,</b><br><b><u>2019</u></b> | <b><u>Increases</u></b> | <b><u>Decreases</u></b> | <b><u>Transfers</u></b>           | <b>September 30,</b><br><b><u>2020</u></b> |
|-------------------------------------|--|-------------------------|-------------------------|-----------------------------------|--|
| Accumulated depreciation:           |  |                         |                         |                                   |  |
| Building and improvements           | \$ (372,485)                               | \$ (38,837)             | \$                      | \$                                | \$ (411,322)                               |
| Equipment                           | (2,168,716)                                | (378,074)               | 216,524                 |                                   | (2,330,266)                                |
| Intangibles                         |  | (4,102)                 |                         |                                   | (4,102)                                    |
| Infrastructure                      | <u>(3,244,664)</u>                         | <u>(1,681,919)</u>      | <u>41,457</u>           | <u>                    </u>       | <u>(4,885,126)</u>                         |
| <br>Total accumulated depreciation  | <br><u>(5,785,865)</u>                     | <br><u>(2,102,932)</u>  | <br><u>257,981</u>      | <br><u>                    </u>   | <br><u>(7,630,816)</u>                     |
| <br>Depreciable capital assets, net | <br><u>39,755,837</u>                      | <br><u>(1,604,558)</u>  | <br><u>(66,155)</u>     | <br><u>2,823,433</u>              | <br><u>40,908,557</u>                      |
| <br>Total capital assets, net       | <br><u>\$44,019,740</u>                    | <br><u>\$3,115,795</u>  | <br><u>\$ (66,155)</u>  | <br><u>\$                    </u> | <br><u>\$47,069,380</u>                    |

Depreciation expense was charged to functions/programs of the government for the year ended September 30, 2020 as follows:

|                                       |                        |
|---------------------------------------|------------------------|
| Community development                 | \$1,654,257            |
| Public safety – police                | 255,536                |
| General government                    | 65,068                 |
| Parks and recreation                  | 41,748                 |
| Storm water                           | 32,675                 |
| Building services                     | 19,867                 |
| Code enforcement                      | 15,485                 |
| Public services                       | 8,897                  |
| Municipal court                       | 4,764                  |
| Information technology service        | 2,535                  |
| Planning                              | <u>2,100</u>           |
| <br>Total provisions for depreciation | <br><u>\$2,102,932</u> |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended September 30, 2020:

|   | <b>Balance at<br/>September<br/>30, 2019</b> | <b>Additions</b> | <b>Reductions</b>    | <b>Balance at<br/>September<br/>30, 2020</b> | <b>Due Within<br/>One Year</b> |
|---|--|------------------|----------------------|--|--------------------------------|
| Compensated absences \$                 | 214,784                                      | \$271,703        | \$ (233,712)         | \$ 252,775                                   | \$ 26,573                      |
| Intergovernmental payable               | 3,792,480                                    |                  |                      | 3,792,480                                    |                                |
| Bonds payable, net                      | 27,429,662                                   |                  | (765,393)            | 26,664,269                                   | 840,000                        |
| Capital leases                          | 447,183                                      | 188,134          | (93,369)             | 541,948                                      | 125,950                        |
| Net pension liability                   | 1,557,313                                    |                  | (64,455)             | 1,492,858                                    |                                |
| Other post-employment benefit liability | <u>32,143</u>                                | <u>14,295</u>    | <u>          </u>    | <u>46,438</u>                                | <u>          </u>              |
|   | <u>\$33,473,565</u>                          | <u>\$474,132</u> | <u>\$(1,156,929)</u> | <u>\$32,790,768</u>                          | <u>\$992,523</u>               |

***Compensated absences***

The Town's leave policy allows employees to accumulate paid time off up to 80 hours per year with a maximum accumulation of 800 hours. Upon termination, any accumulated paid time off will be paid to the employee. As of September 30, 2020, employees had approximately 10,303 hours of accumulated paid-time-off.

|                                    |                  |
|------------------------------------|------------------|
| Total accrued compensated absences | <u>\$252,775</u> |
|------------------------------------|------------------|

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**LONG-TERM DEBT (Continued)**

***Intergovernmental payable - CRRMA construction liability***

The Town entered into an interlocal agreement with the County of El Paso (“the County”) and the Camino Real Regional Mobility Authority (“the Authority”), to provide funding for improvements to Eastlake Blvd. referred to as the “Eastlake Blvd. Phase 2 Roadway Improvement Project.” The Project is defined in the Town’s Ordinance No. 0219 and includes design and reconstruction of the existing roadway, with the possibility of adding new connections between other existing roadways, pedestrian improvements, and aesthetic improvements such as landscaping and public arts. The Town has committed to repay the Authority for 22.7% of the construction cost of the project. The construction of the Project was finished on April 4, 2018. The Town will make annual payments commencing on May 1, 2020 and on May 1<sup>st</sup> each year thereafter until the final payment date in 2036 when any remaining outstanding balance shall be due and payable. The parties agree that the applicable interest rate payable by the Town shall be 3.73% simple, per annum. Total revenues generated by the Town’s Transportation Reinvestment Zone #2 have been pledged to pay the entire outstanding balance.

\$3,792,480

Future minimum principal payments due on the intergovernmental payable are as follows:

| <b><u>Year Ending<br/>September 30,</u></b> | <b><u>Principal</u></b> | <b><u>Interest</u></b> | <b><u>Total Debt<br/>Service</u></b> |
|---|-------------------------|------------------------|--------------------------------------|
| 2021  | \$                      | \$ 60,097              | \$ 60,097                            |
| 2022  |                         | 92,622                 | 92,622                               |
| 2023  |                         | 128,440                | 128,440                              |
| 2024  |                         | 168,241                | 168,241                              |
| 2025  |                         | 212,359                | 212,359                              |
| 2026-2030                                   | 909,111                 | 839,625                | 1,748,736                            |
| 2031-2035                                   | 2,618,914               | 260,718                | 2,879,632                            |
| 2036  | <u>264,455</u>          | <u>          </u>      | <u>264,455</u>                       |
| Totals                                      | <u>\$3,792,480</u>      | <u>\$1,762,102</u>     | <u>\$5,554,582</u>                   |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**LONG-TERM DEBT (Continued)**

***Bonds Payable***

The Town issued \$750,000 of Public Improvement Revenue Bonds, Series 2005 to finance the cost of rehabilitation and improvements to infrastructure. Interest only payments are due at an interest rate of 3.95% from date of issuance through February 23, 2007. Varying principal and interest payments are due semi-annually beginning August 15, 2007 through August 2029. \$ 400,000

The Town issued \$14,675,000 of Combination Tax and Revenue Bonds, Series 2014 to finance the cost of rehabilitation and improvements to infrastructure. Interest only payments are due at 4% of face value from the date of issuance through February 2017. Interest rate varies from 3.25% to 4.0% over the term of the bonds. Varying principal and interest payments are due semi-annually beginning August 15, 2017 through August, 2038. The original bond issue included a \$532,500 offering premium to be amortized over the life of the bond. The effective yield rate is approximately 3.65%. 12,845,000

The Town issued \$11,830,000 of Combination Tax and Revenue Certificates of Obligation, Series 2019 to finance the cost of rehabilitation and improvements to infrastructure. Interest only payments are due at 3% of face value from the date of issuance through June 2019. Interest rate varies from 3% to 5% over the term of the bonds. Varying principal and interest payments are due semi-annually beginning August 15, 2020 through August, 2043. The original bond issue included a \$1,416,005 reoffering premium to be amortized over the life of the bond. The effective yield rate is approximately 3.18%. 11,675,000

Total bonds payable outstanding 24,920,000

Unamortized bond premium 1,744,269

Total bonds payable, net \$26,664,269

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**LONG-TERM DEBT (Continued)**

*Bonds Payable (Continued)*

Annual debt service for the outstanding bonds, as shown in Page 48, is as follows:

| <b><u>Year Ending<br/>September 30,</u></b> | <b><u>Principal</u></b> | <b><u>Interest</u></b> | <b><u>Total Debt<br/>Service</u></b> |
|---|-------------------------|------------------------|--------------------------------------|
| 2021  | \$ 840,000              | \$ 1,010,163           | \$ 1,850,163                         |
| 2022  | 885,000                 | 979,581                | 1,864,581                            |
| 2023  | 915,000                 | 947,401                | 1,862,401                            |
| 2024  | 950,000                 | 910,820                | 1,860,820                            |
| 2025  | 990,000                 | 872,831                | 1,862,831                            |
| 2026-2030                                   | 5,560,000               | 3,710,260              | 9,270,260                            |
| 2031-2035                                   | 6,585,000               | 2,461,350              | 9,046,350                            |
| 2036-2040                                   | 5,975,000               | 1,062,000              | 7,037,000                            |
| 2041-2043                                   | <u>2,220,000</u>        | <u>180,000</u>         | <u>2,400,000</u>                     |
| Totals                                      | <u>\$24,920,000</u>     | <u>\$12,134,406</u>    | <u>\$37,054,406</u>                  |

Totals of principal and interest components equal required minimum payments for periods shown, and total principal equals the net present value of these bonds and notes.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**LONG-TERM DEBT (Continued)**

***Bonds Payable (Continued)***

The portion of Series 2014 bond certificates having a stated maturity of August 15, 2036 and August 15, 2038 are subject to mandatory sinking fund redemption prior to maturity at face value plus any accrued interest at the redemption date on the respective dates and in principal amounts as follows:

4% Term Certificates due August 15, 2036, priced to yield 4.05%:

| <u>Redemption Date</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|
| August 15, 2035        | \$860,000               |
| August 15, 2036        | \$895,000               |

4% Term Certificates due August 15, 2038, priced to yield 4.09%:

| <u>Redemption Date</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|
| August 15, 2037        | \$935,000               |
| August 15, 2038        | \$970,000               |

The portion of Series 2019 bond certificates having a stated maturity of August 15, 2043 is subject to mandatory sinking fund redemption prior to maturity at face value plus any accrued interest at the redemption date on the respective dates and in principal amounts as follows:

| <u>Redemption Date</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|
| August 15, 2040        | \$685,000               |
| August 15, 2041        | \$710,000               |
| August 15, 2042        | \$740,000               |
| August 15, 2043        | \$770,000               |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**LONG-TERM DEBT (Continued)**

***Capital Lease Obligations***

The Town entered into a master lease agreement with Enterprise Fleet Management Trust for the use of vehicles needed for the public safety and code enforcement departments. Management estimates that up to 33 vehicles will be leased over a period of five years. During the year ended September 30, 2019, the Town had entered into 16 lease contracts with similar terms and conditions. The original leased principal for these 16 agreements is \$521,055. At September 30, 2020, the Town had entered into 6 additional lease contracts. The original leased principal for the additional 6 agreements is \$188,134. The agreements have varying monthly payments, which range from \$355 to \$842, and include implicit interest rates varying from to 6.40% to 12.96% per annum. The lease agreements maturity dates vary from September 2023 to February 2024 and are secured by vehicles.

|                                 |                  |
|---------------------------------|------------------|
| Total capital lease obligations | <u>\$541,948</u> |
|---------------------------------|------------------|

Annual debt service for the capital lease obligations is as follows:

| <b><u>Year Ending<br/>September 30,</u></b> | <b><u>Principal</u></b> | <b><u>Interest</u></b> | <b><u>Total Debt<br/>Service</u></b> |
|---|-------------------------|------------------------|--------------------------------------|
| 2021  | \$125,950               | \$42,747               | \$168,697                            |
| 2022  | 137,328                 | 31,344                 | 168,672                              |
| 2023  | 174,428                 | 18,906                 | 193,334                              |
| 2024  | <u>104,242</u>          | <u>2,972</u>           | <u>107,214</u>                       |
| Totals                                      | <u>\$541,948</u>        | <u>\$95,969</u>        | <u>\$637,917</u>                     |

Amortization expense for leased vehicles is included in total depreciation expense recognized for the year. At September 30, 2020, total lease vehicles had a carrying balance of \$546,910. Total amortization recognized in 2020 was \$158,147.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**EMPLOYEE PENSION PLAN**

Plan Description – The Town offers a retirement plan to eligible employees under TMRS. TMRS is an agency created by the State of Texas and administered in accordance with TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as a statewide agent multiple-employer public employee retirement system that administers 888 nontraditional, joint contributory, hybrid defined benefit plans covering all eligible employees of member cities in Texas. The Plan provides benefits to retirees based on a tenure schedule approved by the 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 pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. The most recent comprehensive annual financial report for TMRS can be found at the [www.thrs.com](http://www.thrs.com).

Benefits – TMRS provides retirement, disability, and death benefits. The retiree may elect spouse health coverage, as well as dental and life insurance offered through the Plan. Upon retirement, benefits depend on the sum of the employee's contributions, the city-financed monetary credits, and accrued interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. Prior service credit, granted by each city joining TMRS, is a monetary credit equal to the accumulated value of the percentage of prior service credit adopted times an employee's deposits that would have been made, based on the average salary prior to participation, for the number of months the employee has been employed, accruing 3% annual interest, and including the matching ratio adopted by the city. Monetary credits for service since each plan began (or current service credits) are a percent (100%, 150%, or 200%) of the employee's accumulated contributions.

In addition, each city can grant another type of monetary credit referred to as Updated Service Credit. This monetary credit is determined by hypothetically recomputing the member's account balance by assuming that the current member deposit rate of the currently employing city (3%, 5%, 6%, or 7%) has always been in effect. The computation also assumes that the member's salary has always been the member's average salary -using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical account balance is increased by 3% each year (not the actual interest credited to the member's account in previous years) and increased by the city match currently in effect (100%, 150%, or 200%). The resulting sum is then compared to the member's actual account balance increased by the actual city match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or Updated Service Credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**EMPLOYEE PENSION PLAN (Continued)**

Benefits (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 payment options: retiree life only; one of three survivor lifetime options; or one of three guaranteed term options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution (PLSD) in an amount equal to 12, 24, or 36 monthly payments under the retiree life only option, which cannot exceed 75% of the total member deposits and interest. A member city may elect to increase the annuities of its retirees, either annually or on an annually repeating basis, effective January 1 of a calendar year. Cities may adopt annuity increases at a rate equal to either 30%, 50%, or 70% of the increase (if any) in the Consumer Price Index – all Urban Consumers (CPI-U) between the December preceding the member’s retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. Members in most cities can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Some cities have elected retirement eligibility with 25 years of service regardless of age. Most plans also provide death benefits, and all provide disability benefits. Effective January 1, 2002, members are vested after 5 years, unless a city opted to maintain 10-year vesting. Members may work for more than one TMRS city during their career. If an individual has become vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

Contributions – The contribution rates for employees 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 each 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 of the Town were required to contribute 5% of their annual gross earnings during the fiscal year 2020. The contribution rates for the Town were 6.01% for the months in 2020 and 5.93% for the months in 2019. The Town’s contributions to TMRS for the year ended September 31, 2020 were \$202,931, and were equal to the required contributions. The Town elected to grant 100% prior service cost to all participating employees and has elected a matching percentage of 150%. In addition, the Town elected to participate in the Supplemental Death Benefits Fund of the System for each of the Town’s employees who are members of the system for the purpose of providing in-service death benefits and post-retirement death benefits.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**EMPLOYEE PENSION PLAN (Continued)**

Contributions (Continued) – At the December 31, 2019 valuation and measurement date, the following data was used by the Plan’s actuary to determine the Town’s contribution rate:

|   |             |
|---|-------------|
| Number of eligible employees:                                     | 80          |
| Inactive employees or beneficiaries currently receiving benefits: | 0           |
| Inactive employees entitled to but not yet receiving benefits:    | 7           |
| Active employees:   | 73          |
| Annual payroll:   | \$3,158,143 |
| Average age of contributing members:                              | 40.3        |
| Average length of service in years of contributing members:       | 6.0         |

Net Pension Liability – The "Net Pension Liability" (NPL) is the difference between the "Total Pension Liability" (TPL) and the Plan's Fiduciary Net Position" (FNP) at the December 31, 2019 valuation and measurement date. The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits related to projected salary and service, and automatic cost of living adjustments (“COLA’s”). In addition, ad hoc COLA’s are also included in the TPL to the extent they are substantively automatic. The FNP is determined on the same basis used by the pension plans.

| <b><u>Net Pension Liability/ (Asset)</u></b>                      | <b><u>December 31, 2019</u></b> |
|---|---------------------------------|
| Total pension liability   | \$2,191,823                     |
| Fiduciary net position  | <u>698,965</u>                  |
| Net pension liability/(asset)                                     | <u>\$1,492,858</u>              |
| Fiduciary net position as a percentage of total pension liability | 31.89%                          |
| Pensionable covered payroll                                       | \$3,158,143                     |
| Net pension liability as a percentage of covered payroll          | 47.27%                          |
| Discount rate   | 6.75%                           |
| Long-term expected rate of return, net of investment expense      | 6.75%                           |
| Municipal bond rate (1)   | 2.72%                           |

(1) The rate is based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2019.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**EMPLOYEE PENSION PLAN (Continued)**

Actuarial Assumptions - The Total Pension Liability (“TPL”) in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.50% per year   |
| Overall payroll growth    | 2.75% per year   |
| Investment rate of return | 6.75%, net of pension plan investment expense, including inflation |

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the Town, rates are multiplied by an additional factor of 100%. For disabled annuitants, the mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial value of assets is based on the market value of assets with a ten-year phase-in of actual investment return in excess of (less than) expected investment income. Offsetting unrecognized gains and losses are immediately recognized, with the shortest remaining bases recognized first and the net remaining bases continue to be recognized on their original timeframe. The actuarial value of assets is further adjusted by 33% of any difference between the initial value and a 12% corridor around the market value of assets, if necessary.

For “underfunded” cities, the amortization as of the valuation date is a level percentage of payroll over a closed period using the process of “laddering”. Bases that existed prior to this valuation continue to be amortized on their original schedule. For cities with twenty or more employees, new experience losses are amortized over individual periods of not more than 25 years. Beginning December 31, 2020, new loss bases for cities with fifteen or more employees will be amortized over individual periods of not more than 20 years. Once a City reaches an “overfunded” status, all prior bases are erased, and an amount of the surplus is credited against the contribution rate to keep the funded ratio constant year over year.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**EMPLOYEE PENSION PLAN (Continued)**

Actuarial Assumptions (Continued) - The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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.

Schedule of Changes in Net Pension Liability/(Asset) – The change in the reported net pension liability for the measurement period ended December 31, 2019 is as follows:

|   | <b><u>Total Pension<br/>Liability (a)</u></b> | <b><u>Increase<br/>(Decrease)<br/>Fiduciary Net<br/>Position (b)</u></b> | <b><u>Net Pension<br/>Liability/<br/>(Asset)<br/>(a)-(b)</u></b> |
|---|---|--|--|
| Balance as of December 31, 2018                         | \$1,871,871                                   | \$314,558  | \$1,557,313  |
| Changes for the year:                                   |   |  |  |
| Service cost  | 246,651                                       |  | 246,651  |
| Interest on total pension liability                     | 134,423                                       |  | 134,423  |
| Difference between expected<br>and actual experience    | (52,221)                                      |  | (52,221)   |
| Change in assumptions                                   | (1,415)                                       |  | (1,415)  |
| Benefit payments, including<br>refunds of contributions | (7,486)                                       | (7,486)  |  |
| Net investment income                                   |   | 49,203   | (49,203)   |
| Administrative expenses                                 |   | (275)  | 275  |
| Other   |   | (9)  | 9  |
| Employee contributions                                  |   | 157,907  | (157,907)  |
| Employer contributions                                  | <u>                    </u>                   | <u>185,067</u>   | <u>(185,067)</u>   |
| Balance as of December 31, 2019                         | <u>\$2,191,823</u>                            | <u>\$698,965</u>   | <u>\$1,492,858</u>   |

A schedule of Net Pension Liability, in addition to the information above, includes multi-year trend information and is presented in the Required Supplementary Information section and can be found on page 82 of this report.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**EMPLOYEE PENSION PLAN (Continued)**

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index).

The Plan’s adopted strategic asset allocation policy as of December 31, 2019 is as follows:

| <u>Asset Class</u>    | <u>Target Allocation</u> |
|-----------------------|--------------------------|
| Global equities       | 35%                      |
| Core fixed income     | 10%                      |
| Non-core fixed income | 20%                      |
| Real estate           | 10%                      |
| Real return           | 10%                      |
| Absolute return       | 10%                      |
| Private equity        | 5%                       |
| Cash equivalents      | 0%                       |

Discount Rate – The discount rate used by TMRS actuaries to determine the Plan’s Total Pension Liability as of December 31, 2019 was 6.75%. This single discount rate was based on the expected rate of return on pension plan investments of 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 the statute. Based on that assumption, the Plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**EMPLOYEE PENSION PLAN (Continued)**

Sensitivity Analysis – The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate as of December 31, 2019:

|                       | <b>1% Decrease in<br/>Discount Rate<br/><u>(5.75%)</u></b> | <b>Current<br/>Discount Rate<br/><u>(6.75%)</u></b> | <b>1% Increase in<br/>Discount Rate<br/><u>(7.75%)</u></b> |
|-----------------------|--|---|--|
| Net Pension Liability | <u>\$1,926,155</u>   | <u>\$1,492,858</u>                                  | <u>\$1,145,411</u>   |

Net Pension Expense - Pension expense for the year ended September 31, 2020, is recognized by the Town as follows:

| <b><u>Pension Expense/ (Income)</u></b>                                  | <b><u>January 1, 2019 to<br/>December 31, 2019</u></b> |
|--|--|
| Service cost   | \$246,651  |
| Interest on total pension liability                                      | 134,423  |
| Employee contributions   | (157,907)  |
| Projected earnings on plan investments                                   | (21,234)   |
| Administrative expense   | 275  |
| Other changes in fiduciary net position                                  | 9  |
| Recognition of current year outflow<br>(inflow) of resources-liabilities | (4,764)  |
| Recognition of current year outflow<br>(inflow) of resources-assets      | <u>(5,594)</u>   |
| Net pension expense  | <u>\$191,859</u>                                       |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**EMPLOYEE PENSION PLAN (Continued)**

Net Pension Expense (Continued) – As of September 30, 2020, the deferred outflows and inflows of resources related to the pension are as follows:

|   | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|---|--|---|
| Contributions made subsequent to measurement date         | \$150,871  | \$  |
| Changes in pension assumptions                            |  | 1,289   |
| Difference between actual and expected pension experience |  | 47,583  |
| Difference between expected and actual earnings           | _____  | <u>22,376</u>                                       |
| Total   | <u>\$150,871</u>                                     | <u>\$71,248</u>                                     |

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

**Year Ending December 31,**

|            |                  |
|------------|------------------|
| 2020       | \$140,513        |
| 2021       | (10,358)         |
| 2022       | (10,358)         |
| 2023       | (10,358)         |
| 2024       | (4,764)          |
| Thereafter | <u>(25,052)</u>  |
| Total      | <u>\$ 79,623</u> |

At September 30, 2020, the Town had outstanding contributions due to the Plan in the amount of \$32,309.

**POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Plan Description – The Town offers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF), which is administered by the Texas Municipal Retirement System (TRMS). The SDBF is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Benefits – The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary. The death benefit for retirees is considered an other post-employment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

|   |           |
|---|-----------|
| Inactive employees or beneficiaries currently receiving benefits: | 0         |
| Inactive employees entitled to but not yet receiving benefits:    | 0         |
| Active employees:   | <u>73</u> |
| Total   | <u>73</u> |

Contributions – The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees’ entire careers.

Total OPEB Liability – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Methods and Assumptions

|  |  |
|--|--|
| Actuarial Cost Method                    | Individual Entry Age Normal  |
| Inflation                                | 2.50%  |
| Salary increases                         | 3.50% to 11.50%, including inflation   |
| Discount rate (1)                        | 2.75%  |
| Retirees’ share of benefit-related costs | \$0  |
| Administrative expenses                  | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68. |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Total OPEB Liability (Continued)

|                                    |  |
|------------------------------------|--|
| Mortality rate – service retirees  | 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.   |
| Mortality rate – disabled retirees | 2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |

(1) The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2019.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

Schedule of Changes in Total OPEB Liability – The change in the reported OPEB liability for the measurement period ended December 31, 2019 is as follows:

|   | <b>Total OPEB<br/>Liability</b> |
|---|---------------------------------|
| Balance as of December 31, 2018                       | \$32,143                        |
| Changes for the year:                                 |                                 |
| Service cost  | 6,632                           |
| Interest on total OPEB liability                      | 1,316                           |
| Differences between expected<br>and actual experience | (4,826)                         |
| Changes in assumption<br>or other inputs              | <u>11,173</u>                   |
| Balance as of December 31, 2019                       | <u>\$46,438</u>                 |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Sensitivity Analysis – The following presents the Total OPEB liability of the Town, calculated using the discount rate of 2.75%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.75%) or one percentage point higher (3.75%) than the current rate as of December 31, 2019:

|                      | <b>1% Decrease in<br/>Discount Rate<br/><u>(1.75%)</u></b> | <b>Current<br/>Discount Rate<br/><u>(2.75%)</u></b> | <b>1% Increase in<br/>Discount Rate<br/><u>(3.75%)</u></b> |
|----------------------|--|---|--|
| Total OPEB liability | <u>\$58,284</u>  | <u>\$46,438</u>                                     | <u>\$37,183</u>  |

OPEB Expense – OPEB expense for the year ended September 31, 2020, is recognized by the Town as follows:

| <b><u>OPEB Expense/ (Income)</u></b>                      | <b><u>January 1, 2019 to<br/>December 31, 2019</u></b> |
|---|--|
| Service cost  | \$6,632  |
| Interest on total OPEB liability                          | 1,316  |
| Recognition of deferred outflows/inflows<br>of resources: |  |
| Difference between expected and<br>actual experience      | (417)  |
| Changes in assumptions                                    | <u>700</u>   |
| Total OPEB expense  | <u>\$8,231</u>   |

As of September 30, 2020, the deferred outflows and inflows of resources related to OPEB are as follows:

|  | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|--|--|---|
| Changes in pension assumptions                               | \$10,207   | \$2,541   |
| Difference between actual and<br>expected pension experience | <u>      </u>  | <u>4,409</u>  |
| Total  | <u>\$10,207</u>                                      | <u>\$6,950</u>                                      |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

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

**Year Ending December 31,**

|            |                |
|------------|----------------|
| 2020       | \$ 283         |
| 2021       | 283            |
| 2022       | 283            |
| 2023       | 283            |
| 2024       | 283            |
| Thereafter | <u>1,842</u>   |
|            | <u>\$3,257</u> |

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

The Town recognizes certain deferred outflows of resources and deferred inflows of resources that are related to its participation in employee pension plans. At September 30, 2020, deferred outflows of resources with a balance of \$161,078 represented contributions to the employee benefit plan that were made subsequent to the latest Plan measurement date and changes in pension assumptions to the Town's other post-employment benefit plan. Deferred inflows of resources with a balance of \$78,198 represent changes in assumptions, differences between actual and expected pension experience, and differences between expected and actual earnings to the Town's pension plan and other post-employment benefit plan.

Unavailable revenues in the amount of \$126,109 at September 30, 2020, represent property tax revenue received more than 60 days following year-end (unavailable to pay liabilities of the current period). Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unavailable revenue received after 60 days is fully recognized as revenue on the government-wide statements. Unavailable revenue at the government-wide level arises only when the Town receives resources before it has a legal claim to them.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**DEFERRED COMPENSATION PLAN**

As a result of the enrollment in the TMRS, the Town terminated its previous 457B plan as of December 31, 2017. The remaining balance held in trust for the terminated plan was \$257,172 at September 30, 2020. The entire remaining balance is expected to be distributed to participants within one year.

**RESTRICTED NET POSITION AND RESTRICTED FUND BALANCE**

Restricted net position and restricted fund balance consist of those funds that are restricted for use as mandated by the State of Texas, and include the following:

|                  |                  |
|------------------|------------------|
| Technology Fund  | \$122,113        |
| Security Fund    | 118,867          |
| PEG Capital Fund | 101,586          |
| Children's Fund  | 70,294           |
| Time Payments    | 9,596            |
| Truancy          | 2,913            |
| STDS             | 714              |
| Jury Fund        | <u>56</u>        |
| Total            | <u>\$426,139</u> |

**COMMITTED FUND BALANCE**

Committed fund balance consists of those funds that can be spent only for specific purposes as determined by the Town Council, and includes the following:

|                                     |                     |
|-------------------------------------|---------------------|
| Capital Improvements Plan Fund      | \$12,869,321        |
| Economic Development                | 1,584,934           |
| Street Construction and Maintenance | 1,706,114           |
| Stabilization by City Charter       | 590,792             |
| Other Capital Improvements          | 368,666             |
| Transportation Reinvestment Zone #2 | <u>67,009</u>       |
| Total                               | <u>\$17,186,836</u> |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**INTERFUND TRANSFERS**

The Town’s interfund transfers were made to provide construction funds for infrastructure projects, provide funds for the “Keep Horizon Beautiful” fund, and provide matching funds for the Safe Routes to School grant. Transfers were as follows for the year ended September 30, 2020:

| <u>From</u>                  | <u>To</u>  | <u>Amount</u>    |
|------------------------------|--|------------------|
| General Fund                 | Capital Improvements Fund                        | \$100,000        |
| General Fund                 | Special Revenue Fund –<br>Federal Grants         | 277              |
| General Fund                 | Special Revenue Fund – Keep<br>Horizon Beautiful | 25,000           |
| Capital Improvements<br>Fund | Special Revenue Fund –<br>Safe Routes to Schools | <u>1,495</u>     |
|                              |  | <u>\$126,772</u> |

**RISK POOL**

The Town is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; and natural disaster. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amounts of loss can be reasonably estimated. The Town is a participant in an intergovernmental risk pool for its workers’ compensation, liability, and property insurance. Participants in this pool are required to pay “premiums” on the insurance selected. Should a loss occur, the Town is liable only for the deductible. The risk pool purchases reinsurance to cover future losses. At September 30, 2020, no claims were dismissed with Texas Municipal League – Intergovernmental Risk Pool.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**RISK POOL (Continued)**

Coverages provided are as follows:

|   |             |
|---|-------------|
| Errors and omissions liability (per occurrence) | \$1,000,000 |
| Law enforcement liability (per occurrence)      | \$1,000,000 |
| Automobile liability (each accident)            | \$1,000,000 |
| General liability (per occurrence)              | \$1,000,000 |
| Real and personal property liability            | \$8,078,545 |
| Information security and privacy liability      | \$2,000,000 |
| Flood and earthquake liability                  | \$1,500,000 |
| Boiler and machinery liability                  | \$100,000   |
| Mobile equipment liability                      | \$81,255    |
| Public employee dishonesty liability            | \$100,000   |
| Forgery or alteration                           | \$100,000   |

Workers' compensation coverage is maintained by paying premiums to the Texas Municipal League Intergovernmental Risk Pool.

**COMMITMENTS AND CONTINGENCIES**

**Texas Department of Transportation**

The Town entered into two Local Transportation Project Advance Funding Agreements with TXDOT to provide access to federal funds for the construction of two Safe Routes to Schools infrastructure projects on Eastlake Blvd., as well as Col. John O. Ensor Middle and Carroll T. Welch Elementary Schools. The Safe Route to Schools Projects for Col. John O. Ensor Middle and Carroll T. Welch Elementary Schools were completed in the year ended September 30, 2017. The Town began the construction phase for the project on Eastlake Blvd. in October 2017. During the year ended September 30, 2020, the Town incurred \$7,476 for construction costs related to Eastlake Blvd. The Town received federal assistance for this project totaling \$5,981. The project on Eastlake Blvd. was completed prior to September 30, 2020.

**City of El Paso**

The Town entered into an interlocal agreement with the City of El Paso in which the Town will receive animal shelter service from the City. The period of the contract began on September 1, 2016 for a year and the contract automatically renews every year. Beginning September 1, 2017 animal shelter services are based on a fee per unit of service. The Town incurred costs of \$27,372 in animal shelter services provided by the City in fiscal year ended 2020.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**COMMITMENTS AND CONTINGENCIES (Continued)**

**City of El Paso (Continued)**

The Town entered into an interlocal agreement with the City of El Paso in which the Town will receive environmental services from the City, including but not limited to vector control and air control. The period of the contract began on September 1, 2019 and ended on August 31, 2020. Total compensation for the services provided by the City was \$32,252 for the year ended September 30, 2020. The contract was renewed for another one-year period through August 31, 2021 and is in the amount of \$9,236.

The Town entered into an interlocal agreement with the City of El Paso in which the Town will receive public health services from the City, including but not limited to providing food handling permits, disease control and immunization services. The period of the contract began on September 1, 2019 and ended on August 31, 2020. Total compensation for the services provided by the City was \$144,681 for the year ended September 30, 2020. The contract was renewed for another one-year period through August 31, 2021 in the amount of \$167,751.

**County of El Paso**

The Town entered into an interlocal agreement with the County of El Paso in which the Town received animal control services by and through the El Paso County Sheriff's Office. The period of the contract began on October 1, 2018 and ends on September 30, 2021. The Town incurred costs of \$49,392 under this contract for the year ended September 30, 2020.

**Horizon Regional Municipal Utility District**

The Town entered into an interlocal agreement with the Horizon Regional Municipal Utility District ("District") in which the Town granted title to certain vacant land to the District, in consideration for an easement on the same property, to be used for the Darrington Drainage Project. In addition to the land-easement swap, the Town will collaborate with the District on the District Backfill Project, by transporting fill dirt removed from the drainage land during the Darrington Drainage project, as backfill, to a separate site designated by the District. Upon completion of the project, the Town will remain responsible for the maintenance of any irrigation infrastructure established on the drainage land by the District. The easement period is indefinite unless amended by a further agreement. The Town policy is to establish the carrying balance of the easement (a non-depreciable capital asset) at the original purchase price of the land transferred to the District and was originally classified as a component of construction in progress. The project was completed prior to September 30, 2020 and the carrying value of the easement was classified from construction in progress to land as a non-depreciable asset through the duration of the agreement.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**COMMITMENTS AND CONTINGENCIES (Continued)**

**Other Commitments**

The Town entered into an interlocal agreement with the El Paso Emergency Services District #1 (“ESD#1”) in which the Town’s public safety department will provide dispatching services to ESD#1, including but not limited to providing staff 24 hours a day, 7 days a week, to answer emergency services and dispatch responses for ESD#1 personnel. The original period of the contract began October 1, 2014 and ended September 30, 2015. The contract will be renewed every year unless both parties agree to terminate the agreement. Total compensation for the services provided by the Town during the year ended September 30, 2020 was \$109,620. The agreement requires the annual contract amount be revisited every year and approved by both parties. The contract amount for fiscal year 2020-2021 is \$113,894.

The Town entered into an interlocal agreement with the El Paso Emergency Services District #2 (“ESD#2”) in which the Town’s public safety department will provide dispatching services to ESD#2, including but not limited to providing staff 24 hours a day, 7 days a week, to answer emergency services and dispatch responses for ESD#2 personnel. The original period of the contract began on March 1, 2015 and ended on September 30, 2015. The contract will be renewed every year unless both parties agree to terminate the agreement. Total compensation for the services provided by the Town during the year ended September 30, 2020 was \$341,040. The agreement requires the annual contract amount be revisited every year and approved by both parties. The contract amount for fiscal year 2020-2021 is \$354,338.

The Town entered into an agreement with Elite Medical Transport of Texas, LLC in which the Town received emergency ambulance services. The period of the contract began in March 2020 and ends in February 2021. At the Town’s discretion, the agreement may be renewed one additional year. The Town incurred costs of \$61,810 under this contract for the year ended September 30, 2020.

In connection with its Capital Improvements Plan, the Town has contracts with general contractors and professional engineering providers for the design, construction and supervision of various infrastructure projects. The Town expects the contracts to be completed or renewed within a one-year term.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**COMMITMENTS AND CONTINGENCIES (Continued)**

**Litigation**

The Town is party to various legal proceedings, which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Town and, therefore, no liability has been accrued at September 30, 2020.

**Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”)**

In July 2020, the Town entered an interlocal subrecipient grant agreement with the County of El Paso where the Town was awarded funds appropriated under the CARES Act. The purpose of this grant is to provide funds to mitigate the financial burden caused by the COVID-19 pandemic by allowing the Town to incur expenses for governmental functions and services which qualify under the CARES Act as compensable expenses by the United States Department of the Treasury. The agreement stipulates that a minimum of 75% of its allotment will be spent in the categories of medical expenses, public health expenses and payroll expenses for employees substantially dedicated to mitigating or responding to public emergency. The total allotment to the Town amounted to \$1,080,310. Of this amount, \$216,062 was distributed in July 2020 and the remaining \$864,248 is to be disbursed on a reimbursable basis. The original term of the agreement was December 1, 2020. As of September 30, 2020, the Town expended \$169,592 of CARES funds.

In October 2020, the County of El Paso amended the interlocal subrecipient grant to remove the requirement that 75% of grant funds be spent in the categories of medical expenses, public health expenses and payroll expenses and to extend the term of the agreement from December 1, 2020 through December 30, 2020. In addition, in November 2020, the El Paso County amended the agreement to allow the Town to subcontract with vendors, organizations, non-profits and businesses on COVID-19 related matters. In January 2021, the County extended the term of the agreement to December 31, 2021.

**RELATED PARTY**

Town of Horizon City Type 4B Economic Development Corporation (“the Corporation”) was established in 2011 and receives 0.25% of sales taxes collected by the Town, as designated by Council Ordinance. The Corporation is reported as a blended component unit as its governing body is appointed by the Town’s Council and the Council has authority to make final approval of the Corporation’s budget. In addition, the Town acts as a fiscal agent and is responsible for monitoring the Corporation’s finances. The Corporation’s activities are reported in the Town’s governmental activities as a special revenue fund.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**FEDERAL AND STATE GRANTS**

In the normal course of operations, the Town receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

**LEASE AGREEMENTS**

In June 2020, the Town extended its lease agreement for the court and police department building through June 30, 2023. Future minimum lease payments are as follows:

**Year Ending September 30,**

|      |                  |
|------|------------------|
| 2021 | \$ 60,000        |
| 2022 | 61,500           |
| 2023 | <u>49,500</u>    |
|      | <u>\$171,000</u> |

Total rental expense under this agreement was \$56,703 for the year ended September 30, 2020.

In February 2019, the Town entered into a lease agreement for the use of headquarters space for the Economic Town of Horizon City Type 4B Economic Development Corporation. The lease agreement has a term of twenty-five months and may be renewed for an additional twenty-five month period. The agreement requires monthly base rent payments of \$2,800 with an additional \$700 monthly amount to cover maintenance and insurance of the leased premises. Minimum future lease payments are as follows at September 30, 2020:

**Year Ending September 30,**

|      |                 |
|------|-----------------|
| 2021 | <u>\$21,000</u> |
|------|-----------------|

Total rental expense under this agreement was \$42,000 for the year ended September 30, 2020.

(Continued)

## TOWN OF HORIZON CITY, TEXAS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### NEW ACCOUNTING PRONOUNCEMENTS

In January 2017, GASB Statement No. 84, “*Fiduciary Activities*,” was issued. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Town is evaluating how this pronouncement will affect the financial statements.

In June 2017, GASB Statement No. 87, “*Leases*,” was issued. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The Town is evaluating how this pronouncement will affect the financial statements.

In April 2018, GASB Statement No. 88, “*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*,” was issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. The primary objective to this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Town is evaluating how this pronouncement will affect the financial statements.

In June 2018, GASB Statement No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period*,” was issued. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The Town is evaluating how this pronouncement will affect the financial statements.

(Continued)

## TOWN OF HORIZON CITY, TEXAS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### **NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

In August 2018, GASB Statement No. 90, “*Majority Equity Interest – An Amendment of GASB No. 14 and No. 61,*” was issued. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. The Town is evaluating how this pronouncement will affect the financial statements.

In May 2019, GASB Statement No. 91, “*Conduit Debt Obligations,*” was issued. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Town is evaluating how this pronouncement will affect the financial statements.

In May 2020, GASB Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance,*” was issued. This Statement is intended to provide temporary relief to governments and other stakeholders considering the COVID-19 pandemic. This Statement amended the effective date of Statement No. 84, “*Fiduciary Activities,*” Statement No. 88, “*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements,*” No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period,*” No. 90, “*Majority Equity Interest – An Amendment of GASB No. 14 and No. 61,*” and Statement No. 91, “*Conduit Debt Obligations,*” to be postponed by one year and Statement No. 87, “*Leases,*” to be postponed by 18 months.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**SUBSEQUENT EVENTS**

As allowed under the agreement with the County of El Paso, the Town entered into the following subcontractor CARES funds agreements:

In October 2020, the Town entered into an agreement with the University of Texas at El Paso (“UTEP”) to conduct a study on the economic effect of COVID-19 on the community of the Town. The amount of the agreement is \$25,000 and the original termination date is December 2020.

In December 2020, the Town entered into an agreement with El Paso County Emergency Services District #1 to assist the subcontractor with necessary expenditures incurred to provide emergency fire response and any other necessary expenditures incurred due to the COVID-19 pandemic. The amount of the agreement is \$134,654 and the original termination date is December 2020.

In December 2020, the Town entered into an agreement with El Pasoans Fighting Hunger to assist the subcontractor with necessary expenditures incurred to provide and distribute immediate food assistance in response to the COVID-19 pandemic any other necessary expenditures incurred due to the pandemic. The amount of the agreement amounted is \$26,250 and the date of the agreement is December 2020.

The terms of the three subcontractor agreements have been extended to reflect the amended term of the subrecipient grant agreement with the County of El Paso.

In March 2021, the Town extended its lease agreement for the use of headquarters space for the Economic Town of Horizon City Type 4B Economic Development Corporation. The period of the extension is from April 1, 2021 through March 31, 2023 and requires monthly base rent payments of \$3,000.

Subsequent events were evaluated through April 13, 2021, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF HORIZON CITY, TEXAS**

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

**Year Ended September 30, 2020**

|                               | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|-------------------------------|----------------------------|-------------------------|---------------|---|
| <b>Revenues/inflows:</b>      |                            |                         |               |   |
| Property taxes                | \$3,442,612                | \$3,442,612             | \$ 3,737,739  | \$ 295,127                                      |
| Sales taxes                   | 1,602,541                  | 1,602,541               | 1,902,051     | 299,510   |
| Licenses, permits and fees    | 795,890                    | 795,890                 | 776,568       | (19,322)  |
| Franchise taxes               | 538,001                    | 538,001                 | 477,785       | (60,216)  |
| Charges for services          | 450,660                    | 450,660                 | 450,660       |   |
| Fines and forfeitures         | 247,323                    | 247,323                 | 191,323       | (56,000)  |
| Interest income               | 77,214                     | 77,214                  | 76,433        | (781)   |
| Proceeds from sale of assets  |                            |                         | 41,121        | 41,121  |
| Contributions                 | 5,500                      | 5,500                   | 5             | (5,495)   |
| Other income                  | 25,103                     | 25,103                  | 16,068        | (9,035)   |
| Total revenues                | 7,184,844                  | 7,184,844               | 7,669,753     | 484,909   |
| <b>Expenditures/outflows:</b> |                            |                         |               |   |
| Public safety - police        | 2,114,755                  | 1,980,286               | 1,898,290     | 81,996  |
| Public safety - dispatch      | 848,270                    | 848,270                 | 837,023       | 11,247  |
| General government            | 599,671                    | 604,714                 | 555,329       | 49,385  |
| Capital outlay                | 254,093                    | 278,131                 | 501,355       | (223,224)                                       |
| Community development         | 449,729                    | 439,061                 | 431,850       | 7,211   |
| Finance                       | 377,389                    | 402,389                 | 403,695       | (1,306)   |
| Parks and recreation          | 514,759                    | 500,110                 | 396,428       | 103,682   |
| Public services               | 446,552                    | 358,552                 | 326,009       | 32,543  |
| Building services             | 343,560                    | 330,637                 | 302,939       | 27,698  |
| Information technology        | 293,133                    | 293,133                 | 275,732       | 17,401  |
| Planning                      | 299,459                    | 387,459                 | 262,642       | 124,817   |
| Municipal court               | 271,537                    | 279,494                 | 254,535       | 24,959  |
| Code enforcement              | 242,998                    | 233,701                 | 179,814       | 53,887  |
| Debt service                  |                            | 157,968                 | 149,732       | 8,236   |
| Storm water                   | 53,100                     | 53,100                  | 43,586        | 9,514   |
| Executive                     | 50,839                     | 50,839                  | 39,107        | 11,732  |
| Total expenditures            | 7,159,844                  | 7,197,844               | 6,858,066     | 339,778   |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
(CONTINUED)**

**Year Ended September 30, 2020**

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|---|----------------------------|-------------------------|---------------------|---|
| Excess of revenues (expenditures)<br>over expenditures (revenues)                     | \$ 25,000                  | \$ (13,000)             | \$ 811,687          | \$ 824,687                                      |
| Other financing uses:   |                            |                         |                     |   |
| Transfers out   | (25,000)                   | (187,000)               | (125,277)           | 61,723  |
| Total other financing uses  | (25,000)                   | (187,000)               | (125,277)           | 61,723  |
| Excess of revenue (expenditures)<br>over expenditures (revenues) -<br>budgetary basis |                            | (200,000)               | 686,410             | 886,410   |
| Reconciliation of budgetary basis<br>to GAAP basis:                                   |                            |                         |                     |   |
| Proceeds from capital leases  | _____                      | _____                   | 188,134             | 188,134   |
| GAAP basis excess (deficit)   |                            | (200,000)               | 874,544             | 1,074,544                                       |
| Fund balance, beginning<br>of year  | 3,340,353                  | 3,340,353               | 3,340,353           | _____   |
| Fund balance, end of year   | <u>\$3,340,353</u>         | <u>\$3,140,353</u>      | <u>\$ 4,214,897</u> | <u>\$ 1,074,544</u>                             |

See notes to required supplementary information.

**TOWN OF HORIZON CITY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - STREET MAINTENANCE FUND**

**Year Ended September 30, 2020**

|   | <b>Original<br/>Budget</b>  | <b>Final<br/>Budget</b>     | <b>Actual</b>      | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|---|-----------------------------|-----------------------------|--------------------|---|
| Revenues/inflows:                       |                             |                             |                    |   |
| Prior year fund surplus                 | \$ 604,738                  | \$ 604,738                  | \$                 | \$(604,738)                                     |
| Sales taxes                             | 393,262                     | 393,262                     | 468,775            | 75,513  |
| Interest income                         | <u>                    </u> | <u>                    </u> | <u>11,364</u>      | <u>11,364</u>                                   |
| Total revenues                          | <u>998,000</u>              | <u>998,000</u>              | <u>480,139</u>     | <u>(517,861)</u>                                |
| Expenditures/outflows:                  |                             |                             |                    |   |
| Community development                   | 120,000                     | 120,000                     | 38,086             | 81,914  |
| Capital outlay                          | <u>878,000</u>              | <u>878,000</u>              | <u>14,010</u>      | <u>863,990</u>                                  |
| Total expenditures                      | <u>998,000</u>              | <u>998,000</u>              | <u>52,096</u>      | <u>945,904</u>                                  |
| Excess of revenues over<br>expenditures |                             |                             | 428,043            | 428,043   |
| Fund balance, beginning of the year     | <u>1,278,071</u>            | <u>1,278,071</u>            | <u>1,278,071</u>   | <u>                    </u>                     |
| Fund balance, end of the year           | <u>\$1,278,071</u>          | <u>\$1,278,071</u>          | <u>\$1,706,114</u> | <u>\$ 428,043</u>                               |

See notes to required supplementary information.

**TOWN OF HORIZON CITY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT FUND**

**Year Ended September 30, 2020**

|   | <b>Original<br/>Budget</b>  | <b>Final<br/>Budget</b>     | <b>Actual</b>               | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|---|-----------------------------|-----------------------------|-----------------------------|---|
| Revenues/inflows:                       |                             |                             |                             |   |
| Sales taxes                             | \$ 393,262                  | \$ 393,262                  | \$ 468,775                  | \$ 75,513                                       |
| Interest income                         | <u>                    </u> | <u>                    </u> | <u>16,825</u>               | <u>16,825</u>                                   |
| Total revenues                          | <u>393,262</u>              | <u>393,262</u>              | <u>485,600</u>              | <u>92,338</u>                                   |
| Expenditures/outflows:                  |                             |                             |                             |   |
| General government                      | 234,681                     | 256,681                     | 345,169                     | (88,488)  |
| Capital outlay                          | <u>158,581</u>              | <u>136,581</u>              | <u>                    </u> | <u>136,581</u>                                  |
| Total expenditures                      | <u>393,262</u>              | <u>393,262</u>              | <u>345,169</u>              | <u>48,093</u>                                   |
| Excess of revenues over<br>expenditures |                             |                             | 140,431                     | 140,431   |
| Fund balance, beginning of the year     | <u>1,444,503</u>            | <u>1,444,503</u>            | <u>1,444,503</u>            | <u>                    </u>                     |
| Fund balance, end of the year           | <u>\$ 1,444,503</u>         | <u>\$ 1,444,503</u>         | <u>\$ 1,584,934</u>         | <u>\$ 140,431</u>                               |

See notes to required supplementary information.

**TOWN OF HORIZON CITY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - STATE AND LOCAL GRANTS**

**Year Ended September 30, 2020**

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|----------------------------|-------------------------|---------------------|---|
| Revenues/inflows:                       |                            |                         |                     |   |
| Grant income                            | \$ 89,000                  | \$ 89,000               | \$ 259,420          | \$ 170,420                                      |
| Total revenues                          | <u>89,000</u>              | <u>89,000</u>           | <u>259,420</u>      | <u>170,420</u>                                  |
| Expenditures/outflows:                  |                            |                         |                     |   |
| Public safety - police                  | 89,000                     | 89,000                  | 46,700              | 42,300  |
| General government                      |                            |                         | 89,759              | (89,759)  |
| Public safety - dispatch                |                            |                         | 7,092               | (7,092)   |
| Community development                   |                            |                         | 5,470               | (5,470)   |
| Finance                                 |                            |                         | 5,373               | (5,373)   |
| Building services                       |                            |                         | 3,522               | (3,522)   |
| Information technology                  |                            |                         | 4,966               | (4,966)   |
| Municipal court                         |                            |                         | 14,138              | (14,138)  |
| Capital outlay                          |                            |                         | <u>83,616</u>       | <u>(83,616)</u>                                 |
| Total expenditures                      | <u>89,000</u>              | <u>89,000</u>           | <u>260,636</u>      | <u>(171,636)</u>                                |
| Excess of expenditures over<br>revenues |                            |                         | (1,216)             | (1,216)   |
| Fund balance, beginning of the year     | <u>1,216</u>               | <u>1,216</u>            | <u>1,216</u>        | <u>          </u>                               |
| Fund balance, end of the year           | <u>\$ 1,216</u>            | <u>\$ 1,216</u>         | <u>\$          </u> | <u>\$ (1,216)</u>                               |

See notes to required supplementary information.

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Budgetary Basis of Accounting – The Town’s budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received and cash and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and on the full accrual basis on the government-wide statements.

Budgetary Process – The budgetary process is prescribed by provisions of Title 4, Chapter 102, of the Local Government Code of the Texas Legislature and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation resolution, both of which are prepared on the budgetary basis of accounting.

The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified by resolution of the Town Council. Only the General Fund, Debt Service Fund, Street Maintenance Fund, and Economic Development Fund are budgeted and appropriated. The level of budgetary control is at the department level for the Town. Any budgetary modifications at this level may only be made by resolution of the Town Council.

Under the Town’s by-laws, revenues not specifically related to a particular fund shall be deposited into the Town’s General Fund. Monies can only be transferred from the General Fund by resolution of the Town Council.

Appropriations – An annual appropriation resolution must be passed by September 15 of the preceding year for the period October 1 to September 30. The appropriation resolution fixes spending authority at the fund and department level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among funds and objects within a fund may be modified during the year only by a resolution of the Council. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriations in the first complete appropriated budget, including amounts automatically carried over from prior years. The amounts reported as final budgeted amounts in the schedules of budgetary comparison represent the final appropriation amounts, including all supplemental appropriations.

Lapsing of Appropriations – At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Estimated Resources – As part of the Town’s budgetary process, the Council approves the official estimated resources. The official estimated resources states the projected revenue of each fund. Prior to September 30, the Town must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the official estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about October 1, the estimated resources are amended to include any unencumbered balances from the preceding year. The estimated resources may be further amended during the year if Council determines that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year ended 2020.

**BUDGET OVER-EXPENDITURES**

The Town over-expended its budget in the following areas:

|                              |                  |
|------------------------------|------------------|
| General Fund:                |                  |
| Finance                      | \$ 1,306         |
| Capital outlay               | <u>223,224</u>   |
| Total                        | <u>\$224,530</u> |
| Economic Development Fund:   |                  |
| General government           | <u>\$88,488</u>  |
| State and Local Grants Fund: |                  |
| General government           | \$ 89,759        |
| Public safety – dispatch     | 7,092            |
| Community development        | 5,470            |
| Finance                      | 5,373            |
| Building services            | 3,522            |
| Information technology       | 4,966            |
| Municipal court              | 14,138           |
| Capital outlay               | <u>83,616</u>    |
| Total                        | <u>\$213,936</u> |

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**BUDGET OVER-EXPENDITURES (Continued)**

The Council made supplemental appropriations of excess revenues subsequent to year-end which were sufficient to cover the current year over-expenditures. In the general fund, the primary over-expenditures were related to capital lease costs that are not included in the budgetary basis of accounting but are included in the governmental funds.

The over-expenditures in capital improvements were due to new capital lease agreements that were not budgeted for. The over-expenditure in the Economic Development Fund is due to expenses that were budgeted as capital outlay but were expended as operating expenses. The over-expenditures in the state and local grant fund are due to CARES funds that were awarded to the Town and were not budgeted for.

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS**

**Year Ended December 31, 2019**

**VALUATION DATE**

Measurement 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 | 24 years.   |
| Asset valuation method        | 10-year smoothed market; 12% soft corridor.   |
| Inflation                     | 2.50%   |
| Salary increases              | 3.50% to 11.50% including inflation.  |
| Investment rate of return     | 6.75%   |
| Retirement age                | Experience-based table of rates specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.   |
| Mortality                     | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.<br>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

**OTHER INFORMATION**

Notes There were no benefit changes during the year.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT  
BENEFIT LIABILITY AND RELATED RATIOS**

**Year Ended December 31, 2019**

|   | <u>2019</u>                 | <u>2018</u>                 | <u>Years<br/>2010 - 2017</u> |
|---|-----------------------------|-----------------------------|------------------------------|
| <b>Total Other Post-Employment Benefit ("OPEB") Liability</b> |                             |                             |                              |
| Service cost  | \$ 6,632                    | \$ 6,993                    | \$N/A                        |
| Interest on total OPEB liability                              | 1,316                       | 1,016                       | N/A                          |
| Change in benefit terms                                       |                             | 27,207                      | N/A                          |
| Difference between expected and actual experience             | (4,826)                     |                             | N/A                          |
| Change in assumptions   | 11,173                      |                             | N/A                          |
| Benefit payments (1) (2)                                      | <u>                    </u> | <u>(3,073)</u>              | <u>N/A</u>                   |
| Net change in total OPEB liability                            | 14,295                      | 32,143                      | N/A                          |
| Total OPEB liability, beginning                               | <u>32,143</u>               | <u>                    </u> | <u>N/A</u>                   |
| Total OPEB liability, ending                                  | <u>\$ 46,438</u>            | <u>\$ 32,143</u>            | <u>\$N/A</u>                 |
| <br>  |                             |                             |                              |
| Pensionable covered payroll                                   | \$ 3,158,143                | \$ 2,913,801                | \$N/A                        |
| <br>  |                             |                             |                              |
| Net pension liability as a percentage of covered payroll      | 1.47%                       | 1.10%                       | N/A                          |

(1) Membership counts for inactive employees currently receiving or entitled to but not yet receiving benefits will differ from GASB 68 as they include only those eligible for a Supplemental Death Benefits Fund benefit.

(2) Due to the Supplemental Death Benefits Fund considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

See notes to schedule of changes in total OPEB liability and related ratios.

**TOWN OF HORIZON CITY, TEXAS**

**NOTES TO SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT  
BENEFIT LIABILITY AND RELATED RATIOS**

**Year Ended December 31, 2019**

**VALUATION DATE**

|       |                   |
|-------|-------------------|
| Notes | December 31, 2019 |
|-------|-------------------|

**METHODS AND ASSUMPTIONS**

|  |  |
|--|--|
| Actuarial Cost Method                    | Individual entry age normal.   |
| Inflation                                | 2.50%  |
| Salary increases                         | 3.50% to 11.50%, including inflation.  |
| Discount rate (1)                        | 2.75%  |
| Retirees' share of benefit-related costs | \$0  |
| Administrative expenses                  | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.  |
| Mortality rate – service retirees        | 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.   |
| Mortality rate – disabled retirees       | 2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |

(1) The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

**TOWN OF HORIZON CITY, TEXAS**

**SCHEDULE OF OTHER POST-EMPLOYMENT BENEFIT CONTRIBUTIONS**

**Year Ended September 30, 2020**

|   | <u>2020</u>  | <u>2019</u>  | <u>Years<br/>2011 - 2018</u> |
|---|--------------|--------------|------------------------------|
| Actuarially determined contribution                                     | \$           | \$           | \$N/A                        |
| Contributions in relation to the actuarially<br>determined contribution | _____        | _____        | _____ N/A                    |
| Contribution deficiency (excess)  | <u>\$</u>    | <u>\$</u>    | <u>\$N/A</u>                 |
| Covered payroll   | \$ 3,158,143 | \$ 2,913,801 | N/A                          |
| Contributions as a percentage of covered payroll                        | 0%           | 0%           | N/A                          |

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

See independent auditors' report.

**OTHER SUPPLEMENTARY INFORMATION**

TOWN OF HORIZON CITY, TEXAS

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES -  
AGGREGATE NON-MAJOR FUNDS

September 30, 2020

|                                  | Special Revenue<br>Fund -<br>Federal Grants | Special Revenue<br>Fund - Safe Routes<br>to School | Special Revenue<br>Fund -<br>Special Events | Transportation<br>Reinvestment<br>Zone #2 | Aggregate<br>Non-Major<br>Funds |
|----------------------------------|---|--|---|---|---------------------------------|
| Cash and equivalents, non-pooled | \$  | \$   | \$ 15,886                                   | \$  | \$ 15,886                       |
| Pooled cash and cash equivalents | (3,093)                                     |  |   | 17,292                                    | 14,199                          |
| Pooled investments               |   |  |   | 49,717                                    | 49,717                          |
| Grants receivable                | <u>10,775</u>                               |  |   |   | <u>10,775</u>                   |
| Total assets                     | <u>\$7,682</u>                              | <u>\$</u>  | <u>\$15,886</u>                             | <u>\$67,009</u>                           | <u>\$ 90,577</u>                |

LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES AND FUND BALANCES

|   |                |           |                 |                 |                  |
|---|----------------|-----------|-----------------|-----------------|------------------|
| Liabilities:  |                |           |                 |                 |                  |
| Accounts payable  | \$ 1,986       | \$        | \$              | \$              | \$ 1,986         |
| Accrued liabilities   | <u>5,696</u>   |           |                 |                 | <u>5,696</u>     |
| Total liabilities   | <u>7,682</u>   |           |                 |                 | <u>7,682</u>     |
| Fund balances:  |                |           |                 |                 |                  |
| Restricted  |                |           | 15,886          | 67,009          | 82,895           |
| Committed   |                |           |                 |                 |                  |
| Total fund balances   |                |           | <u>15,886</u>   | <u>67,009</u>   | <u>82,895</u>    |
| Total liabilities, deferred inflows of<br>resources and fund balances | <u>\$7,682</u> | <u>\$</u> | <u>\$15,886</u> | <u>\$67,009</u> | <u>\$ 90,577</u> |

See independent auditors' report.

TOWN OF HORIZON CITY, TEXAS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - AGGREGATE NON-MAJOR FUNDS

Year Ended September 30, 2020

|   | Special Revenue<br>Fund -<br>Federal Grants | Special Revenue<br>Fund - Safe Routes<br>to School | Special Revenue<br>Fund -<br>Special Events | Transportation<br>Reinvestment<br>Zone #2 | Aggregate<br>Non-Major<br>Funds |
|---|---|--|---|---|---------------------------------|
| <b><u>REVENUES</u></b>                  |   |  |   |   |                                 |
| Property taxes                          | \$  | \$   | \$  | \$ 99,001                                 | \$ 99,001                       |
| Sales taxes                             |   |  |   |   | 55,448                          |
| Federal and state grants                | 49,467                                      | 5,981  | 4   | 756                                       | 760                             |
| Interest income                         |   |  | 3,605                                       | 1,132                                     | 4,737                           |
| Other income                            |   |  |   |   |                                 |
| Total revenues                          | <u>49,467</u>                               | <u>5,981</u>                                       | <u>3,609</u>                                | <u>100,889</u>                            | <u>159,946</u>                  |
| <b><u>EXPENDITURES</u></b>              |   |  |   |   |                                 |
| Public safety - police                  | 53,771                                      |  | 12,500                                      |   | 66,271                          |
| Finance                                 |   |  |   | 30  | 30                              |
| Public services                         |   |  | 3,605                                       |   | 3,605                           |
| Debt service:                           |   |  |   |   |                                 |
| Interest                                |   | 7,476  |   | 123,683                                   | 123,683                         |
| Capital outlay                          |   |  |   |   | 7,476                           |
| Total expenditures                      | <u>53,771</u>                               | <u>7,476</u>                                       | <u>16,105</u>                               | <u>123,713</u>                            | <u>201,065</u>                  |
| Excess of expenditures<br>over revenues | <u>(4,304)</u>                              | <u>(1,495)</u>                                     | <u>(12,496)</u>                             | <u>(22,824)</u>                           | <u>(41,119)</u>                 |
| Other financing sources:                |   |  |   |   |                                 |
| Proceeds from<br>interfund transfers    | <u>277</u>                                  | <u>1,495</u>                                       | <u>25,000</u>                               |   | <u>26,772</u>                   |
| Total other financing sources           | <u>277</u>                                  | <u>1,495</u>                                       | <u>25,000</u>                               |   | <u>26,772</u>                   |
| Net change in fund balance              | <u>(4,027)</u>                              |  | <u>12,504</u>                               | <u>(22,824)</u>                           | <u>(14,347)</u>                 |
| Fund balance, beginning of the year     | <u>4,027</u>                                |  | <u>3,382</u>                                | <u>89,833</u>                             | <u>97,242</u>                   |
| Fund balance, end of the year           | <u>\$</u>                                   | <u>\$</u>  | <u>\$ 15,886</u>                            | <u>\$ 67,009</u>                          | <u>\$ 82,895</u>                |

See independent auditors' report.

**AUDITORS' SECTION**

**INDEPENDENT AUDITORS' 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 Ruben Mendoza  
and Members of Town Council  
Town of Horizon 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, each major fund, and the aggregate remaining fund information of Town of Horizon City, Texas as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Town of Horizon City, Texas' basic financial statements and have issued our report thereon dated April 13, 2021.

**Internal Control over Financial Reporting**

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

To the Honorable Mayor Ruben Mendoza  
and Members of Town Council  
Town of Horizon City, Texas

**Internal Control over Financial Reporting (Continued)**

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**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.

SBNG, PC

El Paso, Texas  
April 13, 2021

**TOWN OF HORIZON CITY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended September 30, 2020**

**I. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of Town of Horizon City, Texas.
2. No significant deficiencies or material weaknesses were reported in the audit of the financial statements of Town of Horizon City, Texas as reported in the Independent Auditors' 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*.
3. No instances of non-compliance material to the financial statements of Town of Horizon City, Texas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

(Continued)

**TOWN OF HORIZON CITY, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(CONTINUED)**

**Year Ended September 30, 2020**

**II. AUDIT FINDINGS RELATING TO THE FINANCIAL STATEMENTS  
WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH  
“GOVERNMENT AUDITING STANDARDS”**

**Current Year Findings:** None

**Prior Year Findings:** None

See independent auditors' report.



# FINANCIAL STATEMENTS AND AUDITORS' REPORT - 2020

Presented by:

Monica Peña

Tello A. Cabrera, CPA

April 13, 2021

# Today's Agenda

- Presentation of Audited Financial Statements for Town of Horizon City, Texas– Year ended September 30, 2020.
- 5 Year Trend Analysis.
- Capital Improvements.
- 2020 Audit highlights.

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# STATEMENT OF NET POSITION

- Total Assets and deferred charges \$69,279,000 (1% increase).
- Total Liabilities and deferred inflows \$34,226,000 (1% decrease).
- Net Position \$35,054,000 (3% increase).

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# STATEMENT OF NET POSITION

- Total cash on hand is \$18,875,000. Reserved cash in the Capital improvements fund is \$13,371,000.
- Total infrastructure and equipment is \$47,069,000. There were 17 Projects in progress with a total cost of \$5,284,000.
- Total balance of Certificates of Obligation is \$26,664,000.

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# STATEMENT OF ACTIVITIES

- Total Revenue for fiscal year 2020 is \$11,148,000. Includes Infrastructure grants of \$6,000.
- Total Expenses are \$10,224,000.
- Total net income is \$923,000.
- Total pension expense for the year 2020 is \$192,000.
- Capital outlay of \$5,219,000 not counted as expense.

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# STATEMENT OF ACTIVITIES

- Property tax revenue is \$5,798,000. This represents 52% of total revenue. The ad valorem rate for 2020 is \$0.59534, per \$100. Revenue from this source increased 37% from prior period.
- Federal and state grants are \$315,000. Funds were used for construction and police department.
- Second largest source of revenue are sales taxes at \$2,840,000 (25% of total revenue). Revenue from this source increased 22% from prior period.

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# STATEMENT OF ACTIVITIES

- Largest expense is Police Department at \$2,261,000.
- Community Development is second largest expense at \$2,138,000.
- Interest expense is \$1,204,000.
- Depreciation expense is \$2,103,000.

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# FUND BASIS FINANCIAL STATEMENTS

- Pages 23-29.
- Exclude long-term assets and liabilities. Focus is on current resources available for expenditure.
- Fund basis assets are \$22,095,000.
- Fund basis liabilities and deferred inflows of resources are \$1,316,000.
- Fund balance is \$20,779,000.

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# FUND BASIS FINANCIAL STATEMENTS

| FUND            | ASSETS         | FUND BALANCE   | INCOME (LOSS)                                    |
|-----------------|----------------|----------------|--|
| GENERAL FUND    | \$4.8 Million  | \$4.2 Million  | \$875,000  |
| SPECIAL REVEN.  | \$86,000       | \$0.00         | (\$1,216) <span style="float: right;">174</span> |
| STREET MAINT.   | \$1.7 Million  | \$1.7 Million  | \$428,000  |
| DEBT SERVICE    | \$353,000      | \$321,000      | \$160,000  |
| ECONOMIC DEVP.  | \$1.6 Million  | \$1.5 Million  | \$140,000  |
| CAPITAL IMPROV. | \$13.3 Million | \$12.8 Million | (\$4.3 Million)                                  |

# 5-YEAR ANALYSIS

|                      | 2016         | 2017         | 2018         | 2019         | 2020                     |
|----------------------|--------------|--------------|--------------|--------------|--------------------------|
| Property Tax Revenue | \$3,362,000  | \$3,753,000  | \$3,841,000  | \$4,244,000  | \$5,798,000              |
| Property Tax Rate    | \$.452723    | \$.491756    | \$.491756    | \$.491756    | \$.59534                 |
| Sales Tax Revenue    | \$1,832,000  | \$2,055,000  | \$2,183,000  | \$2,337,000  | \$2,840,000              |
| Grant Revenue        | \$1,254,000  | \$4,753,000  | \$17,001,000 | \$485,000    | \$315,000 <sup>175</sup> |
| Infrastructure       | \$10,515,000 | \$18,650,000 | \$42,595,000 | \$44,020,000 | \$47,069,000             |
| Long-term Debt       | \$15,791,000 | \$15,202,000 | \$14,700,000 | \$31,669,000 | \$30,999,000             |
| Total Assets         | \$27,145,000 | \$33,014,000 | \$54,456,000 | \$68,783,000 | \$69,119,000             |
| Total Cash           | \$13,994,000 | \$12,325,000 | \$9,260,000  | \$21,777,000 | \$18,875,000             |

# CAPITAL IMPROVEMENTS PLAN

| PROJECT             | COST (9/30/20) | FUNDING SOURCE                  |
|---------------------|----------------|---------------------------------|
| Darrington Drainage | \$1.9 Million  | 2014 Certificates of Obligation |
| Golden Eagle Park   | \$2.6 Million  | 2019 Certificates of Obligation |
| Horizon Mesa Park   | \$1.2 Million  | 2019 Certificates of Obligation |

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# 2020 AUDIT HIGHLIGHTS

- UNMODIFIED opinion issued for 2020 – This means the financial statements are fairly stated with no departures from accounting requirements.
- Major areas of audit focus were grants, property taxes, debt, pension expense, and capital outlay.
- No violations of grant contracts were identified.
- No instances of fraud or abuse were identified.

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# QUESTIONS?

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For more information

Please feel free to contact:

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[tcabrera@sbngcpa.com](mailto:tcabrera@sbngcpa.com)

915-544-6770

RESOLUTION

That the Mayor be authorized to execute and deliver Change Order #5 and related documents regarding the construction contract by and between the Town of Horizon City and Spartan Construction for the Horizon Mesa Park Improvements Project Solicitation No. CIP 2018-002 (103).

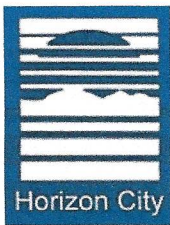
Approved by the City Council of the Town of Horizon City, Texas this \_\_\_day of April 2021.

Town of Horizon City

By: \_\_\_\_\_  
Mayor Ruben Mendoza

ATTEST:

By: \_\_\_\_\_  
Elvia Schuller, TRMC  
City Clerk



**TOWN OF HORIZON CITY  
MEMORANDUM**

**Date:** April 8, 2021

**To:** Honorable Mayor and Members of City Council

**From:** Teresa Quezada, CIP Manager *(Handwritten signature: Teresa Quezada)*

**SUBJECT:** **Discussion and Action: On a Resolution authorizing the Mayor to sign Change Order #5 and related documents regarding the construction contract with Spartan Construction for Horizon Mesa park Improvements Project, Solicitation No. CIP 2018-002 (103) and authorizing the Mayor to execute documents.**

Change Order No. 5 to the construction contract with Spartan Construction of TXNM adds **\$11,372.81** as indicated below, and a total of **77 calendar days** to account for the time associated with the additional work to the contract amount and time.

These amounts and time for completion have been requested by the contractor and reviewed and negotiated by Greenway Studio, the design consultants, Huitt Zollars, the Town's Construction Manager on this project and City staff. The **total contract** amount after these changes is **\$1,081,335.00**. The updated **completion date for the project has been negotiated to November 2, 2020**.

Since the total time extension exceeds one calendar week, staff is presenting the change order to Council.

| Change Item  | Amount             | Time                    |
|--|--------------------|-------------------------|
| 1. <b>Increase</b> – to allow contractor time for canopy delivery and work related around playgrounds          | N/A                | 37 calendar days        |
| 2. <b>Increase</b> – due to weather delay for high wind and temperature drop                                   | N/A                | 1 calendar day          |
| 3. <b>Increase</b> – additional concrete spots and slab to accommodate canopy.                                 | \$4,362.46         | 7 calendar days         |
| 4. <b>Increase</b> – additional footings for new handrails at the new pedestrian bridge                        | \$3,573.93         | 7 calendar days         |
| 5. <b>Increase</b> – modification to existing irrigation system around the playgrounds.                        | \$7,980.25         | 14 calendar days        |
| 6. <b>Decrease</b> – reimbursement to Town for water use during construction and irrigation used on City meter | \$3,053.83         | N/A                     |
| 7. <b>Decrease</b> – reimbursement to Town for material testing failures and stand by time                     | \$1,490.00         | N/A                     |
| 8. <b>Increase</b> – negotiated time extension   | N/A                | 11 calendar days        |
| <b>TOTALS</b>  | <b>\$11,372.81</b> | <b>77 calendar days</b> |

Total change orders to this point account for 2.3% increase to the original contract amount.

Staff recommends approval.

Attachment: Change Order Form

---

**PROJECT:** Horizon Mesa Park Improvements**DATE OF ISSUANCE:** April 13, 2021**OWNER:** Town of Horizon City  
14999 Darrington Rd.  
Horizon City, Texas 79928**BID NO.** CIP 18-103**CONTRACTOR:** SPARTAN CONSTRUCTION OF TXNM**ENGINEER:** Huitt-Zollars, Inc.**CONTRACT FOR:** Park Improvements**ENGINEER'S PROJECT NO.** R312079.01

---

**YOU ARE DIRECTED TO MAKE THE FOLLOWING CHANGE TO THE CONTRACT DOCUMENTS:**

Contractor is instructed to proceed with the work required by the Contract Documents. In addition, remove and or modify various bid items below. This Change Order increases the contract amount and increases the contract time to the contract as detailed for the various bid items:

**Change Item No. 1** – Increase the Contract time by 37 Calendar days to provide the Contractor time to complete the work related to the area around the playgrounds due to the delay in the delivery of the shade structures to the project site.

**Change Item No. 2** – Increase the Contract time by 1 Calendar days to due to high wind and temperature drop that prevented the Contractor from installing the rubber play surface for the playground equipment.

**Change Item No. 3** – Increase Contract amount by \$4,362.46 and Increase the Contract time by 7 Calendar Day for foundation modifications for the existing canopy.

**Change Item No. 4** – Increase Contract amount by \$3,573.93 and Increase the Contract time by 7 Calendar Day to provide additional footings for the new handrails for the new pedestrian bridge.

**Change Item No. 5** – Increase Contract amount by \$7,980.25 and Increase the Contract time by 14 Calendar Day to revise the irrigation system around the playground.

**Change Item No. 6.** – Decrease Contract amount by (\$3,053.83) to reimburse the Town of Horizon City for constructon water and irrigation water used by Contractor on City meter.

**Change Item No. 7** – Decrease Contract amount by (\$ 1,490.00), for materials testing failures and stand by time.

**Change Item No. 8** – Increase the Contract time by 11 days to account for negotiated time with the Contractor.

**PURPOSE OF CHANGE ORDER:**

**Change Item No. 1** – This item will the Contractor with the additional time for the completion of the installation of the shade structures and complete the items that could not be constructed until the shade structures were erected. The supplier for the shade structures did not deliver the structures to the site due to delay in receiving materials to finish the structures due to COVID-19. There were several items that the Contractor was not able to complete in the scope of work until the structures were erected because equipment that would be needed for the construction would damage newly placed items. The Contractor provided plan with the items that would be pending until the shade structures were completed. The Construction Manager reviewed the plan and approved those items. The shade structures were delivered to the site on August 12, 2020 and the Contractor provided a schedule that indicated that it would take 37 days to complete the remaining work. The contract amount is NOT CHANGED. The contract time is INCREASED BY 37 CALENDAR DAYS.

**Change Item No. 2** – This item will add **one (1) calendar day** to account for a temperature drop and high winds during the placement of the pour in place surface for the playgrounds. The contract amount is **NOT CHANGED**.

**Change Item No. 3** – Additional work to construct 4 concrete spots and additional slab. During construction the Contractor determined that the existing canopy dimension differed from those shown in the plans. The designer provided

a revised footing detail for the additional slab required for the existing canopy. The contract amount is **INCREASED by \$ 4,362.46**. The contract time is **INCREASED BY 7 CALENDAR DAYS**.

**Change Item No. 4** – Additional work to construct footings to install the handrails for the new pedestrian bridges. During construction the Contractor determined that the footings for the handrails could not be installed directly into the header curb and required footings for installation. The designer provided a revised footing detail. The installation of one of the handrails required the demolition and replacement of existing sidewalk on Desert Fire. The contract amount is **INCREASED by \$ 3,573.93**. The contract time is **INCREASED BY 7 CALENDAR DAYS**.

**Change Item No. 5** – Additional work to modify the irrigation system around the playgrounds. During construction the Contractor had to cut existing irrigation lines for the construction of various elements with the playground and other features. The designer provided plans for modification to the existing irrigation system. The Contractor provided a fee for the modifications. The contract amount is **INCREASED by \$ 7,980.25**. The contract time is **INCREASED BY 14 CALENDAR DAYS**.

**Change Item No. 6-** The Town of Horizon City received a large water bills from Horizon Regional Municipal Utility District (HRMUD) for the Horizon Mesa Park from August 14 to November 16, 2020 for \$10,364.93, \$9,646.96, and \$10,080.68, respectively. The park has been closed since January 2020 because of the construction and the Coronavirus emergency. During the construction period, the water bill was between \$1200 to \$1,500 for the two previous billing periods. The construction inspector documented the work crews using the hose on various days dating back to July for construction water and cleaning of the sidewalks. Per the construction contract, Spartan Construction as the Contractor is responsible for providing construction water during the construction period. In addition, the irrigation system was being run off the City’s meter to establish the sod and water the trees and plants since August 14, 2020. According to the contract, the Contractor is also responsible to maintain the plants until the project is accepted. Upon further investigation, it was determined that several valves were left open causing the system to run continuously. The bills were reduces by \$1,500.00 to account for the watering of the medians. The total amount due by the Contracotr is **\$25,472.42**. The Contractor paid directly to the HRMUD a total of \$22,418.59 on December 15, 2020 and January 15, 2021; therefore, the contract amount is **DECREASED by \$3,053.83**. The contract time is **NOT CHANGED**.

**Change Item No. 7-** Contractual reimbursement for the testing lab failures and standby time reported by the testing lab. The testing lab recorded a total of 16 density failures and 5.7 hours of standby time for the project. The cost associated with the failures and stand-by time is \$1,490.00. The contract amount is **DECREASED by \$1,490.00**. The contract time is **NOT CHANGED**.

**Change Item No. 8** – This item will add **elevan (11) calendar days** as negotiated days with the Contractor for the canopy delivery delay. The contract amount is **NOT CHANGED**.

**IMPACT TO COST AND CONTRACT TIME (EACH TIME):**

INCREASE the contract by \$11,372.81 and INCREASE the Contract Time by 77 Calendar Days.

|                          |                                |           |                  |                                |           |                      |
|--------------------------|--------------------------------|-----------|------------------|--------------------------------|-----------|----------------------|
| <b>Change Item No.1</b>  | Contract Cost INCREASE         | \$        |                  | Contract Time INCREASE         | 37        | Calendar Days        |
| <b>Change Item No.2</b>  | Contract Cost INCREASE         | \$        |                  | Contract Time INCREASE         | 1         | Calendar Days        |
| <b>Change Item No.3</b>  | Contract Cost INCREASE         | \$        | 4,362.46         | Contract Time INCREASE         | 7         | Calendar Days        |
| <b>Change Item No.4</b>  | Contract Cost INCREASE         | \$        | 3,573.93         | Contract Time INCREASE         | 7         | Calendar Days        |
| <b>Change Item No.5</b>  | Contract Cost INCREASE         | \$        | 7,980.25         | Contract Time INCREASE         | 14        | Calendar Days        |
| <b>Change Item No. 6</b> | Contract Cost DECREASE         | \$        | (3,053.83)       | No Time Impact                 | 0         | Calendar Days        |
| <b>Change Item No. 7</b> | Contract Cost DECREASE         | \$        | (1,490.00)       | No Time Impact                 | 0         | Calendar Days        |
| <b>Change Item No. 8</b> | Contract Cost INCREASE         | \$        | 182              | Contract Time INCREASE         | 11        | Calendar Days        |
| <b>Summary</b>           | <b>Contract Cost INCREASED</b> | <b>\$</b> | <b>11,372.81</b> | <b>Contract Time INCREASED</b> | <b>77</b> | <b>Calendar Days</b> |

**PROJECT: Horizon Mesa Park**

| CHANGE IN CONTRACT PRICE:   | CHANGE IN CONTRACT TIME   |
|---|---|
| <p>ORIGINAL PRICE</p> <p style="text-align: center;">\$1,056,913.88</p>                                 | <p>ORIGINAL CONTRACT TIME</p> <p><b>MILESTONES:</b>                      <b>CONTRACT TIME:</b><br/>                     Substantial Completion: 120 Days    Due Date: May 25, 2020<br/>                     Final Completion:            150 Days    Due Date: June 24, 2020</p>                              |
| <p>CONTRACT PRICE PRIOR TO THIS CHANGE ORDER</p> <p style="text-align: center;">\$1,069,962.19</p>      | <p>CONTRACT TIME PRIOR TO THIS CHANGE ORDER</p> <p><b>MILESTONES:</b>                      <b>CONTRACT TIME:</b><br/>                     Substantial Completion: 173 Days    Due Date: July 17, 2020<br/>                     Final Completion:            203 Days    Due Date: Aug 16, 2020</p>            |
| <p>NET INCREASED OF THIS CHANGE ORDER</p> <p style="text-align: center;">\$ 11,372.81</p>               | <p>NET INCREASE/DECREASE OF THIS CHANGE ORDER</p> <p><b>MILESTONES:</b>                      <b>CONTRACT TIME:</b><br/>                     Substantial Completion:            77 Calendar Days<br/>                     Final Completion:                    77 Calendar Days</p>                            |
| <p>CONTRACT PRICE WITH ALL APPROVED CHANGE ORDERS</p> <p style="text-align: center;">\$1,081,335.00</p> | <p>CONTRACT TIME WITH ALL APPROVED CHANGE ORDERS</p> <p><b>MILESTONES:</b>                      <b>CONTRACT TIME:</b><br/>                     Substantial Completion: 250 Days    Due Date: October 2, 2020<br/>                     Final Completion:            280 Days    Due Date: November 2, 2020</p> |

This amount indicated above shall be considered full and equitable adjustment for any claims, past and future, for the work described and shall include all costs, direct and indirect, including extended overhead.

ACCEPTED:

by [Signature]

Contractor

Date 4/2/21

RECOMMENDED:

by [Signature], PE

Roxanna Medina, PE  
Construction Manager

Date 4/8/21

REVIEWED:

by \_\_\_\_\_

Town of Horizon-Public Works Director

Date \_\_\_\_\_

APPROVED:

by \_\_\_\_\_

Ruben Mendoza-Mayor  
Town of Horizon

Date \_\_\_\_\_

**ATTACHMENTS:**

Contractor's Change Event #008

Contractor's Change Event #013

Contractor's Change Event #015

HR MUD water Bills

Wood Invoice for Materials Testing

**ENGINEER'S SUMMARY AND CLASSIFICATION OF SOURCE OF CHANGE**

**Change Order No.:** 5-Final  
**Project:** Horizon Mesa Park  
**Contractor:** Spartan Construction of TXNM  
**Bid No.:** CIP 18-003  
**Construction Manager:** Huitt-Zollars Inc.  
**Designer:** Greenway Studios  
**Total Impact to Cost:** Increase \$11,372.81  
**Total Impact to Time:** Increase 77 Calendar days

---

**Change Item No. 1**      **Canopy Delivery Delay**  
**Classification:** Unforeseen Conditions (Other)  
**Impact to Cost:** Increase \$ 0.00  
**Impact to Time:** Increase 37 Calendar days  
**Justification:** See Purpose of Change Order  
**Cost Method:** N/A

**Change Item No. 2**      **Weather**  
**Classification:** Inclement Weather Conditions  
**Impact to Cost:** Increase \$ 0.00  
**Impact to Time:** Increase 1 Calendar days  
**Justification:** See Purpose of Change Order  
**Cost Method:** N/A

**Change Item No. 3**      **CE #008-Existing Canopy Footings Modifications**  
**Classification:** Unforeseen Site Conditions  
**Impact to Cost:** Increase \$ 4,362.46  
**Impact to Time:** Increase 7 Calendar days  
**Justification:** See Purpose of Change Order  
**Cost Method:** Unit bid Items and negotiated-See Attached

**Change Item No. 4**      **CE #013-Additional Footings for Handrails for New Pedestrian Bridges**  
**Classification:** Unforeseen Site Conditions  
**Impact to Cost:** Increase \$ 3,573.93  
**Impact to Time:** Increase 7 Calendar days  
**Justification:** See Purpose of Change Order  
**Cost Method:** Unit bid Items and negotiated-See Attached

**Change Item No. 5**      **CE #015-Modifications to Existing Irrigation System**  
**Classification:** Unforeseen Site Conditions  
**Impact to Cost:** Increase \$ 7,980.25  
**Impact to Time:** Increase 14 Calendar days  
**Justification:** See Purpose of Change Order  
**Cost Method:** Negotiated-See Attached

**Change Item No. 6**      **HR MUD Water Bill**  
**Classification:** Repay Owner  
**Impact to Cost:** Decrease \$ 3,053.83  
**Impact to Time:** Increase 0 Calendar days  
**Justification:** See Purpose of Change Order

**Cost Method:** Negotiated-See Attached

**Change Item No. 7 Reimbursement for Materials Testing Failures and Stand-by Time**

**Classification:** Repay Owner

**Impact to Cost:** Increase \$ 1,490.00

**Impact to Time:** Increase 0 Calendar days

**Justification:** See Purpose of Change Order

**Cost Method:** Negotiated-See Attached

**Change Item No. 8 Canopy Delivery Delay**

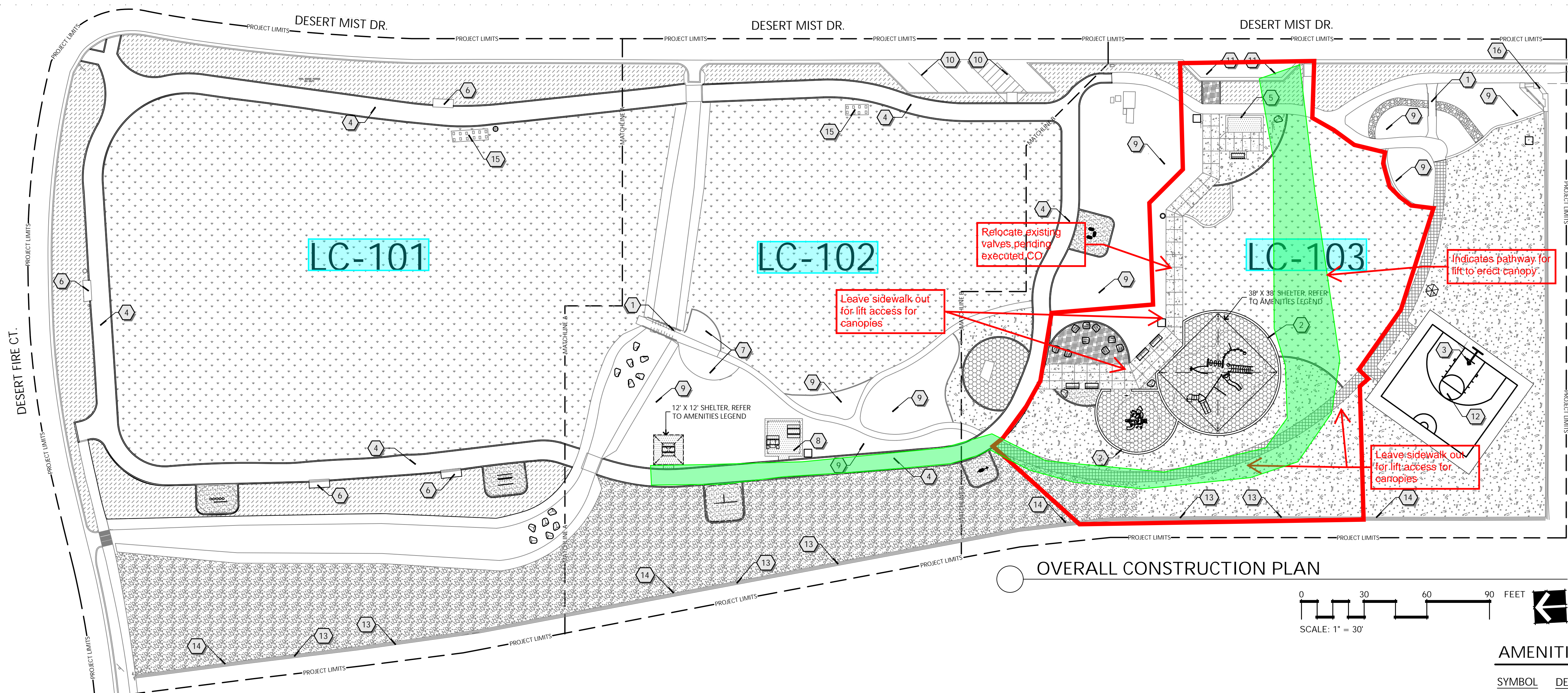
**Classification:** Negotiated

**Impact to Cost:** Increase \$ 0.00

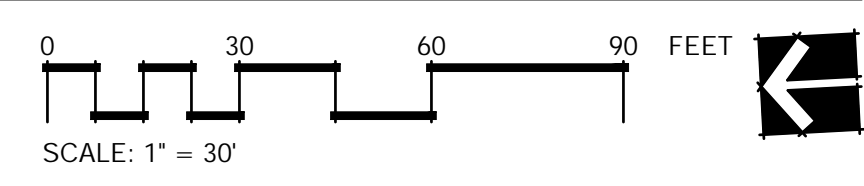
**Impact to Time:** Increase 11 Calendar days

**Justification:** See Purpose of Change Order

**Cost Method:** N/A



OVERALL CONSTRUCTION PLAN



AMENITIES LEGEND

SYMBOL DESCRIPTION

| SYMBOL | DESCRIPTION  |
|--------|--|
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT AB CRUNCH/LEG LIFT MODEL: 192451, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO ELEVATIONS V/P-504.   |
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT BALANCE STEPS MODEL: 192454, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS.   |
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT PARALLEL BARS MODEL: 192453, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS.   |
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT ASSISTED ROW/PUSH-UP MODEL: 192452, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO ELEVATIONS T/P-504.   |
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT PLYOMETRICS MODEL: 192459, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO ELEVATIONS U/P-504.  |
|        | PROVIDE AND INSTALL EXERPLAY 5-12 YR. CRESTVIEW PARK MODEL: 70565-1-6. (PROVIDE A 201546 GYRO TWISTER, 116249 VERT. LADDER, WEB LINK (TRENCH NEEDED), 119805 SINGLE BEAM LOOP HORIZONTAL 84", 158997 POD CLIMBER 10" HEIGHT, 183276 RUSH SLIDE, 166809 E-POD/SEAT, 120818 PLAYSTRUCTURE SEAT, 152911 RIGHT TRANSFER MODULE, 123331 DOUBLE POLY SLIDE, 120818 PLAYSTRUCTURE SEAT, 184490 SWIGGLE STIX (NO CONNECTION DECKS), 166809 E-POD/SEAT, CRESCENT CLIMBER AND 182503 WELCOME SIGN 5-12 YEARS) OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO ELEVATIONS W, X, Y/P-504. |
|        | PROVIDE AND INSTALL EXERPLAY 2-5 YR. MOTION MODEL: 197057. (INCLINED TUNNEL, LEAF SHAPE-AND-FIT, WIGGLE LADDER, SLIDE SHAPE-AND-FIT TABLE, LEAF TRAIL, RACE CAR/ROLLER TRACK, NUMBERS CLIMBER, RING-A-BELL, MARBLES, BONGO PANEL, BEAD PANEL, STEERING WHEEL, STEPPERS, ALPHABET PANEL AND SAND PLAY STATION WITH SIFTERS AND SEATS. AND 182503 WELCOME SIGN 2-5 YEARS) OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO ELEVATIONS S/P-504.   |
|        | PROVIDE AND INSTALL CLASSIC RECREATION - MESA MODEL SHELTER 38' X 38' (INGROUND MOUNTED) OR APPROVED EQUAL. THIS EQUIPMENT SHALL BE INSTALLED AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO DETAIL P/P-503.  |
|        | PROVIDE AND INSTALL CLASSIC RECREATION - MESA MODEL SHELTER 12' X 12' (INGROUND MOUNTED) OR APPROVED EQUAL. THIS EQUIPMENT SHALL BE INSTALLED AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO DETAIL P/P-503.  |

AMENITIES LEGEND

SYMBOL DESCRIPTION

| SYMBOL | DESCRIPTION  |
|--------|--|
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT AB CRUNCH/LEG LIFT MODEL: 192451, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO ELEVATIONS V/P-504.   |
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT BALANCE STEPS MODEL: 192454, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS.                                     |
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT PARALLEL BARS MODEL: 192453, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS.                                     |
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT ASSISTED ROW/PUSH-UP MODEL: 192452, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO ELEVATIONS T/P-504. |
|        | PROVIDE AND INSTALL EXERPLAY HEALTHBEAT PLYOMETRICS MODEL: 192459, OR APPROVED EQUAL. INSTALL AS PER MANUFACTURER'S RECOMMENDATIONS. REFER TO ELEVATIONS U/P-504.          |

NOTES:  
 THE CONTRACTOR IS RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITY LINES WITHIN THE CONSTRUCTION AREA.  
 ANY DAMAGE TO EXISTING FACILITIES CAUSED BY CONSTRUCTION ACTIVITY SHALL BE REPAIRED OR REPLACED AT THE CONTRACTOR'S EXPENSE.  
 EXISTING UTILITY LINES ARE TO BE BLUE STAKED PRIOR TO EXCAVATION FOR ANY WORK CONTAINED IN THESE PLANS. CHECK AND FIELD VERIFY ALL SITE CONDITIONS, UTILITIES AND SERVICES PRIOR TO EXCAVATION. CALL BEFORE YOU DIG.

REFERENCE NOTES SCHEDULE

| SYMBOL | DESCRIPTION  |
|--------|--|
| 1      | EXISTING GARDEN BRIDGE TO BE RESTORED BY CONTRACTOR. PROCESS REQUIRES SANDBLAST AND 3 COATS OF ZINC RICH EPOXY, FINISHING WITH 3 COATS OF POLYESTER POWDER COLOR RED OR SIMILAR. CONTRACTOR TO COORDINATE. |
| 2      | PROVIDE AND INSTALL 24 INCH ROCK WALL. REFER TO DETAIL H/P-502.  |
| 3      | PROVIDE AND INSTALL BISON PR52 HEAVY-DUTY FINISHED ALUMINUM FAN GOOSENECK OR APPROVED EQUAL. REFER TO DETAIL J/P-502.  |
| 4      | PROVIDE AND INSTALL ASPHALT SURFACE. REFER TO ENGINEERING PLANS.   |
| 5      | NEW ROCK WALL TO HIDE AND PROTECT PORTABLE TOILETS. REFER TO ENGINEER PLANS AND DETAIL A/P-506.  |
| 6      | EXISTING CONCRETE PAD TO PRESERVE AND PROTECT.   |
| 7      | CONCRETE RIP-RAP AREA TO BE AMENDED BY CONTRACTOR SO AS TO RESTRICT FURTHER EROSION FROM BOTTOM OF CONCRETE SLAB.  |
| 8      | REINSTALL EXISTING 15' X 15' PARK SHELTER IN NEW LOCATION AS PER PLANS.  |
| 9      | EXISTING ROCK MULCH CONDITIONS, PRESERVE AND PROTECT.  |
| 10     | NEW PARKING AREA. REFER TO ENGINEERING PLANS.  |
| 11     | NEW SERVICE LANE. REFER TO ENGINEERING PLANS.  |
| 12     | PROVIDE AND INSTALL POST-TENSION CONCRETE COURT. REFER TO A,B,C/G-003.   |
| 13     | ROCKWALL REPOINTING. REFER TO ENGINEERING PLANS.   |
| 14     | NEW ANGLED ROCKWALL CAP. REFER TO ENGINEERING PLANS.   |
| 15     | EXISTING IRRIGATION VALVES   |
| 16     | FURNISH AND INSTALL HIGH QUALITY EXTERIOR PAINT FOR THE HORIZON MESA PARK SIGN.  |

REFERENCE NOTES SCHEDULE

| SYMBOL | DESCRIPTION   |
|--------|---|
|        | NEW CONCRETE SIDEWALK. REFER TO ENGINEERING PLANS.  |
|        | PROVIDE AND INSTALL 1-1/2" FRANKLIN RED ROCK MULCH, 3" DEPTH WITH DE WITT PRO 5 FILTER FABRIC OR APPROVED EQUAL.  |
|        | PROVIDE AND INSTALL GOLDEN BROWN SCREENINGS, 3" DEPTH WITH DE WITT PRO 5 FILTER FABRIC OR APPROVED EQUAL.   |
|        | EXISTING COBBLESTONE ROCK 3" TO PRESERVE AND PROTECT.   |
|        | PROVIDE AND INSTALL POURED-IN-PLACE RUBBER SURFACING. TYPE: BONDFLEX. COLORS: BLUE, YELLOW, GREEN AND RED OR APPROVED EQUAL. REFER TO DETAILS Z,AA,AB,AC,AD/LP-505. |
|        | PROVIDE AND INSTALL SALT FINISH CONCRETE PAVING, BROOM FINISHED AT 3000 PSI. REFER TO DETAIL C,D/LP-501.  |
|        | PRESERVE AND PROTECT EXISTING BERMUDA GRASS.  |
|        | PROVIDE AND INSTALL 1-1/2" FRANKLIN RED ROCK MULCH, 2" DEPTH WITH NO FILTER FABRIC.   |
|        | PROVIDE AND INSTALL GOLDEN BROWN STABILIZED SCREENINGS, WITH DE WITT PRO 5 FILTER FABRIC OR APPROVED EQUAL. REFER TO DETAIL I/P-502.                                |
|        | PROVIDE AND INSTALL 4"-6" FRANKLIN RED ROCK MULCH, 3" DEPTH WITH DE WITT PRO 5 FILTER FABRIC OR APPROVED EQUAL.   |
|        | NEW CONCRETE PAD. REFER TO ENGINEERING PLANS.   |
|        | PROVIDE AND INSTALL 6 INCH CONCRETE MOW STRIP. REFER TO DETAIL F/P-501.   |

REFERENCE NOTES SCHEDULE

| SYMBOL | DESCRIPTION  |
|--------|--|
|        | PROVIDE AND INSTALL BIKE RACK, 5-LOOP RACK, POWDER COATED, SURFACE MOUNT. MATERIAL: STEEL. COLOR: BLUE, OR APPROVED EQUAL. REFER TO DETAIL N/P-502.                          |
|        | PROVIDE AND INSTALL PET WASTE STATION OR APPROVED EQUAL. REFER TO DETAIL M/P-502.  |
|        | PROVIDE AND INSTALL DUMOR 500-60PL BENCH, SURFACE MOUNT, WITH ARMS, OR APPROVED EQUAL. REFER TO DETAIL K/LP-502.   |
|        | PROVIDE AND INSTALL 55 GAL SIDE OPENING RECEPTACLE, WITH BONET ASH TOP, LID COLOR: SILVER, RECEPTACLE COLOR: NAVY. SURFACE MOUNT OR APPROVED EQUAL. REFER TO DETAIL L/P-502. |
|        | PROVIDE AND INSTALL GOLDEN BROWN COLORED BOULDERS - 3' X 3' AND 2' X 2' PAIRS. PARTIALLY BURIED AND SMOOTH FLAT FACE UP SO AS TO CREATE COMFORTABLE SEATING.                 |
|        | PROVIDE AND INSTALL DESERT TAN BOULDERS - 3' X 3', & 4' X 4', EVENLY MIXED, PARTIALLY BURIED. REFER TO DETAIL G/LP-501.  |
|        | PROVIDE AND INSTALL DUMOR TABLE 299, MODEL: 299-60-1HS, 1 BENCH SEAT, 2 STOOLS, ADA ACCESSIBLE, IN-GROUND MOUNTED OR APPROVED EQUAL. REFER TO DETAIL O/P-503.                |
|        | PROVIDE AND INSTALL DUMOR TABLE 299, MODEL: 299-60HS, 2 BENCH SEATS, IN-GROUND OR APPROVED EQUAL. REFER TO DETAIL P/P-503.   |
|        | REINSTALL EXISTING PET WASTE STATION IN NEW LOCATION AS PER PLANS.   |
|        | REINSTALL EXISTING TRASH RECEPTACLE IN NEW LOCATION AS PER PLANS.  |



817 OLIVE AVE. | El Paso, TX 79901  
 p 915.873.7393 / 915.873.7313  
 www.greenway-studio.com



HORIZON MESA PARK

14301 DESERT SHADOW DR.  
 HORIZON CITY, TEXAS 79928



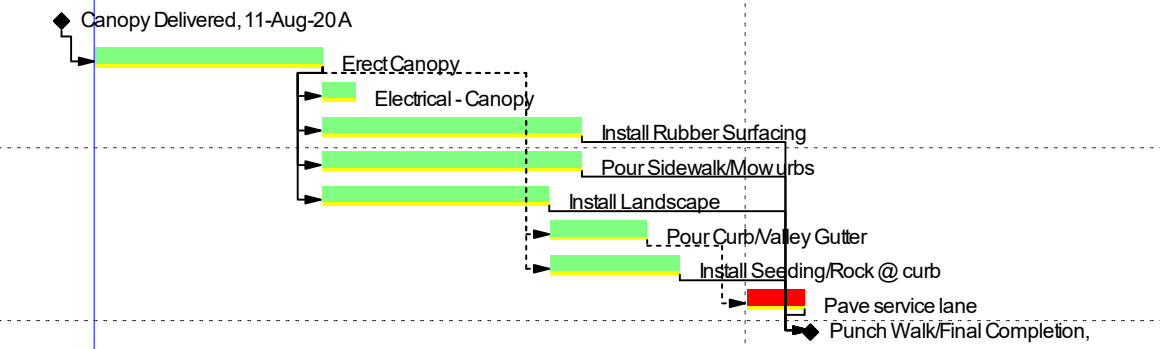
REVISION SCHEDULE

| Number | Date | Description |
|--------|------|-------------|
|        |      |             |
|        |      |             |
|        |      |             |

PROJECT STATUS: 100% CDs  
 ISSUE DATE: JULY 2019  
 PROJECT NO.: CIP18-103  
 DRAWN BY: IP  
 CHECKED BY: DAP

sheet name  
**CONSTRUCTION PLAN**  
**LC-100**

| Activity ID   | Activity Name               | Original Duration | Remaining Duration | Start      | Finish    | Activity % Complete | Qtr 3, 2020                         |     |
|---|-----------------------------|-------------------|--------------------|------------|-----------|---------------------|-------------------------------------|-----|
|   |                             |                   |                    |            |           |                     | Aug                                 | Sep |
| <b>HMP-01 Horizon Mesa Park - Balance of Scope Schedule</b> |                             | 22                | 22                 | 11-Aug-20A | 03-Sep-20 |                     | 03-Sep-20, HMP-01 Horizon Mesa Park |     |
| A1000   | Canopy Delivered            | 0                 | 0                  | 11-Aug-20, |           | 100%                | Canopy Delivered, 11-Aug-20A        |     |
| A1010   | Erect Canopy                | 7                 | 7                  | 12-Aug-20  | 19-Aug-20 | 0%                  | Erect Canopy                        |     |
| A1020   | Electrical - Canopy         | 1                 | 1                  | 19-Aug-20  | 20-Aug-20 | 0%                  | Electrical - Canopy                 |     |
| A1030   | Install Rubber Surfacing    | 8                 | 8                  | 19-Aug-20  | 27-Aug-20 | 0%                  | Install Rubber Surfacing            |     |
| A1040   | Pour Sidewalk/Mow urbs      | 8                 | 8                  | 19-Aug-20  | 27-Aug-20 | 0%                  | Pour Sidewalk/Mow urbs              |     |
| A1050   | Install Landscape           | 7                 | 7                  | 19-Aug-20* | 26-Aug-20 | 0%                  | Install Landscape                   |     |
| A1060   | Pour Curb/Valley Gutter     | 3                 | 3                  | 26-Aug-20* | 29-Aug-20 | 0%                  | Pour Curb/Valley Gutter             |     |
| A1080   | Install Seeding/Rock @ curb | 4                 | 4                  | 26-Aug-20* | 30-Aug-20 | 0%                  | Install Seeding/Rock @ curb         |     |
| A1070   | Pave service lane           | 2                 | 2                  | 01-Sep-20* | 02-Sep-20 | 0%                  | Pave service lane                   |     |
| A1090   | Punch Walk                  | 0                 | 0                  |            | 03-Sep-20 | 100%                | Punch Walk/Final Completion,        |     |



█ Actual Level of Effort   
 █ Actual Work   
 █ Critical Remaining Work  
   Primary Baseline   
 █ Remaining Work   
 ◆ Milestone

## Rivera, Roxanne

---

**From:** Nathan Tierney <nate@exerplay.com>  
**Sent:** Wednesday, September 9, 2020 11:10 AM  
**To:** Ashton Allen  
**Cc:** Michelle McKean; Steve Allen  
**Subject:** Re: Horizon Mesa Park - Rubber Surface Install 8/31

Ashton he was worried the rain would damage his work and said he'd be there tomorrow to finish. He told me to schedule drop test/audit for Tuesday of next week.

Thanks  
Nate

Nate Tierney  
Exerplay, inc  
575-932-9189

On Sep 9, 2020, at 10:41 AM, Ashton Allen <aallen@spartantxnm.com> wrote:

Nate,

I am on site and no one is here to install the rubber surface material. What is the status?

Ashton Allen  
Spartan Construction of Texas, Inc.  
281-904-8641

On Sep 8, 2020, at 3:46 PM, aallen@spartantxnm.com wrote:

Hey Nate,

Following up on our conversation earlier today, did you confirm when the rubber surface will be complete and when we can schedule the audit?

Thank you,

Ashton Allen  
Project Manager  
O (915) 760-6171 // C (915) 309-9906  
spartantxnm.com  
<image002.png>

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**From:** Ashton Allen <aallen@spartantxnm.com>  
**Sent:** Friday, September 4, 2020 10:27 AM  
**To:** Nathan Tierney <nate@exerplay.com>  
**Cc:** Michelle McKean <michelle@exerplay.com>; Steve Allen <sallen@spartantxnm.com>  
**Subject:** Re: Horizon Mesa Park - Rubber Surface Install 8/31

Nate,

Are the rubber guys not working today? No one is on site.

Ashton Allen  
Spartan Construction of Texas, Inc.  
281-904-8641

On Sep 2, 2020, at 3:23 PM, [aallen@spartantxnm.com](mailto:aallen@spartantxnm.com) wrote:

Nate,

Just confirmed that that no one showed up today. Can you please confirm the crew will be on site tomorrow?

Ashton Allen  
Project Manager  
O (915) 760-6171 // C (915) 309-9906  
spartantxnm.com  
<[image001.png](#)>

---

**From:** Nathan Tierney <[nate@exerplay.com](mailto:nate@exerplay.com)>  
**Sent:** Wednesday, September 2, 2020 12:23 PM  
**To:** [aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)  
**Cc:** Michelle McKean <[michelle@exerplay.com](mailto:michelle@exerplay.com)>; 'Steve Allen' <[sallen@spartantxnm.com](mailto:sallen@spartantxnm.com)>  
**Subject:** Re: Horizon Mesa Park - Rubber Surface Install 8/31

Ashton,

I just talked to him. He is on the road but is still planning to get there today.

Thanks  
Nate

#

Q dwh #Whugh | #Whuikru | # dcdjhu 190

8:80<650<4;<# re.lh  
83805;403484#riifh  
[zzz1h{hus@|frrp](mailto:zzz1h{hus@|frrp)  
<image002.jpg>

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**From:** "[aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)" <[aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)>  
**Date:** Wednesday, September 2, 2020 at 11:32 AM  
**To:** natejp <[nate@exerplay.com](mailto:nate@exerplay.com)>  
**Cc:** Michelle McKean <[michelle@exerplay.com](mailto:michelle@exerplay.com)>, 'Steve Allen'  
<[sallen@spartantxnm.com](mailto:sallen@spartantxnm.com)>  
**Subject:** RE: Horizon Mesa Park - Rubber Surface Install 8/31

Nate,

I was just at HMP and no one was there for the rubber surface install?  
Are we still scheduled for today?

Ashton Allen  
Project Manager  
O (915) 760-6171 // C (915) 309-9906  
spartantxnm.com  
<image005.png>

---

**From:** Ashton Allen <[aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)>  
**Sent:** Monday, August 31, 2020 8:21 AM  
**To:** Nathan Tierney <[nate@exerplay.com](mailto:nate@exerplay.com)>  
**Cc:** Michelle McKean <[michelle@exerplay.com](mailto:michelle@exerplay.com)>  
**Subject:** Re: Horizon Mesa Park - Rubber Surface Install 8/31

Nate,

If Wednesday is the earliest availability will take it.

Ashton Allen  
Spartan Construction of Texas, Inc.  
281-904-8641

On Aug 28, 2020, at 5:38 PM, Nathan Tierney  
<[nate@exerplay.com](mailto:nate@exerplay.com)> wrote:

Ashton,

Hey I am out until Monday and you are right, Orlando is  
no longer with Groundbreakers. Please direct any

questions to me. I know the sign is in the works and once it arrives I'll let you know.

I just talked to our rubber guy. He is pushing hard but to be honest it sounds like Wednesday is going to be the soonest he can get out there. I'll let you know if that changes.

Thanks

Nate

#

Q dwh#Whugh|#, #Whuikru|#P dqdjhu

8:80<650<4;<# relh

83805;403484#riifh

[zzz1h@husd.com](mailto:zzz1h@husd.com) | [ifrp](mailto:ifrp)

<image001.png>

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**From:** "[aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)"

<[aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)>

**Date:** Friday, August 28, 2020 at 6:32 AM

**To:** Michelle McKean <[michelle@exerplay.com](mailto:michelle@exerplay.com)>

**Cc:** natejp <[nate@exerplay.com](mailto:nate@exerplay.com)>

**Subject:** FW: Horizon Mesa Park - Rubber Surface Install 8/31

Michelle,

Please see the email below that was sent to both Nate and Orlando. I received an auto response from Orlando that he is no longer employed with groundbreakers and also received an auto response that Nate is out the rest of this week. Can you please assist with having a crew on site to complete the rubber surface install at HMP this Monday, 8/31?

Thank you,

Ashton Allen

Project Manager

O (915) 760-6171 // C (915) 309-9906

spartantxnm.com

<image002.png>

---

**From:** [aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)

<[aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)>

**Sent:** Friday, August 28, 2020 6:30 AM

**To:** 'Nathan Tierney' <[nate@exerplay.com](mailto:nate@exerplay.com)>; 'orlando

Garcia' <[orlando@groundbreakers-llc.com](mailto:orlando@groundbreakers-llc.com)>

**Cc:** 'spartantxnmjr@gmail.com'  
<[spartantxnmjr@gmail.com](mailto:spartantxnmjr@gmail.com)>; 'Steve Allen'  
<[sallen@spartantxnm.com](mailto:sallen@spartantxnm.com)>  
**Subject:** RE: Horizon Mesa Park - Rubber Surface Install  
8/31  
**Importance:** High

Nate/Orlando,

I did not receive a response on below. Please confirm.

Ashton Allen  
Project Manager  
O (915) 760-6171 // C (915) 309-9906  
spartantxnm.com  
<[image003.png](#)>

---

**From:** [aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)  
<[aallen@spartantxnm.com](mailto:aallen@spartantxnm.com)>  
**Sent:** Wednesday, August 26, 2020 9:15 AM  
**To:** 'Nathan Tierney' <[nate@exerplay.com](mailto:nate@exerplay.com)>; 'orlando Garcia' <[orlando@groundbreakers-llc.com](mailto:orlando@groundbreakers-llc.com)>  
**Cc:** 'spartantxnmjr@gmail.com'  
<[spartantxnmjr@gmail.com](mailto:spartantxnmjr@gmail.com)>; 'Steve Allen'  
<[sallen@spartantxnm.com](mailto:sallen@spartantxnm.com)>  
**Subject:** Horizon Mesa Park - Rubber Surface Install  
8/31  
**Importance:** High

Nate/Orlando,

We will be ready for the rubber surface install at HMP this upcoming Monday 8/31. Please confirm this works for you all as we turn over the park next week.

Thank you,

Ashton Allen  
Project Manager  
O (915) 760-6171 // C (915) 309-9906  
spartantxnm.com  
<[image004.png](#)>



**Spartan Construction of TX & NM**  
 5780 N.Mesa  
 El Paso, Texas 79912  
 P: (915) 760-6171  
 F: (972) 591-4523

**Project: CIP-2018-003 - HORIZON MESA PARK IMPROVEMENTS**  
 14301 DESERT SHADOW DR.  
 HORIZON CITY, Texas 79928

## CHANGE EVENT #008 - RECONSTRUCT 4 CONCRETE FOOTINGS

**Origin:**  
**Date Created:** 4/8/2020 **Created By:** DEE GALLEGOS  
**Status:** Open **Scope:** Out of Scope  
**Type:** TBD **Change Reason:** Existing Condition  
**Description:** THIS CHANGE ORDER IS TO RECONSTRUCT 4 CONCRETE FOOTINGS AND ADDITIONAL MODIFIED SLAB FOR SMALL EXISTING CANOPY.  
 THIS CHANGE WILL REQUIRE 7 ADDITIONAL DAYS IF ACCEPTED.  
**Attachments:** [GREEN WAY STUDIO RFI.pdf](#)

### CHANGE EVENT LINE ITEMS

194

| Cost Code | Cost Type | Vendor / Contract                                       | Revenue      |           |              | Cost         |     |         |              | Over/<br>Under | Budget Mod. |
|-----------|-----------|---|--------------|-----------|--------------|--------------|-----|---------|--------------|----------------|-------------|
|           |           |   | ROM          | Prime CCO | Latest Price | ROM          | RFQ | Commit. | Latest Cost  |                |             |
|           |           |   | \$0.00       |           | \$0.00       | \$0.00       |     |         | \$0.00       | \$0.00         |             |
|           |           | Description:<br>RE-COMPACT DRILL PIERS (1LS @ \$500)    |              |           |              |              |     |         |              |                |             |
|           |           |   | \$2,400.00   |           | \$2,400.00   | \$2,400.00   |     |         | \$2,400.00   | \$0.00         |             |
|           |           | Description:<br>INSTALL NEW SPOT FOOTINGS (4EA @ \$600) |              |           |              |              |     |         |              |                |             |
|           |           |   | \$520.00     |           | \$520.00     | \$520.00     |     |         | \$520.00     | \$0.00         |             |
|           |           | Description:<br>REBAR (650LBS @ \$.80)                  |              |           |              |              |     |         |              |                |             |
|           |           |   | \$424.60     |           | \$424.60     | \$424.60     |     |         | \$424.60     | \$0.00         |             |
|           |           | Description:<br>SLAB (110SF @ \$3.86)                   |              |           |              |              |     |         |              |                |             |
|           |           |   | \$1,400.00   |           | \$1,400.00   | \$1,400.00   |     |         | \$1,400.00   | \$0.00         |             |
|           |           | Description:<br>INSTALL PILASTERS                       |              |           |              |              |     |         |              |                |             |
|           |           |   | \$(1,000.00) |           | \$(1,000.00) | \$(1,000.00) |     |         | \$(1,000.00) | \$0.00         |             |

| Cost Code           | Cost Type                                   | Vendor / Contract | Revenue           |               |                   | Cost              |               |               |                   | Over/<br>Under | Budget Mod.   |  |
|---------------------|---|-------------------|-------------------|---------------|-------------------|-------------------|---------------|---------------|-------------------|----------------|---------------|--|
|                     |   |                   | ROM               | Prime CCO     | Latest Price      | ROM               | RFQ           | Commit.       | Latest Cost       |                |               |  |
|                     | Description:<br>CONCRETE CREDIT (5CY)       |                   |                   |               |                   |                   |               |               |                   |                |               |  |
|                     |   |                   | \$561.69          |               | \$561.69          | \$561.69          |               |               |                   | \$561.69       | \$0.00        |  |
|                     | Description:<br>SPARTAN MARKUP (15%)        |                   |                   |               |                   |                   |               |               |                   |                |               |  |
|                     |   |                   | \$56.17           |               | \$56.17           | \$56.17           |               |               |                   | \$56.17        | \$0.00        |  |
|                     | Description:<br>BOND (1.5%)                 |                   |                   |               |                   |                   |               |               |                   |                |               |  |
|                     |   |                   | \$0.00            |               | \$0.00            | \$0.00            |               |               |                   | \$0.00         | \$0.00        |  |
|                     | Description:<br>CHANGE ITEM REQUIRES 7 DAYS |                   |                   |               |                   |                   |               |               |                   |                |               |  |
| <b>Grand Totals</b> |   |                   | <b>\$4,362.46</b> | <b>\$0.00</b> | <b>\$4,362.46</b> | <b>\$4,362.46</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$4,362.46</b> | <b>\$0.00</b>  | <b>\$0.00</b> |  |



**Spartan Construction of TX & NM**  
 5780 N.Mesa  
 El Paso, Texas 79912  
 P: (915) 760-6171  
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**Project: CIP-2018-003 - HORIZON MESA PARK IMPROVEMENTS**  
 14301 DESERT SHADOW DR.  
 HORIZON CITY, Texas 79928

## CHANGE EVENT #CE-013 - Pedestrian Bridge - Handrail Footings

**Origin:** RFI #26: Pedestrian Bridge - Handrail Mount Detail  
**Date Created:** 7/15/2020 **Created By:** Ashton Allen  
**Status:** Open **Scope:** Out of Scope  
**Type:** Owner Change **Change Reason:** Existing Condition  
**Description:** Change order includes the cost associated with adding additional footings at the new pedestrian bridge handrails per RFI #26. This CE has been updated to include the cost with demoing and replacing the 3 required sidewalk panels at Desert Fire to accommodate the new hand rails.

**Attachments:**

### CHANGE EVENT LINE ITEMS

| Cost Code | Cost Type | Vendor / Contract  | Revenue    |           |              | Cost       |     |         |             | Over/<br>Under | Budget Mod. |
|-----------|-----------|--|------------|-----------|--------------|------------|-----|---------|-------------|----------------|-------------|
|           |           |  | ROM        | Prime CCO | Latest Price | ROM        | RFQ | Commit. | Latest Cost |                |             |
|           |           |  | \$240.00   |           | \$240.00     | \$240.00   |     |         | \$240.00    | \$0.00         | 196         |
|           |           | Description:<br>Sawcut Asphalt                               |            |           |              |            |     |         |             |                |             |
|           |           |  | \$120.00   |           | \$120.00     | \$120.00   |     |         | \$120.00    | \$0.00         |             |
|           |           | Description:<br>Demo Asphalt                                 |            |           |              |            |     |         |             |                |             |
|           |           |  | \$100.00   |           | \$100.00     | \$100.00   |     |         | \$100.00    | \$0.00         |             |
|           |           | Description:<br>Excavate                                     |            |           |              |            |     |         |             |                |             |
|           |           |  | \$200.00   |           | \$200.00     | \$200.00   |     |         | \$200.00    | \$0.00         |             |
|           |           | Description:<br>Rebar  |            |           |              |            |     |         |             |                |             |
|           |           |  | \$1,800.00 |           | \$1,800.00   | \$1,800.00 |     |         | \$1,800.00  | \$0.00         |             |
|           |           | Description:<br>Concrete                                     |            |           |              |            |     |         |             |                |             |
|           |           |  | \$161.09   |           | \$161.09     | \$161.09   |     |         | \$161.09    | \$0.00         |             |
|           |           | Description:<br>Demo/Haul off Sidewalk Panels at Desert Fire |            |           |              |            |     |         |             |                |             |

| Cost Code           | Cost Type | Vendor / Contract                           | Revenue           |               |                   | Cost              |               |               |                   | Over/<br>Under | Budget Mod.   |
|---------------------|-----------|---|-------------------|---------------|-------------------|-------------------|---------------|---------------|-------------------|----------------|---------------|
|                     |           |   | ROM               | Prime CCO     | Latest Price      | ROM               | RFQ           | Commit.       | Latest Cost       |                |               |
|                     |           |   | \$446.66          |               | \$446.66          | \$446.66          |               |               | \$446.66          | \$0.00         |               |
|                     |           | Description:<br>Replace Sidewalk Panels     |                   |               |                   |                   |               |               |                   |                |               |
|                     |           |   | \$460.16          |               | \$460.16          | \$460.16          |               |               | \$460.16          | \$0.00         |               |
|                     |           | Description:<br>Spartan Markup (15%)        |                   |               |                   |                   |               |               |                   |                |               |
|                     |           |   | \$46.02           |               | \$46.02           | \$46.02           |               |               | \$46.02           | \$0.00         |               |
|                     |           | Description:<br>Bond at 1.5%                |                   |               |                   |                   |               |               |                   |                |               |
|                     |           |   | \$0.00            |               | \$0.00            | \$0.00            |               |               | \$0.00            | \$0.00         |               |
|                     |           | Description:<br>Change item requires 7 Days |                   |               |                   |                   |               |               |                   |                |               |
| <b>Grand Totals</b> |           |   | <b>\$3,573.93</b> | <b>\$0.00</b> | <b>\$3,573.93</b> | <b>\$3,573.93</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$3,573.93</b> | <b>\$0.00</b>  | <b>\$0.00</b> |

# West Sand Concrete Construction

P.O. Box 17693, El Paso, TX 79927 Phone (915)204-7535

[westsandconcreteconstruction@yahoo.com](mailto:westsandconcreteconstruction@yahoo.com)

**July 14, 2020**

---

Spartan

**Project**

Horizon Mesa Park

**Item #1**      Install rebar place and finish concrete at railing footings

12 x \$150 = \$1,800

**Total \$1,800.00**

*Thank you for your attention.*

*Sincerely, Javier Garay*



**Spartan Construction of TX & NM**  
 5780 N.Mesa  
 El Paso, Texas 79912  
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 F: (972) 591-4523

**Project: CIP-2018-003 - HORIZON MESA PARK IMPROVEMENTS**  
 14301 DESERT SHADOW DR.  
 HORIZON CITY, Texas 79928

## CHANGE EVENT #CE-015 - Additional Irrigation Scope

**Origin:**

**Date Created:** 9/8/2020      **Created By:** Ashton Allen  
**Status:** Open      **Scope:** Out of Scope  
**Type:** Owner Change      **Change Reason:** Design Development  
**Description:** PCO includes cost for labor, material and equipment associated with the new irrigation drawing received on 8/27. Scope of work will require 14 days from approval to complete.

**Attachments:**

### CHANGE EVENT LINE ITEMS

| Cost Code | Cost Type | Vendor / Contract                    | Revenue    |           |              | Cost       |     |         |             | Over/<br>Under | Budget Mod. |
|-----------|-----------|--------------------------------------|------------|-----------|--------------|------------|-----|---------|-------------|----------------|-------------|
|           |           |                                      | ROM        | Prime CCO | Latest Price | ROM        | RFQ | Commit. | Latest Cost |                |             |
|           |           |                                      | \$3,000.00 |           | \$3,000.00   | \$3,000.00 |     |         | \$3,000.00  | \$0.00         | 199         |
|           |           | Description:<br>Irrigation Material  |            |           |              |            |     |         |             |                |             |
|           |           |                                      | \$500.00   |           | \$500.00     | \$500.00   |     |         | \$500.00    | \$0.00         |             |
|           |           | Description:<br>Equipment (trencher) |            |           |              |            |     |         |             |                |             |
|           |           |                                      | \$3,350.00 |           | \$3,350.00   | \$3,350.00 |     |         | \$3,350.00  | \$0.00         |             |
|           |           | Description:<br>Irrigation Labor     |            |           |              |            |     |         |             |                |             |
|           |           |                                      | \$1,027.50 |           | \$1,027.50   | \$1,027.50 |     |         | \$1,027.50  | \$0.00         |             |
|           |           | Description:<br>Spartan MU (15%)     |            |           |              |            |     |         |             |                |             |
|           |           |                                      | \$102.75   |           | \$102.75     | \$102.75   |     |         | \$102.75    | \$0.00         |             |
|           |           | Description:<br>Bond of 1.5%         |            |           |              |            |     |         |             |                |             |
|           |           |                                      | \$0.00     |           | \$0.00       | \$0.00     |     |         | \$0.00      | \$0.00         |             |
|           |           | Description:<br>PCO Requires 14 Days |            |           |              |            |     |         |             |                |             |

| Cost Code           | Cost Type | Vendor / Contract | Revenue           |               |                   | Cost              |               |               |                   | Over/<br>Under | Budget Mod.   |
|---------------------|-----------|-------------------|-------------------|---------------|-------------------|-------------------|---------------|---------------|-------------------|----------------|---------------|
|                     |           |                   | ROM               | Prime CCO     | Latest Price      | ROM               | RFQ           | Commit.       | Latest Cost       |                |               |
| <b>Grand Totals</b> |           |                   | <b>\$7,980.25</b> | <b>\$0.00</b> | <b>\$7,980.25</b> | <b>\$7,980.25</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$7,980.25</b> | <b>\$0.00</b>  | <b>\$0.00</b> |

**Spartan Construction of Texas, Inc.**  
5780 N Mesa St  
El Paso, TX 79912-5427  
915-760-6171

**West Star Bank**  
6700 N. Mesa St.  
El Paso, TX 79901  
88-1761/1120

12/15/2020

PAY TO THE ORDER OF HORIZON REGIONAL MUD #4

\$ \*\*8,860.63

Eight thousand eight hundred sixty and 63/100\*\*\*\*\*  
DOLLARS

HORIZON REGIONAL MUD #4  
PO BOX 684000  
HOUSTON, TX 77268-4000

MEMO

MP

⑈007005⑈ ⑆112017619⑆ 418 683 4⑈

Spartan Construction of Texas, Inc./5780 N Mesa St

| Date       | Type | Reference               | Original Amount | Balance Due | Payment  |
|------------|------|-------------------------|-----------------|-------------|----------|
| 12/15/2020 | Bill | HORIZON REGIONAL MUD #4 | 8,860.63        | 8,860.63    | 8,860.63 |
|            |      | Check Amount            |                 |             | 8,860.63 |

*Handwritten signature*

WestStar Bank - 6834 8,860.63

Spartan Construction of Texas, Inc./5780 N Mesa St

| Date       | Type | Reference               | Original Amount | Balance Due | Payment  |
|------------|------|-------------------------|-----------------|-------------|----------|
| 12/15/2020 | Bill | HORIZON REGIONAL MUD #4 | 8,860.63        | 8,860.63    | 8,860.63 |
|            |      | Check Amount            |                 |             | 8,860.63 |

WestStar Bank - 6834 201 8,860.63



**Spartan Construction of Texas, Inc.**  
 5780 N Mesa St  
 El Paso, TX 79912-5427  
 915-760-6171

**West Star Bank**  
 6700 N. Mesa St.  
 El Paso, TX 79901  
 88-1761/1120

007215

01/15/2021

PAY TO THE ORDER OF HORIZON REGIONAL MUD #4

\$ \*\*13,557.96

Thirteen thousand five hundred fifty-seven and 96/100\*\*\*\*\*

DOLLARS

HORIZON REGIONAL MUD #4  
 PO BOX 684000  
 HOUSTON, TX 77268-4000

MEMO

⑈007215⑈ ⑆112017619⑆ 418 683 4⑈

Spartan Construction of Texas, Inc./5780 N Mesa St

| Date       | Type | Reference               | Original Amount | Balance Due | Payment   |
|------------|------|-------------------------|-----------------|-------------|-----------|
| 01/15/2021 | Bill | HORIZON REGIONAL MUD #4 | 13,557.96       | 13,557.96   | 13,557.96 |
|            |      | Check Amount            |                 |             | 13,557.96 |

WestStar Bank - 6834 13,557.96

Spartan Construction of Texas, Inc./5780 N Mesa St

| Date       | Type | Reference               | Original Amount | Balance Due | Payment   |
|------------|------|-------------------------|-----------------|-------------|-----------|
| 01/15/2021 | Bill | HORIZON REGIONAL MUD #4 | 13,557.96       | 13,557.96   | 13,557.96 |
|            |      | Check Amount            |                 |             | 13,557.96 |

WestStar Bank - 6834 202 13,557.96

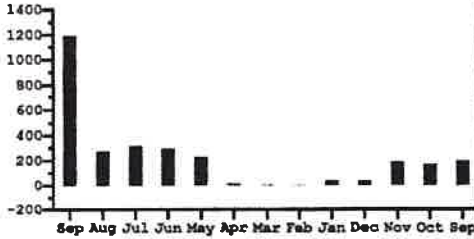


Spoke with Veronica Saucedo

HORIZON CITY MESA PARK

INV000 8291

9

|   |                    |          |  |
|---|--------------------|----------|--|
| <b>MAKE CHECK PAYABLE TO:</b><br>HORIZON REGIONAL MUD #4<br>P O BOX 684000<br>HOUSTON TX 77268-4000   | SERVICE ADDRESS    |          | ACCOUNT NUMBER   |
|   | 601 DESERT MIST DR |          | 60004-0046633600   |
| <b>Readings and Consumption</b><br>Meter No. 3089377<br>Read Date 09/14/20<br>Type W-GLS<br>Current 59519.0<br>Prior 58327.0<br>Usage 1192.0<br>Type W<br>Total: 1192.0 | SERVICE PERIOD     | FROM TO  | BILLING DATE   |
|   | 08/14/20           | 09/14/20 | 09/22/20   |
| <b>TOTAL GALLONS</b><br>  |                    |          | DESCRIPTION AMOUNT<br>BALANCE FORWARD Pd 9/14/20 1,504.31<br>WATER 10,339.25<br>BASE RATE 25.68<br>THIS MONTH 10,364.93 ✓<br>10,364.93 |
| \$17.62 % Change from Previous Year Billing Period.<br>Last year usage: 193   |                    |          | TOTAL NOW DUE 11,869.24<br>PENALTY AMOUNT 0.00<br>PAY THIS AMOUNT AFTER 10/21/2020 11,869.24   |
| Average residential usage in 1,000's Gals: 7.0  |                    |          |  |

RECEIVED  
SEP 18 2020

BY: Deli

10 HORIZON CITY MESA PARK

MESSAGES

PAYMENT = 8,869.24

|   |  |
|---|--|
| Bill payment and information:<br>www.horizonregional.com<br>Pay by phone: 1-855-230-7396<br>El Paso Disposal: 915-772-7495<br>Office hours: (M-F) 8am-5pm<br>Office phone: 915-852-3917 | In 2019, Horizon Regional MUD detected 12 contaminants in the drinking water and none of them were above the EPA accepted level for drinking water. Please go to <a href="https://www.inframark.com/wp-content/uploads/2020/05/Horizon-Regional-MUD-0710005.pdf">https://www.inframark.com/wp-content/uploads/2020/05/Horizon-Regional-MUD-0710005.pdf</a> to view your 2019 annual water quality report and learn more about your drinking water. This report contains important information about the source and quality of your drinking water. For a translation of the water quality report or to speak with someone about the report please call (915) 852-3917. If you would like a paper copy mailed to your home, please call (915) 852-3917. |
|---|--|

AVR, Inc.

IF YOUR MAILING ADDRESS HAS CHANGED PLEASE CORRECT  
PLEASE RETURN BOTTOM PORTION WITH PAYMENT

HORIZON REGIONAL MUD #4  
P O BOX 684000  
HOUSTON TX 77268-4000



Account Number 60004-0046633600  
Service Address 601 DESERT MIST DR  
Electronic Box# 004

FAILURE TO RECEIVE BILL DOES NOT WAIVE PENALTY

|                       |            |                |
|-----------------------|------------|----------------|
| 11,869.24             | 10/21/2020 | 11,869.24      |
| ON OR BEFORE DUE DATE | DUE DATE   | AFTER DUE DATE |

|             |
|-------------|
| AMOUNT PAID |
|             |

Scan To Pay



HORIZON CITY MESA PARK  
14999 DARRINGTON RD  
HORIZON CITY TX 79928

HORIZON REGIONAL MUD #4  
P O BOX 684000  
HOUSTON TX 77268-4000

HORIZON CITY MESA PARK

| <b>MAKE CHECK PAYABLE TO:</b><br>HORIZON REGIONAL MUD #4<br>P O BOX 684000<br>HOUSTON TX 77268-4000   | SERVICE ADDRESS    |   | ACCOUNT NUMBER   |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
|---|--------------------|---|------------------|---------|----------|-------|---------|-------|-------|------|---------|---------|--------|---|--------|--|--------|--|--------------------------|--|--|--|-------------|--------|-----------------|-----------|-------|----------|-----------|-------|-------------------|-----------------|----------------------|------------------|----------------|------|-----------------------|------------|--|-----------|
|   | 601 DESERT MIST DR |   | 60004-0046633600 |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
|   | SERVICE PERIOD     | FROM TO   | BILLING DATE     |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
|   | 09/14/20 10/15/20  | 10/22/20  |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| <b>Readings and Consumption</b><br><table border="1"> <tr> <th>Meter No.</th> <th>Read Date</th> <th>Type</th> </tr> <tr> <td>3089377</td> <td>10/15/20</td> <td>W-GLS</td> </tr> <tr> <th>Current</th> <th>Prior</th> <th>Usage</th> <th>Type</th> </tr> <tr> <td>60650.0</td> <td>59519.0</td> <td>1131.0</td> <td>W</td> </tr> <tr> <td colspan="2">Total:</td> <td>1131.0</td> <td></td> </tr> </table> | Meter No.          | Read Date   | Type             | 3089377 | 10/15/20 | W-GLS | Current | Prior | Usage | Type | 60650.0 | 59519.0 | 1131.0 | W | Total: |  | 1131.0 |  | <b>TOTAL GALLONS</b><br> |  | <table border="1"> <thead> <tr> <th>DESCRIPTION</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>BALANCE FORWARD</td> <td>11,869.24</td> </tr> <tr> <td>WATER</td> <td>9,621.28</td> </tr> <tr> <td>BASE RATE</td> <td>25.68</td> </tr> <tr> <td><b>THIS MONTH</b></td> <td><b>9,646.96</b></td> </tr> <tr> <td><b>TOTAL NOW DUE</b></td> <td><b>21,516.20</b></td> </tr> <tr> <td>PENALTY AMOUNT</td> <td>0.00</td> </tr> <tr> <td>PAY THIS AMOUNT AFTER</td> <td>11/23/2020</td> </tr> <tr> <td></td> <td>21,516.20</td> </tr> </tbody> </table> |  | DESCRIPTION | AMOUNT | BALANCE FORWARD | 11,869.24 | WATER | 9,621.28 | BASE RATE | 25.68 | <b>THIS MONTH</b> | <b>9,646.96</b> | <b>TOTAL NOW DUE</b> | <b>21,516.20</b> | PENALTY AMOUNT | 0.00 | PAY THIS AMOUNT AFTER | 11/23/2020 |  | 21,516.20 |
|   | Meter No.          | Read Date   | Type             |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| 3089377   | 10/15/20           | W-GLS   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| Current   | Prior              | Usage   | Type             |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| 60650.0   | 59519.0            | 1131.0  | W                |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| Total:  |                    | 1131.0  |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| DESCRIPTION   | AMOUNT             |   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| BALANCE FORWARD   | 11,869.24          |   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| WATER   | 9,621.28           |   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| BASE RATE   | 25.68              |   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| <b>THIS MONTH</b>   | <b>9,646.96</b>    |   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| <b>TOTAL NOW DUE</b>  | <b>21,516.20</b>   |   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| PENALTY AMOUNT  | 0.00               |   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| PAY THIS AMOUNT AFTER   | 11/23/2020         |   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
|   | 21,516.20          |   |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |
| 69.23% Change from Previous Year Billing Period.<br>Last year usage: 169  |                    | RECEIVED<br>OCT 28 2020<br>BY: _____<br>Average residential usage in 1,000's Gls: 7.0 |                  |         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |       |          |           |       |                   |                 |                      |                  |                |      |                       |            |  |           |

2342 HORIZON CITY MESA PARK

MESSAGES

Bill payment and information:  
 www.horizonregional.com  
 Pay by phone: 1-855-230-7396  
 El Paso Disposal: 915-772-7495  
 Office hours: (M-F) 8am-5pm  
 Office phone: 915-852-3917

In 2019, Horizon Regional MUD detected 12 contaminants in the drinking water and none of them were above the EPA accepted level for drinking water. Please go to <https://www.inframark.com/wp-content/uploads/2020/05/Horizon-Regional-MUD-0710005.pdf> to view your 2019 annual water quality report and learn more about your drinking water. This report contains important information about the source and quality of your drinking water. For a translation of the water quality report or to speak with someone about the report please call (915) 852-3917. If you would like a paper copy mailed to your home, please call (915) 852-3917.

AVR, Inc.

IF YOUR MAILING ADDRESS HAS CHANGED PLEASE CORRECT  
 PLEASE RETURN BOTTOM PORTION WITH PAYMENT

HORIZON REGIONAL MUD #4  
 P O BOX 684000  
 HOUSTON TX 77268-4000



Account Number 60004-0046633600  
 Service Address 601 DESERT MIST DR  
 Electronic Box# 004

FAILURE TO RECEIVE BILL DOES NOT WAIVE PENALTY

|                       |            |                |
|-----------------------|------------|----------------|
| 21,516.20             | 11/23/2020 | 21,516.20      |
| ON OR BEFORE DUE DATE | DUE DATE   | AFTER DUE DATE |

AMOUNT PAID

Scan To Pay



HORIZON CITY MESA PARK  
 14999 DARRINGTON RD  
 HORIZON CITY TX 79928

HORIZON REGIONAL MUD #4  
 P O BOX 684000  
 HOUSTON TX 77268-4000

60004004663360000215162000215162000000000002

HORIZON CITY MESA PARK

| <b>MAKE CHECK PAYABLE TO:</b><br>HORIZON REGIONAL MUD #4<br>P O BOX 684000<br>HOUSTON TX 77268-4000  | SERVICE ADDRESS       |   | ACCOUNT NUMBER   |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
|--|-----------------------|---|------------------|------------------------------------|-----------|----------------|-----------------------|-------|------------|---------|-----------|--------|--------|--|--------|--------------------------|--|--|--|-------------|--------|-----------------|-----------|--------------------------|-----------|-----------------|------------|--------------|------------------|-----------|-------|-------------------|------------------|
|  | 601 DESERT MIST DR    |   | 60004-0046633600 |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
|  | SERVICE PERIOD        | FROM TO   | BILLING DATE     |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
|  | 10/15/20              | 11/16/20  | 11/24/20         |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| <b>Readings and Consumption</b><br><table border="1"> <tr> <td>Meter No.</td> <td>Read Date</td> <td>Type</td> </tr> <tr> <td>3089377</td> <td>11/16/20</td> <td>W-GLS</td> </tr> <tr> <td>Current</td> <td>Prior</td> <td>Usage</td> </tr> <tr> <td>61817.0</td> <td>60650.0</td> <td>1167.0</td> </tr> <tr> <td colspan="2">Total:</td> <td>1167.0</td> </tr> </table> | Meter No.             | Read Date   | Type             | 3089377                            | 11/16/20  | W-GLS          | Current               | Prior | Usage      | 61817.0 | 60650.0   | 1167.0 | Total: |  | 1167.0 | <b>TOTAL GALLONS</b><br> |  | <table border="1"> <thead> <tr> <th>DESCRIPTION</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>BALANCE FORWARD</td> <td>21,516.20</td> </tr> <tr> <td>pymt made direct 9/14/20</td> <td>-1,504.31</td> </tr> <tr> <td>ADJUSTMENTS( 2)</td> <td>-20,011.89</td> </tr> <tr> <td><b>WATER</b></td> <td><b>10,045.00</b></td> </tr> <tr> <td>BASE RATE</td> <td>35.68</td> </tr> <tr> <td><b>THIS MONTH</b></td> <td><b>10,080.68</b></td> </tr> </tbody> </table> |  | DESCRIPTION | AMOUNT | BALANCE FORWARD | 21,516.20 | pymt made direct 9/14/20 | -1,504.31 | ADJUSTMENTS( 2) | -20,011.89 | <b>WATER</b> | <b>10,045.00</b> | BASE RATE | 35.68 | <b>THIS MONTH</b> | <b>10,080.68</b> |
|  | Meter No.             | Read Date   | Type             |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| 3089377  | 11/16/20              | W-GLS   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| Current  | Prior                 | Usage   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| 61817.0  | 60650.0               | 1167.0  |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| Total:   |                       | 1167.0  |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| DESCRIPTION  | AMOUNT                |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| BALANCE FORWARD  | 21,516.20             |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| pymt made direct 9/14/20   | -1,504.31             |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| ADJUSTMENTS( 2)  | -20,011.89            |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| <b>WATER</b>   | <b>10,045.00</b>      |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| BASE RATE  | 35.68                 |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| <b>THIS MONTH</b>  | <b>10,080.68</b>      |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| Average residential usage in 1,000's Gls: 6.0  |                       | 50.01 % Change from Previous Year Billing Period.<br>Last year usage: 185   |                  | <i>Handwritten:</i> 25719 = \$2415 |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
|  |                       | <table border="1"> <tr> <td>TOTAL NOW DUE</td> <td>10,080.68</td> </tr> <tr> <td>PENALTY AMOUNT</td> <td>PAY THIS AMOUNT AFTER</td> </tr> <tr> <td>0.00</td> <td>12/21/2020</td> </tr> <tr> <td></td> <td>10,080.68</td> </tr> </table> |                  | TOTAL NOW DUE                      | 10,080.68 | PENALTY AMOUNT | PAY THIS AMOUNT AFTER | 0.00  | 12/21/2020 |         | 10,080.68 |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| TOTAL NOW DUE  | 10,080.68             |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| PENALTY AMOUNT   | PAY THIS AMOUNT AFTER |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| 0.00   | 12/21/2020            |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
|  | 10,080.68             |   |                  |                                    |           |                |                       |       |            |         |           |        |        |  |        |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |

2356 HORIZON CITY MESA PARK MESSAGES

|   |   |
|---|---|
| Bill payment and information:<br>www.horizonregional.com<br>Pay by phone: 1-855-230-7396<br>El Paso Disposal: 915-772-7495<br>Office hours: (M-F) 8am-5pm<br>Office phone: 915-852-3917 | Winter is coming. Don't forget to Winterize your outside pipes and faucets,<br>This will help prevent you water lines from freezing.<br>Sign up online for Emergency text alerts. |
|---|---|

AVR, Inc.

IF YOUR MAILING ADDRESS HAS CHANGED PLEASE CORRECT  
PLEASE RETURN BOTTOM PORTION WITH PAYMENT

HORIZON REGIONAL MUD #4  
P O BOX 684000  
HOUSTON TX 77268-4000



Account Number 60004-0046633600  
Service Address 601 DESERT MIST DR  
Electronic Box# 004

FAILURE TO RECEIVE BILL DOES NOT WAIVE PENALTY

|                       |            |                |
|-----------------------|------------|----------------|
| 10,080.68             | 12/21/2020 | 10,080.68      |
| ON OR BEFORE DUE DATE | DUE DATE   | AFTER DUE DATE |

|             |
|-------------|
| AMOUNT PAID |
|             |

Scan To Pay



HORIZON CITY MESA PARK  
14999 DARRINGTON RD  
HORIZON CITY TX 79928

HORIZON REGIONAL MUD #4  
P O BOX 684000  
HOUSTON TX 77268-4000

60004004663360000100806800100806800000000003

HORIZON CITY MESA PARK

INV000 8291

9

| <b>MAKE CHECK PAYABLE TO:</b><br>HORIZON REGIONAL MUD #4<br>P O BOX 684000<br>HOUSTON TX 77268-4000   | SERVICE ADDRESS    |           | ACCOUNT NUMBER             |                         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
|---|--------------------|-----------|----------------------------|-------------------------|----------|-------|---------|-------|-------|------|---------|---------|--------|---|--------|--|--------|--|------|----|--------------|
|   | 601 DESERT MIST DR |           | 60004-0046633600           |                         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
| <b>Readings and Consumption</b><br><br><table border="1"> <tr> <th>Meter No.</th> <th>Read Date</th> <th>Type</th> </tr> <tr> <td>3089377</td> <td>09/14/20</td> <td>W-GLS</td> </tr> <tr> <th>Current</th> <th>Prior</th> <th>Usage</th> <th>Type</th> </tr> <tr> <td>59519.0</td> <td>58327.0</td> <td>1192.0</td> <td>W</td> </tr> <tr> <td colspan="2">Total:</td> <td>1192.0</td> <td></td> </tr> </table> | Meter No.          | Read Date | Type                       | 3089377                 | 09/14/20 | W-GLS | Current | Prior | Usage | Type | 59519.0 | 58327.0 | 1192.0 | W | Total: |  | 1192.0 |  | FROM | TO | BILLING DATE |
|   | Meter No.          | Read Date | Type                       |                         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
| 3089377   | 09/14/20           | W-GLS     |                            |                         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
| Current   | Prior              | Usage     | Type                       |                         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
| 59519.0   | 58327.0            | 1192.0    | W                          |                         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
| Total:  |                    | 1192.0    |                            |                         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
| SERVICE PERIOD  | 08/14/20           | 09/14/20  | 09/22/20                   |                         |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
| <b>TOTAL GALLONS</b><br>  |                    |           | DESCRIPTION                | AMOUNT                  |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
| RECEIVED<br>SEP 28 2020<br>BT: Delia<br><br>Average residential usage in 1,000's Gls: 7.0   |                    |           | BALANCE FORWARD Pd 9/14/20 | 1,504.31                |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
|   |                    |           | WATER                      | 10,339.25               |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
|   |                    |           | BASE RATE                  | 25.68                   |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
|   |                    |           | THIS MONTH                 | 10,364.93               |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
| 517.62% Change from Previous Year Billing Period.<br>Last year usage: 193   |                    |           | TOTAL NOW DUE              | 11,869.24               |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
|   |                    |           | PENALTY AMOUNT             | PAY THIS AMOUNT AFTER   |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |
|   |                    |           | 0.00                       | 10/21/2020<br>11,869.24 |          |       |         |       |       |      |         |         |        |   |        |  |        |  |      |    |              |

10 HORIZON CITY MESA PARK MESSAGES

|   |  |
|---|--|
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|---|--|

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Account Number 60004-0046633600  
Service Address 601 DESERT MIST DR  
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FAILURE TO RECEIVE BILL DOES NOT WAIVE PENALTY

|                       |            |                |
|-----------------------|------------|----------------|
| 11,869.24             | 10/21/2020 | 11,869.24      |
| ON OR BEFORE DUE DATE | DUE DATE   | AFTER DUE DATE |

|             |
|-------------|
| AMOUNT PAID |
|             |

HORIZON CITY MESA PARK  
14999 DARRINGTON RD  
HORIZON CITY TX 79928

Scan To Pay



HORIZON REGIONAL MUD #4  
P O BOX 684000  
HOUSTON TX 77268-4000

600040046633600001186924001186924000000000009



HORIZON CITY MESA PARK

| <b>MAKE CHECK PAYABLE TO:</b><br>HORIZON REGIONAL MUD #4<br>P O BOX 684000<br>HOUSTON TX 77268-4000   | SERVICE ADDRESS         |   | ACCOUNT NUMBER   |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
|---|-------------------------|---|------------------|---------------|-----------|----------------|-----------------------|-------|-------------------------|------|---------|---------|--------|---|--------|--|--------|--|--------------------------|--|--|--|-------------|--------|-----------------|-----------|--------------------------|-----------|-----------------|------------|--------------|------------------|-----------|-------|-------------------|------------------|
|   | 601 DESERT MIST DR      |   | 60004-0046633600 |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
|   | SERVICE PERIOD          | FROM TO   | BILLING DATE     |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
|   | 10/15/20                | 11/16/20  | 11/24/20         |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| <b>Readings and Consumption</b><br><br><table border="1"> <tr> <th>Meter No.</th> <th>Read Date</th> <th>Type</th> </tr> <tr> <td>3089377</td> <td>11/16/20</td> <td>W-GLS</td> </tr> <tr> <th>Current</th> <th>Prior</th> <th>Usage</th> <th>Type</th> </tr> <tr> <td>61817.0</td> <td>60650.0</td> <td>1167.0</td> <td>W</td> </tr> <tr> <td colspan="2">Total:</td> <td>1167.0</td> <td></td> </tr> </table> | Meter No.               | Read Date   | Type             | 3089377       | 11/16/20  | W-GLS          | Current               | Prior | Usage                   | Type | 61817.0 | 60650.0 | 1167.0 | W | Total: |  | 1167.0 |  | <b>TOTAL GALLONS</b><br> |  | <table border="1"> <thead> <tr> <th>DESCRIPTION</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>BALANCE FORWARD</td> <td>21,516.20</td> </tr> <tr> <td>pymt made direct 9/14/20</td> <td>-1,504.31</td> </tr> <tr> <td>ADJUSTMENTS( 2)</td> <td>-20,011.89</td> </tr> <tr> <td><b>WATER</b></td> <td><b>10,045.00</b></td> </tr> <tr> <td>BASE RATE</td> <td>35.68</td> </tr> <tr> <td><b>THIS MONTH</b></td> <td><b>10,080.68</b></td> </tr> </tbody> </table> |  | DESCRIPTION | AMOUNT | BALANCE FORWARD | 21,516.20 | pymt made direct 9/14/20 | -1,504.31 | ADJUSTMENTS( 2) | -20,011.89 | <b>WATER</b> | <b>10,045.00</b> | BASE RATE | 35.68 | <b>THIS MONTH</b> | <b>10,080.68</b> |
|   | Meter No.               | Read Date   | Type             |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| 3089377   | 11/16/20                | W-GLS   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| Current   | Prior                   | Usage   | Type             |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| 61817.0   | 60650.0                 | 1167.0  | W                |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| Total:  |                         | 1167.0  |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| DESCRIPTION   | AMOUNT                  |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| BALANCE FORWARD   | 21,516.20               |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| pymt made direct 9/14/20  | -1,504.31               |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| ADJUSTMENTS( 2)   | -20,011.89              |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| <b>WATER</b>  | <b>10,045.00</b>        |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| BASE RATE   | 35.68                   |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| <b>THIS MONTH</b>   | <b>10,080.68</b>        |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| 930.81 % Change from Previous Year Billing Period.<br>Last year usage: 185  |                         | <table border="1"> <tr> <td>TOTAL NOW DUE</td> <td>10,080.68</td> </tr> <tr> <td>PENALTY AMOUNT</td> <td>PAY THIS AMOUNT AFTER</td> </tr> <tr> <td>0.00</td> <td>12/21/2020<br/>10,080.68</td> </tr> </table> |                  | TOTAL NOW DUE | 10,080.68 | PENALTY AMOUNT | PAY THIS AMOUNT AFTER | 0.00  | 12/21/2020<br>10,080.68 |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| TOTAL NOW DUE   | 10,080.68               |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| PENALTY AMOUNT  | PAY THIS AMOUNT AFTER   |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| 0.00  | 12/21/2020<br>10,080.68 |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |
| Average residential usage in 1,000's Gls: 6.0   |                         |   |                  |               |           |                |                       |       |                         |      |         |         |        |   |        |  |        |  |                          |  |  |  |             |        |                 |           |                          |           |                 |            |              |                  |           |       |                   |                  |

2356 HORIZON CITY MESA PARK MESSAGES

|   |   |
|---|---|
| Bill payment and information:<br>www.horizonregional.com<br>Pay by phone: 1-855-230-7396<br>El Paso Disposal: 915-772-7495<br>Office hours: (M-F) 8am-5pm<br>Office phone: 915-852-3917 | Winter is coming. Don't forget to Winterize your outside pipes and faucets,<br>This will help prevent you water lines from freezing.<br>Sign up online for Emergency text alerts. |
|---|---|

AVR, Inc.

IF YOUR MAILING ADDRESS HAS CHANGED PLEASE CORRECT  
PLEASE RETURN BOTTOM PORTION WITH PAYMENT

HORIZON REGIONAL MUD #4  
P O BOX 684000  
HOUSTON TX 77268-4000



Account Number 60004-0046633600  
Service Address 601 DESERT MIST DR  
Electronic Box# 004

FAILURE TO RECEIVE BILL DOES NOT WAIVE PENALTY

|                       |            |                |
|-----------------------|------------|----------------|
| 10,080.68             | 12/21/2020 | 10,080.68      |
| ON OR BEFORE DUE DATE | DUE DATE   | AFTER DUE DATE |

|             |
|-------------|
| AMOUNT PAID |
|             |

Scan To Pay



HORIZON CITY MESA PARK  
14999 DARRINGTON RD  
HORIZON CITY TX 79928

HORIZON REGIONAL MUD #4  
P O BOX 684000  
HOUSTON TX 77268-4000

600040046633600001008008001008068000000000003



Wood Environment & Infrastructure Solutions, Inc.

125 Montoya Rd.

El Paso, TX 79932, USA

T: 915-585-2472

[www.woodplc.com](http://www.woodplc.com)

February 10, 2021

Wood Project No. 2037191009

Town of Horizon City  
14999 Darrington Road  
Horizon City, Texas 799281

Attn.: Mr. Albert Valle

**RE: Materials Testing Services  
Horizon Mesa Park  
Horizon City, Texas**

**INVOICE – PROJECT TEST FAILURES**

| Item                                   | Description                            | Date      | Quantity | Unit Rate | Extended Fee      |
|--|--|-----------|----------|-----------|-------------------|
| 1                                      | Density Test Failure – Test No 11      | 4/16/2020 | 1        | \$115.00  | \$115.00          |
| 2                                      | Density Test Failure – Test No 12 & 14 | 4/16/2020 | 2        | \$35.00   | \$70.00           |
| 3                                      | Density Test Failure – Test No 18      | 4/23/2020 | 1        | \$115.00  | \$115.00          |
| 4                                      | Density Test Failure – Test No 20      | 4/23/2020 | 1        | \$35.00   | \$35.00           |
| 5                                      | Density Test Failure – Test No 35      | 5/6/2020  | 1        | \$115.00  | \$115.00          |
| 6                                      | Density Test Failure – Test No 39      | 5/7/2020  | 1        | \$115.00  | \$115.00          |
| 7                                      | Density Test Failure – Test No 42      | 5/8/2020  | 1        | \$35.00   | \$35.00           |
| 8                                      | Density Test Failure – Test No 46 & 48 | 5/11/2020 | 2        | \$35.00   | \$70.00           |
| 9                                      | Density Test Failure – Test No 51      | 5/11/2020 | 1        | \$115.00  | \$115.00          |
| 10                                     | Density Test Failure – Test No 54, 56  | 5/11/2020 | 2        | \$35.00   | \$70.00           |
| 11                                     | Density Test Failure – Test No 76      | 7/6/2020  | 1        | \$115.00  | \$115.00          |
| 12                                     | Density Test Failure – Test No 84      | 8/24/2020 | 1        | \$115.00  | \$115.00          |
| 13                                     | Density Test Failure – Test No 85      | 8/24/2020 | 1        | \$35.00   | \$35.00           |
| 14                                     | Standby time                           | 5/28/2020 | 0.5      | \$50.00   | \$25.00           |
| 15                                     | Standby time                           | 6/26/2020 | 0.4      | \$50.00   | \$20.00           |
| 16                                     | Standby time                           | 7/1/2020  | 1.3      | \$50.00   | \$65.00           |
| 17                                     | Standby time                           | 7/08/2020 | 0.4      | \$50.00   | \$20.00           |
| 18                                     | Standby time                           | 7/09/2020 | 0.5      | \$50.00   | \$25.00           |
| 19                                     | Standby time                           | 7/14/2020 | 1.2      | \$50.00   | \$60.00           |
| 20                                     | Standby time                           | 7/21/2020 | 1.7      | \$50.00   | \$85.00           |
| 21                                     | Standby time                           | 3/25/2020 | 1.4      | \$50.00   | \$70.00           |
| <b>Total Test Failure/Standby Time</b> |  |           |          |           | <b>\$1,490.00</b> |



# Field Density Soils Results



Report Date: April 20, 2020

**Client**  
**Name:** Town of Horizon City  
**Address:** 14999 Darrington Road Town of Horizon, TX  
**Attention:** Project Manager  
**PO Number:**  
**Date Tested:** 4/16/2020 by Hiram Loya  
**General Description (Material/Location):**

**Project**  
**Name:** (2037191009) Horizon Mesa Park  
**Address:** Horizon City, TX  
**Phase:**  
**Task:**  
**Manager:** David Varela  
**Reference #:** NS343884

## FIELD DENSITY TEST USING NUCLEAR DENSITY GAUGE (ASTM D6938-15)

### Moisture Density Curves Used

| Lab/Ref. # | Maximum Density | Optimum Moisture | Test Type/ Method | Description                         | Source              |
|------------|-----------------|------------------|-------------------|-------------------------------------|---------------------|
| 20032      | 117.9           | 13.3             | ASTM D1557-12/B   | Light Brown Silty Sand with Caliche | Project: 2037191009 |
| 20031      | 118.2           | 9.8              | ASTM D1557-12/B   | Reddish brown Silty Sand            | Project: 2037191009 |

### Nuclear Density Gauge

### Standard Count

**Make:** Troxler  
**Model #:** 3440  
**Serial #:** 27119

**Calibration**      **Field**  
**Density:** 0  
**Moisture:** 0

| Test # | Location                                | Elevation | Test Mode | Probe Depth (in.) | % Moisture |              |              | Wet Density (lbs/ft <sup>3</sup> ) | Dry Density (lbs/ft <sup>3</sup> ) | Maximum Density (lbs/ft <sup>3</sup> ) | % Compaction |     |     |
|--------|---|-----------|-----------|-------------------|------------|--------------|--------------|------------------------------------|------------------------------------|--|--------------|-----|-----|
|        |   |           |           |                   | Actual     | Required (-) | Required (+) |                                    |                                    |  | Actual       | Min | Max |
| 11     | 25' South and 10' West of Climbing Rock | FSG       | D         | 6                 | 8.1        |              |              | 116.1                              | 107.4                              | 117.9                                  | 91           | 95  | *   |
| 12     | 25' South and 50' East of Climbing Rock | FSG       | D         | 6                 | 8.1        |              |              | 117.8                              | 109.0                              | 117.9                                  | 92           | 95  | *   |
| 13     | 45' South of West Drainage Bridge       | FSG       | D         | 6                 | 9.1        |              |              | 124.0                              | 113.6                              | 118.2                                  | 96           | 95  |     |
| 14     | 100' South of West Drainage Bridge      | FSG       | D         | 6                 | 7.6        |              |              | 109.9                              | 102.2                              | 118.2                                  | 86           | 95  | *   |

\* Material did not fall within specified tolerances.

BTBS=Below Top of Subbase, BTOF= Below Top of Fill, FSG = Finished Subgrade, FBC = Finished Base Course, BOP = Bottom of Pipe, BOB = Bottom of Base, BOF = Bottom of Footing, OGP = Original Ground Prep, TOA = TOP Of Asphalt, BG = Below Grade  
 Test Mode = D for Direct Transmission and B for Backscatter Modes

### Distribution:

**Reviewed By:** David Varela

Wood Environment & Infrastructure Solutions, Inc. - 125 Montoya - El Paso, Texas 79932 - phone: (915) 585-2472 fax: (915) 585-2626

Texas Registered Engineering Firm F-0012

# Field Density Soils Results



Report Date: April 28, 2020

**Client**  
**Name:** Town of Horizon City  
**Address:** 14999 Darrington Road Town of Horizon, TX  
**Attention:** Project Manager  
**PO Number:**  
**Date Tested:** 4/23/2020 by Carlos Vela  
**General Description (Material/Location):**

**Project**  
**Name:** (2037191009) Horizon Mesa Park  
**Address:** Horizon City, TX  
**Phase:**  
**Task:**  
**Manager:** David Varela  
**Reference #:** NS344933

## FIELD DENSITY TEST USING NUCLEAR DENSITY GAUGE (ASTM D6938-17)

### Moisture Density Curves Used

| Lab/Ref. # | Maximum Density | Optimum Moisture | Test Type/ Method | Description              | Source              |
|------------|-----------------|------------------|-------------------|--------------------------|---------------------|
| 20031      | 118.2           | 9.8              | ASTM D1557-12/B   | Reddish brown Silty Sand | Project: 2037191009 |

### Nuclear Density Gauge

**Make:** Troxler  
**Model #:** 3440  
**Serial #:** 30289

### Standard Count

**Calibration**      **Field**  
**Density:** 0      2045  
**Moisture:** 0      656

| Test # | Location  | Elevation | Test Mode | Probe Depth (in.) | % Moisture |              |              | Wet Density (lbs/ft <sup>3</sup> ) | Dry Density (lbs/ft <sup>3</sup> ) | Maximum Density (lbs/ft <sup>3</sup> ) | % Compaction |     |     |
|--------|---|-----------|-----------|-------------------|------------|--------------|--------------|------------------------------------|------------------------------------|--|--------------|-----|-----|
|        |   |           |           |                   | Actual     | Required (-) | Required (+) |                                    |                                    |  | Actual       | Min | Max |
| 18     | 30' North of East Bridge Walkway Jogging Pad        | FSG       | D         | 4                 | 7.9        |              |              | 109.2                              | 101.2                              | 118.2                                  | 86           | 95  | *   |
| 19     | North End of Park Between East and West Jogging Pad | FSG       | D         | 4                 | 6.8        |              |              | 120.9                              | 113.2                              | 118.2                                  | 96           | 95  |     |
| 20     | 30' South of Radius on Jogging Pad                  | FSG       | D         | 4                 | 3.6        |              |              | 108.0                              | 104.2                              | 118.2                                  | 88           | 95  | *   |

\* Material did not fall within specified tolerances.

BTBS=Below Top of Subbase, BTOF= Below Top of Fill, FSG = Finished Subgrade, FBC = Finished Base Course, BOP = Bottom of Pipe, BOB = Bottom of Base, BOF = Bottom of Footing, OGP = Original Ground Prep, TOA = TOP Of Asphalt, BG = Below Grade  
 Test Mode = D for Direct Transmission and B for Backscatter Modes

### Distribution:

**Reviewed By:** David Varela

Wood Environment & Infrastructure Solutions, Inc. - 125 Montoya - El Paso, Texas 79932 - phone: (915) 585-2472 fax: (915) 585-2626

Texas Registered Engineering Firm F-0012

# Field Density Soils Results



Report Date: May 09, 2020

**Client**  
**Name:** Town of Horizon City  
**Address:** 14999 Darrington Road Town of Horizon, TX  
**Attention:** Project Manager  
**PO Number:**  
**Date Tested:** 5/6/2020 by Fernando Paredes

**Project**  
**Name:** (2037191009) Horizon Mesa Park  
**Address:** Horizon City, TX  
**Phase:**  
**Task:**  
**Manager:** David Varela  
**Reference #:** NS346697

**General Description  
(Material/Location):**

**FIELD DENSITY TEST USING NUCLEAR DENSITY GAUGE (ASTM D6938-17)**

**Moisture Density Curves Used**

| Lab/Ref. # | Maximum Density | Optimum Moisture | Test Type/ Method | Description              | Source              |
|------------|-----------------|------------------|-------------------|--------------------------|---------------------|
| 20031      | 118.2           | 9.8              | ASTM D1557-12/B   | Reddish brown Silty Sand | Project: 2037191009 |

**Nuclear Density Gauge**

**Standard Count**

**Make:** Troxler  
**Model #:** 3440  
**Serial #:** 30841

**Calibration**  
**Density:** 0  
**Moisture:** 0

**Field**  
**Density:** 1778  
**Moisture:** 672

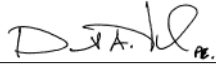
| Test # | Location  | Elevation | Test Mode | Probe Depth (in.) | % Moisture |              |              | Wet Density (lbs/ft <sup>3</sup> ) | Dry Density (lbs/ft <sup>3</sup> ) | Maximum Density (lbs/ft <sup>3</sup> ) | % Compaction |          |
|--------|---|-----------|-----------|-------------------|------------|--------------|--------------|------------------------------------|------------------------------------|--|--------------|----------|
|        |   |           |           |                   | Actual     | Required (-) | Required (+) |                                    |                                    |  | Actual       | Required |
| 33     | Subgrade, Proposed Basketball Court, Center Line                                  | FSG       | D         | 6                 | 7.3        |              |              | 126.7                              | 118.1                              | 118.2                                  | 100          | 95       |
| 34     | Subgrade, Proposed Basketball Court, 20' South and 20' West from Northeast Corner | FSG       | D         | 6                 | 10.0       |              |              | 129.9                              | 118.1                              | 118.2                                  | 100          | 95       |
| 35     | Continuous Footing, Playground Area, Southeast Corner Perimeter                   | FSG       | D         | 6                 | 14.7       |              |              | 120.4                              | 105.0                              | 118.2                                  | 89           | 95 *     |
| 36     | Continuous Footing, Playground Area, Southwest Corner Perimeter                   | FSG       | D         | 6                 | 11.6       |              |              | 125.2                              | 112.2                              | 118.2                                  | 95           | 95       |
| 37     | Spot Footings, 20X20 Canopy, Southeast Corner                                     | FSG       | D         | 6                 | 7.6        |              |              | 120.7                              | 112.2                              | 118.2                                  | 95           | 95       |
| 38     | Spot Footings, 20X20 Canopy, Northwest Corner                                     | FSG       | D         | 6                 | 12.2       |              |              | 126.4                              | 112.7                              | 118.2                                  | 95           | 95       |

\* Material did not fall within specified tolerances.

BTSB=Below Top of Subbase, BTOF= Below Top of Fill, FSG = Finished Subgrade, FBC = Finished Base Course, BOP = Bottom of Pipe, BOB = Bottom of Base, BOF = Bottom of Footing, OGP = Original Ground Prep, TOA = TOP Of Asphalt, BG = Below Grade  
 Test Mode = D for Direct Transmission and B for Backscatter Modes

**Distribution:**

Reviewed By: David Varela

Handwritten signature of David Varela in black ink, consisting of the letters 'D.V.' followed by a stylized 'A' and 'V'.

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Wood Environment & Infrastructure Solutions, Inc. - 125 Montoya - El Paso, Texas 79932 - phone: (915) 585-2472 fax: (915) 585-2626

Texas Registered Engineering Firm F-0012

# Field Density Soils Results



Report Date: May 14, 2020

**Client**  
**Name:** Town of Horizon City  
**Address:** 14999 Darrington Road Town of Horizon, TX  
**Attention:** Project Manager  
**PO Number:**  
**Date Tested:** 5/7/2020 by Carlos Vela  
**General Description (Material/Location):**

**Project**  
**Name:** (2037191009) Horizon Mesa Park  
**Address:** Horizon City, TX  
**Phase:**  
**Task:**  
**Manager:** David Varela  
**Reference #:** NS346939

## FIELD DENSITY TEST USING NUCLEAR DENSITY GAUGE (ASTM D6938-17)

### Moisture Density Curves Used

| Lab/Ref. # | Maximum Density | Optimum Moisture | Test Type/ Method | Description | Source              |
|------------|-----------------|------------------|-------------------|-------------|---------------------|
| 20181      | 147.1           | 5.6              | ASTM D1557-12/C   | Basecourse  | Project: 2037191009 |

### Nuclear Density Gauge

**Make:** Troxler  
**Model #:** 3440  
**Serial #:** 30289

### Standard Count

**Calibration**    **Field**  
**Density:** 0  
**Moisture:** 0

| Test # | Location                     | Elevation | Test Mode | Probe Depth (in.) | Actual | % Moisture   |              |                                    | Maximum Density (lbs/ft <sup>3</sup> ) | % Compaction                       |        |     |     |
|--------|------------------------------|-----------|-----------|-------------------|--------|--------------|--------------|------------------------------------|--|------------------------------------|--------|-----|-----|
|        |                              |           |           |                   |        | Required (-) | Required (+) | Wet Density (lbs/ft <sup>3</sup> ) |  | Dry Density (lbs/ft <sup>3</sup> ) | Actual | Min | Max |
| 39     | 60' North of Westside Bridge | FBC       | D         | 2                 | 3.5    |              |              | 143.3                              | 138.5                                  | 147.1                              | 94     | 100 | *   |

\* Material did not fall within specified tolerances.

BTSB=Below Top of Subbase, BTOF= Below Top of Fill, FSG = Finished Subgrade, FBC = Finished Base Course, BOP = Bottom of Pipe, BOB = Bottom of Base, BOF = Bottom of Footing, OGP = Original Ground Prep, TOA = TOP Of Asphalt, BG = Below Grade  
 Test Mode = D for Direct Transmission and B for Backscatter Modes

### Distribution:

**Reviewed By:** David Varela

Wood Environment & Infrastructure Solutions, Inc. - 125 Montoya - El Paso, Texas 79932 - phone: (915) 585-2472 fax: (915) 585-2626

Texas Registered Engineering Firm F-0012

# Field Density Soils Results



Report Date: May 13, 2020

**Client**  
**Name:** Town of Horizon City  
**Address:** 14999 Darrington Road Town of Horizon, TX  
**Attention:** Project Manager  
**PO Number:**  
**Date Tested:** 5/8/2020 by Nick Arenas

**Project**  
**Name:** (2037191009) Horizon Mesa Park  
**Address:** Horizon City, TX  
**Phase:**  
**Task:**  
**Manager:** David Varela  
**Reference #:** NS347220

**General Description  
(Material/Location):**

**FIELD DENSITY TEST USING NUCLEAR DENSITY GAUGE (ASTM D6938-17)**

**Moisture Density Curves Used**

| Lab/Ref. # | Maximum Density | Optimum Moisture | Test Type/ Method | Description              | Source              |
|------------|-----------------|------------------|-------------------|--------------------------|---------------------|
| 20181      | 147.1           | 5.6              | ASTM D1557-12/C   | Basecourse               | Project: 2037191009 |
| 20031      | 118.2           | 9.8              | ASTM D1557-12/B   | Reddish brown Silty Sand | Project: 2037191009 |

**Nuclear Density Gauge**

**Standard Count**

**Make:**  
**Model #:**  
**Serial #:**

**Density:**  
**Moisture:**

**Calibration**    **Field**

| Test # | Location  | Elevation            | Test Mode | Probe Depth (in.) | % Moisture |              |              | Wet Density (lbs/ft^3) | Dry Density (lbs/ft^3) | Maximum Density (lbs/ft^3) | % Compaction |              |              |
|--------|---|----------------------|-----------|-------------------|------------|--------------|--------------|------------------------|------------------------|----------------------------|--------------|--------------|--------------|
|        |   |                      |           |                   | Actual     | Required (-) | Required (+) |                        |                        |                            | Actual       | Required Min | Required Max |
| 40     | Basketball Court<br>Basecourse Southwest<br>Corner of Pad | FBC                  | D         | 6                 | 3.1        |              |              | 143.5                  | 139.2                  | 147.1                      | 95           | 95           |              |
| 41     | Basketball Court<br>Footings, Center of<br>South Footing  | Bottom of<br>Footing | D         | 6                 | 10.8       |              |              | 125.2                  | 113.1                  | 118.2                      | 96           | 95           |              |
| 42     | Southeast Section of<br>Walking Track Base<br>Course      | FBC                  | D         | 6                 | 9.6        |              |              | 117.1                  | 104.7                  | 147.1                      | 71           | 95           | *            |
| 43     | Northeast Section of<br>Walking Track Base<br>Course      | FBC                  | D         | 6                 | 3.8        |              |              | 150.3                  | 144.8                  | 147.1                      | 98           | 95           |              |

\* Material did not fall within specified tolerances.

BTSB=Below Top of Subbase, BTOF= Below Top of Fill, FSG = Finished Subgrade, FBC = Finished Base Course, BOP = Bottom of Pipe, BOB = Bottom of Base, BOF = Bottom of Footing, OGP = Original Ground Prep, TOA = TOP Of Asphalt, BG = Below Grade  
 Test Mode = D for Direct Transmission and B for Backscatter Modes

**Distribution:**

**Reviewed By:** David Varela

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Texas Registered Engineering Firm F-0012

# Field Density Soils Results



Report Date: May 13, 2020

**Client**  
**Name:** Town of Horizon City  
**Address:** 14999 Darrington Road Town of Horizon, TX  
**Attention:** Project Manager  
**PO Number:**  
**Date Tested:** 5/11/2020 by Fernando Paredes

**Project**  
**Name:** (2037191009) Horizon Mesa Park  
**Address:** Horizon City, TX  
**Phase:**  
**Task:**  
**Manager:** David Varela  
**Reference #:** NS347950

**General Description  
(Material/Location):**

**FIELD DENSITY TEST USING NUCLEAR DENSITY GAUGE (ASTM D6938-17)**

**Moisture Density Curves Used**

| Lab/Ref. # | Maximum Density | Optimum Moisture | Test Type/ Method | Description              | Source              |
|------------|-----------------|------------------|-------------------|--------------------------|---------------------|
| 20181      | 147.1           | 5.6              | ASTM D1557-12/C   | Basecourse               | Project: 2037191009 |
| 20031      | 118.2           | 9.8              | ASTM D1557-12/B   | Reddish brown Silty Sand | Project: 2037191009 |

**Nuclear Density Gauge**

**Standard Count**

**Make:** Troxler  
**Model #:** 3440  
**Serial #:** 30841

**Calibration**      **Field**  
**Density:** 0      1759  
**Moisture:** 0      675

| Test # | Location   | Elevation | Test Mode | Probe Depth (in.) | % Moisture |              |              | Wet Density (lbs/ft <sup>3</sup> ) | Dry Density (lbs/ft <sup>3</sup> ) | Maximum Density (lbs/ft <sup>3</sup> ) | % Compaction |     |     |
|--------|--|-----------|-----------|-------------------|------------|--------------|--------------|------------------------------------|------------------------------------|--|--------------|-----|-----|
|        |  |           |           |                   | Actual     | Required (-) | Required (+) |                                    |                                    |  | Actual       | Min | Max |
| 51     | Continuous Footing, Playground Area, South Corner Perimeter (Retest #35) | FSG       | D         | 6                 | 11.6       |              |              | 119.4                              | 107.0                              | 118.2                                  | 91           | 95  | *   |
| 52     | Playground Area South Footing Spot Footing                               | FSG       | D         | 6                 | 10.1       |              |              | 124.5                              | 113.0                              | 118.2                                  | 96           | 95  |     |
| 53     | Playground Area West Footing and Spot Footing                            | FSG       | D         | 6                 | 8.0        |              |              | 121.3                              | 112.3                              | 118.2                                  | 95           | 95  |     |
| 54     | Playground Area, North Continuous Footing                                | FSG       | D         | 6                 | 5.5        |              |              | 113.2                              | 107.4                              | 118.2                                  | 91           | 95  | *   |
| 55     | Playground Area, North Spot Footing                                      | FSG       | D         | 6                 | 7.2        |              |              | 121.3                              | 113.1                              | 118.2                                  | 96           | 95  |     |
| 56     | Basecourse Basketball Court and Center Line                              | FG        | D         | 2                 | 4.2        |              |              | 135.8                              | 130.3                              | 147.1                                  | 89           | 95  | *   |
| 57     | North Continuous Footing for Basketball Court                            | FG        | D         | 6                 | 10.2       |              |              | 127.4                              | 115.6                              | 118.2                                  | 98           | 95  |     |

\* Material did not fall within specified tolerances.

BTSB=Below Top of Subbase, BTOF= Below Top of Fill, FSG = Finished Subgrade, FBC = Finished Base Course, BOP = Bottom of Pipe, BOB = Bottom of Base, BOF = Bottom of Footing, OGP = Original Ground Prep, TOA = TOP Of Asphalt, BG = Below Grade  
 Test Mode = D for Direct Transmission and B for Backscatter Modes

**Distribution:**

**Reviewed By:** David Varela

D.A.H.  
P.E.

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Texas Registered Engineering Firm F-0012

# Field Density Soils Results



Report Date: May 13, 2020

**Client**  
**Name:** Town of Horizon City  
**Address:** 14999 Darrington Road Town of Horizon, TX  
**Attention:** Project Manager  
**PO Number:**  
**Date Tested:** 5/11/2020 by Fernando Paredes  
**General Description (Material/Location):**

**Project**  
**Name:** (2037191009) Horizon Mesa Park  
**Address:** Horizon City, TX  
**Phase:**  
**Task:**  
**Manager:** David Varela  
**Reference #:** NS347946

## FIELD DENSITY TEST USING NUCLEAR DENSITY GAUGE (ASTM D6938-17)

### Moisture Density Curves Used

| Lab/Ref. # | Maximum Density | Optimum Moisture | Test Type/ Method | Description | Source              |
|------------|-----------------|------------------|-------------------|-------------|---------------------|
| 20181      | 147.1           | 5.6              | ASTM D1557-12/C   | Basecourse  | Project: 2037191009 |

### Nuclear Density Gauge

**Make:** Troxler  
**Model #:** 3440  
**Serial #:** 30841

### Standard Count

**Calibration**  
**Field**  
**Density:** 0 1759  
**Moisture:** 0 675

| Test # | Location  | Elevation | Test Mode | Probe Depth (in.) | % Moisture |              |              | Wet Density (lbs/ft <sup>3</sup> ) | Dry Density (lbs/ft <sup>3</sup> ) | Maximum Density (lbs/ft <sup>3</sup> ) | % Compaction |              |              |
|--------|---|-----------|-----------|-------------------|------------|--------------|--------------|------------------------------------|------------------------------------|--|--------------|--------------|--------------|
|        |   |           |           |                   | Actual     | Required (-) | Required (+) |                                    |                                    |  | Actual       | Required Min | Required Max |
| 44     | Southeast Section of Walking Track Base Course (Retest #42) | FSG       | D         | 2                 | 4.3        |              |              | 153.4                              | 147.1                              | 147.1                                  | 100          | 100          |              |
| 45     | 200' North of Canal, Westside                               | FSG       | D         | 2                 | 3.7        |              |              | 152.5                              | 147.1                              | 147.1                                  | 100          | 100          |              |
| 46     | 350' North of Canal, Westside                               | FSG       | D         | 2                 | 4.8        |              |              | 150.8                              | 143.9                              | 147.1                                  | 98           | 100          | *            |
| 47     | 260' North of Canal, Eastside                               | FSG       | D         | 2                 | 4.1        |              |              | 154.2                              | 147.1                              | 147.1                                  | 100          | 100          |              |
| 48     | 60' North of Canal, Eastside                                | FSG       | D         | 2                 | 4.3        |              |              | 150.9                              | 143.8                              | 147.1                                  | 98           | 100          | *            |
| 49     | 350' North of Canal, Westside (Retest #46)                  | FSG       | D         | 2                 | 4.5        |              |              | 153.7                              | 147.1                              | 147.1                                  | 100          | 100          |              |
| 50     | 60' North of Canal, Eastside (Retest #48)                   | FSG       | D         | 2                 | 4.6        |              |              | 153.9                              | 147.1                              | 147.1                                  | 100          | 100          |              |

\* Material did not fall within specified tolerances.

BTSS=Below Top of Subbase, BTOF= Below Top of Fill, FSG = Finished Subgrade, FBC = Finished Base Course, BOP = Bottom of Pipe, BOB = Bottom of Base, BOF = Bottom of Footing, OGP = Original Ground Prep, TOA = TOP Of Asphalt, BG = Below Grade  
 Test Mode = D for Direct Transmission and B for Backscatter Modes

### Distribution:

**Reviewed By:** David Varela

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Texas Registered Engineering Firm F-0012

# Field Density Soils Results



Report Date: July 10, 2020

**Client**  
**Name:** Town of Horizon City  
**Address:** 14999 Darrington Road Town of Horizon, TX  
**Attention:** Project Manager  
**PO Number:**  
**Date Tested:** 7/6/2020 by Hiram Loya  
**General Description (Material/Location):**

**Project**  
**Name:** (2037191009) Horizon Mesa Park  
**Address:** Horizon City, TX  
**Phase:**  
**Task:**  
**Manager:** David Varela  
**Reference #:** NS359994

## FIELD DENSITY TEST USING NUCLEAR DENSITY GAUGE (ASTM D6938-17)

### Moisture Density Curves Used

| Lab/Ref. # | Maximum Density | Optimum Moisture | Test Type/ Method | Description                         | Source              |
|------------|-----------------|------------------|-------------------|-------------------------------------|---------------------|
| 20032      | 117.9           | 13.3             | ASTM D1557-12/B   | Light Brown Silty Sand with Caliche | Project: 2037191009 |

### Nuclear Density Gauge

### Standard Count

**Make:** Calibration Field  
**Model #:** **Density:**  
**Serial #:** **Moisture:**

| Test # | Location                                      | Elevation | Test Mode | Probe Depth (in.) | % Moisture |              |              | Wet Density (lbs/ft <sup>3</sup> ) | Dry Density (lbs/ft <sup>3</sup> ) | Maximum Density (lbs/ft <sup>3</sup> ) | % Compaction |     |     |
|--------|---|-----------|-----------|-------------------|------------|--------------|--------------|------------------------------------|------------------------------------|--|--------------|-----|-----|
|        |   |           |           |                   | Actual     | Required (-) | Required (+) |                                    |                                    |  | Actual       | Min | Max |
| 76     | 15' North of South<br>End of East Parking Lot | FSG       | D         | 6                 | 5.4        |              |              | 113.7                              | 107.8                              | 117.9                                  | 91           | 95  | *   |

\* Material did not fall within specified tolerances.

BTSB=Below Top of Subbase, BTOF= Below Top of Fill, FSG = Finished Subgrade, FBC = Finished Base Course, BOP = Bottom of Pipe, BOB = Bottom of Base, BOF = Bottom of Footing, OGP = Original Ground Prep, TOA = TOP Of Asphalt, BG = Below Grade  
 Test Mode = D for Direct Transmission and B for Backscatter Modes

### Distribution:

**Reviewed By:** David Varela

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# Field Density Soils Results



Report Date: September 09, 2020

**Client**  
**Name:** Town of Horizon City  
**Address:** 14999 Darrington Road Town of Horizon, TX  
**Attention:** Project Manager  
**PO Number:**  
**Date Tested:** 8/24/2020 by Gustavo Torres  
**General Description (Material/Location):**

**Project**  
**Name:** (2037191009) Horizon Mesa Park  
**Address:** Horizon City, TX  
**Phase:**  
**Task:**  
**Manager:** David Varela  
**Reference #:** NS372891

## FIELD DENSITY TEST USING NUCLEAR DENSITY GAUGE (ASTM D6938-17)

### Moisture Density Curves Used

| Lab/Ref. # | Maximum Density | Optimum Moisture | Test Type/ Method | Description              | Source              |
|------------|-----------------|------------------|-------------------|--------------------------|---------------------|
| 20031      | 118.2           | 9.8              | ASTM D1557-12/B   | Reddish brown Silty Sand | Project: 2037191009 |

### Nuclear Density Gauge

### Standard Count

**Make:** Troxler  
**Model #:** 3430  
**Serial #:** 36427

**Calibration**  
**Field**  
**Density:** 0 2009  
**Moisture:** 0 646

| Test # | Location  | Elevation | Test Mode | Probe Depth (in.) | % Moisture |              |              | Wet Density (lbs/ft <sup>3</sup> ) | Dry Density (lbs/ft <sup>3</sup> ) | Maximum Density (lbs/ft <sup>3</sup> ) | % Compaction |     |     |
|--------|---|-----------|-----------|-------------------|------------|--------------|--------------|------------------------------------|------------------------------------|--|--------------|-----|-----|
|        |   |           |           |                   | Actual     | Required (-) | Required (+) |                                    |                                    |  | Actual       | Min | Max |
| 84     | 15' North from Northeast Corner of Playground for Sidewalk              | FSG       | D         | 6                 | 11.4       |              |              | 118.3                              | 106.2                              | 118.2                                  | 90           | 95  | *   |
| 85     | 10' North and 25' East from Northeast Corner of Playground for Sidewalk | FSG       | D         | 6                 | 11.6       |              |              | 119.9                              | 107.5                              | 118.2                                  | 91           | 95  | *   |

\* Material did not fall within specified tolerances.

BTBS=Below Top of Subbase, BTOF= Below Top of Fill, FSG = Finished Subgrade, FBC = Finished Base Course, BOP = Bottom of Pipe, BOB = Bottom of Base, BOF = Bottom of Footing, OGP = Original Ground Prep, TOA = TOP Of Asphalt, BG = Below Grade  
 Test Mode = D for Direct Transmission and B for Backscatter Modes

### Distribution:

**Reviewed By:** David Varela

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Texas Registered Engineering Firm F-0012



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TO: Town of Horizon City

PROJECT: Horizon Mesa Park

JOB# 2037191009

WHITE: Wood E&  
YELLOW: FIELD FILE  
PINK: RECIPIENT

Arrived on site 200 pm

Stand by: 30 min Requested by Pedro w/HA

Departed site: 330 pm

Was on site to take Compaction test on walk path

1. 101.0 @ 3.7% 35' NW of Electric box
2. 100.3 @ 3.6% 15' S. and 20' E. of climbing rock
3. 100.0 @ 3.8% 5' Across the 20 x 20 canopy
4. 100.5 @ 3.8% 5' W. and 25' S. of the 20 x 20 Canopy

INDICATES NON-CONFORMANCE  YES  NO  UNDETERMINED OR NOT-APPLICABLE  
 PLEASE REPLY  NO REPLY NEEDED

Wood E&I  
SITE SAFETY CHECK [ ] ONSITE SAFETY REP COORDINATION [ ]  
SAFETY ISSUES DESCRIBED: \_\_\_\_\_  
HASP / JHA [ ] DAILY TAILGATE [ ] TOPIC: \_\_\_\_\_

ACKNOWLEDGMENT

LALO CORDERO

RECEIVED BY

RRR

TITLE

5/28/20

DATE

Neil Am

Wood E&I REPRESENTATIVE

5-28-20

DATE



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WHITE: Wood E&I  
YELLOW: FIELD FILE  
PINK: RECIPIENT

TO: City of Horizon  
PROJECT: Horizon Mesa Park  
JOB# 2037191009

Arrived on site @ 7:05am

Stand by: O.A *Concrete delayed by supplier*

Obtained a set of cylinders of the concrete placed at the

following location: Rockwall Cap (24" Height Rockwall East Half) @ Playground area, 5'E from NEC of Rockwall & Spot footing for Canopy @ playground area.

The concrete was supplied by GCC

with the following ticket and test information:

Ticket No. 41019083

Truck No. 38102

Batch Time: 7:16am

Sample Time: 7:55am

Revolutions: 5min.

Slump: 2"

Entrained Air: 3.5%

Ambient Air Temperature: 82°F

Concrete Temperature: 82°F

Batch Size: 5

Admixtures: Ø

H<sub>2</sub>O Added Prior to Test: Ø

After Test: 4 gallons of water added after tested

Departed Site @ 8:50am

INDICATES NON-CONFORMANCE  YES  NO  UNDETERMINED OR NOT-APPLICABLE  
 PLEASE REPLY  NO REPLY NEEDED

Wood E&I

SITE SAFETY CHECK [ ]

ONSITE SAFETY REP COORDINATION [ ]

SAFETY ISSUES DESCRIBED: \_\_\_\_\_

HASP / JHA [ ] DAILY TAILGATE [ ] TOPIC: \_\_\_\_\_

ACKNOWLEDGMENT

RECEIVED BY

TITLE

DATE

KALO CORDERO

RPR

6-26-20

Wood E&I REPRESENTATIVE

V. Ivarano  
Eng. Tech

DATE

6-26-20



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TO: Huitt Zellars

PROJECT: Horizon Mesa Park

JOB#: 2037191009

WHITE: Wood E&I  
YELLOW: FIELD FILE  
PINK: RECIPIENT

Arrived on site @ 7:56 AM

Stand by: 9:12 AM (1.2 hrs)

Obtained a set of cylinders of the concrete placed at the

following location: SW of Park, Porta-Potty Slab on Grade.

The concrete was supplied by GCC

with the following ticket and test information:

Ticket No. 41019525

Truck No. 38093

Batch Time: 8:29 AM

Sample Time: 9:12 AM

Revolutions: —

Slump: 4.5"

Entrained Air: 1.5%

Ambient Air Temperature: 92

Concrete Temperature: 88

Batch Size: 6 cy

Admixtures: AEA

H<sub>2</sub>O Added Prior to Test: —

After Test: —

Departed Site @ —

INDICATES NON-CONFORMANCE  YES  NO  UNDETERMINED OR NOT-APPLICABLE  
 PLEASE REPLY  NO REPLY NEEDED

Wood E&I

SITE SAFETY CHECK [ ]

ONSITE SAFETY REP COORDINATION [ ]

SAFETY ISSUES DESCRIBED: \_\_\_\_\_

HASP / JHA [ ] DAILY TAILGATE [ ] TOPIC: \_\_\_\_\_

ACKNOWLEDGMENT

LALO

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TITLE

7/14/20

DATE

Pedro Marquez

Wood E&I REPRESENTATIVE

[Signature]

7/14/20

DATE



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CONTACT THE PHONE NO. PROVIDED.

TO: Huitt Zollars

PROJECT: Mesa Park, Horizon

JOB#: 2037191009

WHITE: Wood E&I  
YELLOW: FIELD FILE  
PINK: RECIPIENT

Arrived on site @ 10:24 AM

Stand by: 10:48 - 11:18 (0.5 hrs)

Obtained a set of cylinders of the concrete placed at the

following location: E side Curb & Gutter 15' N of Electric Box

The concrete was supplied by GCC

with the following ticket and test information:

Ticket No. 41019372

Truck No. 32155

Batch Time: 10:45 AM

Sample Time: 11:18 AM

Revolutions: —

Slump: 2"

Entrained Air: 1.3%

Ambient Air Temperature: 106

Concrete Temperature: 90

Batch Size: 4.5 cy

Admixtures: AEA

H<sup>2</sup>O Added Prior to Test: —

After Test: —

Departed Site @ 12:PM

INDICATES NON-CONFORMANCE  YES  NO  UNDETERMINED OR NOT-APPLICABLE  
 PLEASE REPLY  NO REPLY NEEDED

Wood E&I

SITE SAFETY CHECK [ ]

ONSITE SAFETY REP COORDINATION [ ]

SAFETY ISSUES DESCRIBED: \_\_\_\_\_

HASP / JHA [ ] DAILY TAILGATE [ ] TOPIC: \_\_\_\_\_

ACKNOWLEDGMENT

LALO CORDERO

RECEIVED BY

KPR

TITLE

7/9/20

DATE

Pedro Marquez  
Wood E&I REPRESENTATIVE

[Signature]

7/9/20

DATE



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QUESTIONS OR REQUIRE CLARIFICATION PLEASE  
CONTACT THE PHONE NO. PROVIDED.

TO: City of Horizon

PROJECT: Horizon Meza Park

JOB# 203719 1009

WHITE: Wood E&I  
YELLOW: FIELD FILE  
PINK: RECIPIENT

Arrived on site @ 6:30 Stand by: 6:30 → 8:10

Obtained a set of cylinders of the concrete placed at the  
following location: Main Entrance Sidewalk By Porto Patty's  
Sidewalk Adjacent to Porto Patty

The concrete was supplied by GCC  
with the following ticket and test information:

Ticket No. 40138474 Truck No. 38240

Batch Time: 707 Sample Time: 815

Revolutions: \_\_\_\_\_

Slump: 3

Entrained Air: 3.2

Ambient Air Temperature: 77 Concrete Temperature: 88

Batch Size: 46

Admixtures: \_\_\_\_\_

H<sup>2</sup>O Added Prior to Test: \_\_\_\_\_ After Test: \_\_\_\_\_

Departed Site @ 9:00 AM

INDICATES NON-CONFORMANCE  YES  NO  UNDETERMINED OR NOT-APPLICABLE  
 PLEASE REPLY  NO REPLY NEEDED

SITE SAFETY CHECK [  ] **Wood E&I**  
SAFETY ISSUES DESCRIBED: \_\_\_\_\_  
HASP / JHA [  ] DAILY TAILGATE [  ] TOPIC: \_\_\_\_\_

LALO CORDERO  
RECEIVED BY  
RPR  
TITLE  
7/21/20  
DATE

ACKNOWLEDGMENT  
Hicam Lopez  
Wood E&I REPRESENTATIVE  
Eng Tech  
7/21/20  
DATE



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TO: City of Horizon

PROJECT: Horizon Mesa Park

JOB# 2037191009

WHITE: Wood E&I  
YELLOW: FIELD FILE  
PINK: RECIPIENT

Arrived on site 11:55am

Stand by: 0.4 waiting for re-compact

Departed site: 12:45pm

1) (RE-TEST) Parking lot re-test for test #1 on 7-6-20  
15' N of S. End of E. Parking lot (100.0 @ 11.9%) FSG

2) Header curb, 6' E & 10' N from Electric Box (95.1 @ 12.5%) FSG

INDICATES NON-CONFORMANCE  YES  NO  UNDETERMINED OR NOT-APPLICABLE  
 PLEASE REPLY  NO REPLY NEEDED

Wood E&I

SITE SAFETY CHECK [ ] ONSITE SAFETY REP COORDINATION [ ]

SAFETY ISSUES DESCRIBED: \_\_\_\_\_

HASP / JHA [ ] DAILY TAILGATE [ ] TOPIC: \_\_\_\_\_

ACKNOWLEDGMENT

LALO CORDERO

RECEIVED BY

RPR

TITLE

7-8-20

DATE

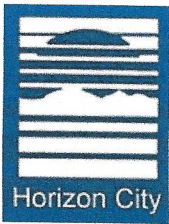
V. Ilevario

Wood E&I REPRESENTATIVE

Eng. Tech

7-8-20

DATE



**TOWN OF HORIZON CITY  
MEMORANDUM**

**Date:** April 8, 2021

**To:** Honorable Mayor and Members of City Council

**From:** Teresa Quezada, CIP Manager

*Teresa Quezada*  
*4/8/2021*

**SUBJECT: Discussion: On N. Darrington Reconstruction Project**

---

Staff has been coordinating with the Texas Department of Transportation (TxDOT) and their design team to develop the design for N. Darrington Reconstruction from Eastlake to Oxbow. For funding purposes, the intersection of N. Darrington Rd. and Horizon Blvd. has been developed as a separate project; however, TxDOT is now planning to include both projects into one bid packet and advertise and award to one contractor. Staff believes this will work better than having two separate projects, and the potential for two contractors, working in what is effectively the same area.

Both N. Darrington and the intersection project are moving quickly and are scheduled for a May 2022 advertising date. Construction would likely start in late summer or early fall of 2022. This is an ambitious schedule with many moving parts which could affect the schedule including

- Environmental document clearance
- ROW and construction easement acquisition
- Utility coordination and
- Federal funding.

Staff will present to Council the current project status and the critical path tasks that involve the Town. These tasks, including ROW acquisition, agreements with utility companies, budgetary adjustments and coordination with private development, will require Council consideration of various agreements and actions. Staff will outline the anticipated tasks and preliminary schedule for the activities at the Council meeting.



## TOWN OF HORIZON CITY MEMORANDUM

**Date:** April 7, 2021

**To:** Honorable Mayor and Members of City Council

**From:** Michelle Padilla, Planning Director

**SUBJECT:** On the final and recording plat applications for the Rancho Desierto Bello Unit Thirteen subdivision (SUB002464-2021), legally described as a portion of Leigh Clark Survey 297, and Section 43, Block 78, Township 3, Texas and Pacific Railroad Company, Town of Horizon City, El Paso County, Texas and authorizing the Mayor sign the recording plat and finalize negotiations on and execute the Subdivision Construction Agreement and the Developer Participation Agreement for the parkland dedication requirements. Application submitted by TRE & Associates, L.L.C.

---

On March 15, 2021, the Planning and Zoning Commission voted unanimously to recommended approval of the final plat application for the Rancho Desierto Bello Unit Thirteen Phase 1 subdivision with the following conditions:

1. The traffic impact analysis (TIA) is required for the remaining subdivisions within the remaining Rancho Desierto Bello Development (approximately 236 acres). The developer has been asked to coordinate scope of the required TIA with the Town Engineer. The TIA shall be submitted prior to or with the final plat applications for the remaining units of the overall development.
  - *The applicant has submitted the TIA and it currently be reviewed by the Town Engineer. This condition has been met.*
2. The approval of the subdivision plat is contingent upon the final approval of the vacation application for a portion of LTV Road by City Council. The plat cannot be recorded until the portion of the roadway is vacated.
  - *Staff has requested that the County Commissioners Court convey the County's interest in LTV Road to Horizon City. To date, no such action has been taken. Staff recommends that this condition be placed on RDB 13 Phase 2 instead of on Phase 1, so that the development can continue and ensure that the infrastructure can be completed.*

Phase 1 of the development includes a 5.022 acre park that the developer will improve with amenities above and beyond the minimum requirements and is requesting that the additional acreage and improvements be credited to future units of the remaining development.

**Staff recommends approval of the final and recording plat applications with the condition that the LTV Road vacation be completed prior the recording of the final plat for Rancho Desierto Bello Unit 13 Phase 2.**

Attached for your review is the staff report that was presented to the Planning and Zoning Commission, the final plat, and the draft agreements.



**TOWN OF HORIZON CITY**  
**Planning and Zoning Commission Staff Report**

**Case No.:** SUB-002464-2021  
Rancho Desierto Bello Unit Thirteen (RDBU13)

**Application Type:** **Final Plat**

**P&Z Hearing Date:** March 15, 2021

**Staff Contact:** Emily Offer, Planner/ Project Manager  
915-238-0691; [eooffer@horizoncity.org](mailto:eooffer@horizoncity.org)

**Address/Location:** The vacant parcel is located to the west of Darrington Road, east of Ricardo Estrada Middle.

**Legal Description:** A portion of Leigh Clark Survey No. 297, Section 43, Block 78, Township 3, Texas and Pacific Railroad Company, Town of Horizon City, El Paso County, Texas

**Acreage:** Approximately 29.598 ± Acres

**Existing Use:** Vacant

**Existing Zoning:** R-9 and R-2 (Residential)

**Owner:** SDC Development, LTD.

**Applicant/:** TRE & Associates, L.L.C.

**Surrounding Zoning and Land Use:**

**North:** R-9 (Residential)

**South:** R-9 (Residential)

**East:** R-9 (Residential)

**West:** R-2 (Residential)- Clint ISD School

**Future Land Use Designation:** Single Family Detached Homes

**Nearest Park:** Golden Eagle Park

**Nearest School:** Ricardo Estrada Middle School

**Application Description:**

The preliminary plat identifies two phases of development, this application includes the final plat for Phase I of the Unit 13 development. The first phase of the proposed subdivision includes 82 lots for single-family residential development, the smallest lot measuring approximately 6,050 square feet and the largest lot measuring approximately 17,642 square feet in size.

In accordance with Section 2.8.1 of the Subdivision Ordinance, RDBU13 Phase I (consisting of 82 lots) will require the dedication of at least one (1) acre of parkland plus parkland fees in the amount of \$1,600, based on the cumulative total of lots within Units 12 and 13 Phase I. However, the developer is proposing to dedicate 5.022 acres of parkland with Unit 13 Phase I with additional amenities and it is intended to serve the dedication requirements for the entirety of the remaining Rancho Desierto Bello development (Units 12 to 20). The development will carry a credit of 3.522 acres of parkland to be utilized for future units of the development.

Parkland fees shall be paid prior to filing the final plat. A developer participation agreement is required to be approved by the City Council to allow for the additional parkland and improvements.

**Staff Recommendation:**

Staff recommends *approval* of the proposed preliminary plat with the following conditions:

1. The traffic impact analysis (TIA) is required for the remaining subdivisions within the remaining Rancho Desierto Bello Development (approximately 236 acres). The developer has been asked to coordinate scope of the required TIA with the Town Engineer. The TIA shall be submitted prior to or with the final plat applications for the remaining units of the overall development.
2. The approval of the subdivision plat is contingent upon the final approval of the vacation application for a portion of LTV Road by City Council. The plat cannot be recorded until the portion of the roadway is vacated.

**Planning Comments:**

1. Using a table, please list all revised dates on the face of the plat.
2. The required park fees shall be paid prior to recordation.

**Public Works Director Comments:**

1. El Paso County's 911 needs to provide a response approving the addresses for the subdivision again since the plat was resubmitted for review.

**Town Engineer Comments:**

1. Provide metes and bounds on the final plat.

**El Paso County 9-1-1 District:**

1. The 911 District has the capacity for this development.

**El Paso County Electric Utility District:**

1. This easement complies with the electric utilities that were installed in this subdivision.

**Clint Independent School District:**

1. CISD has school capacity for this development.

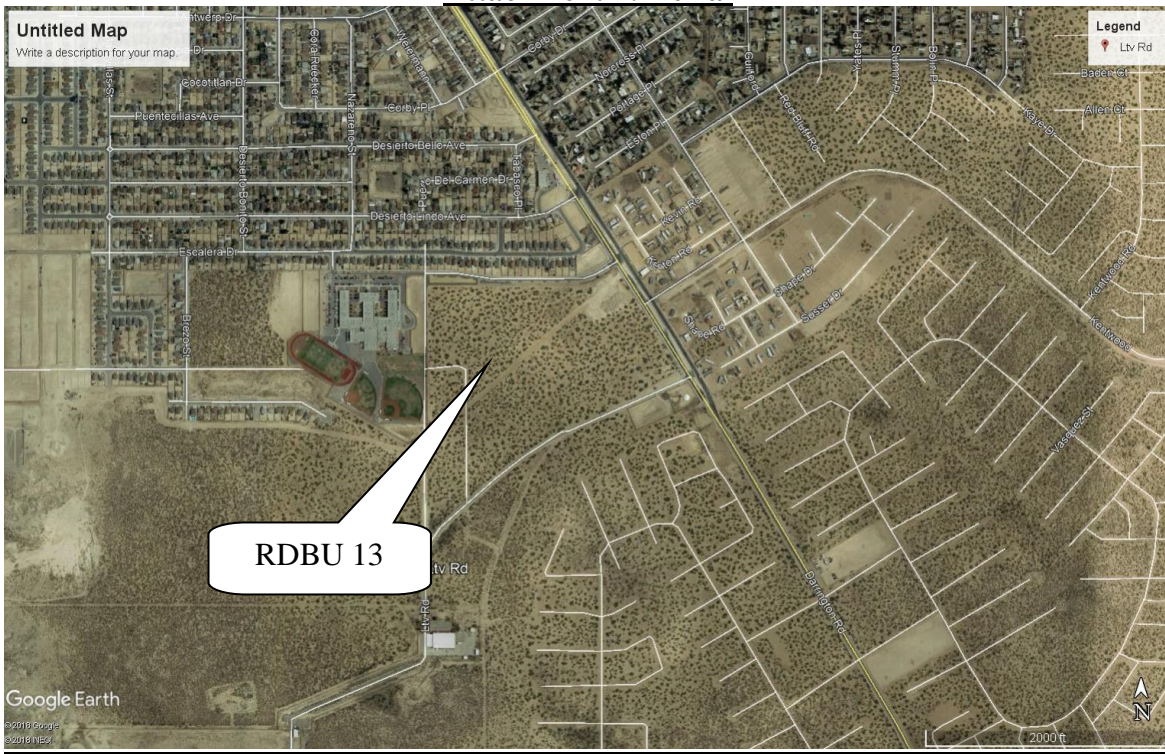
**Additional Requirements:**

Failure of the subdivider to submit a recording plat within twelve (12) months of approval of the final plat by the City Council will nullify the approval of the final plat and obligate the subdivider to reapply for preliminary plat approval should the subdivider wish to pursue the subdivision. (§4.11.2 Subdivision Municode Chapter 10)

**Attachments:**

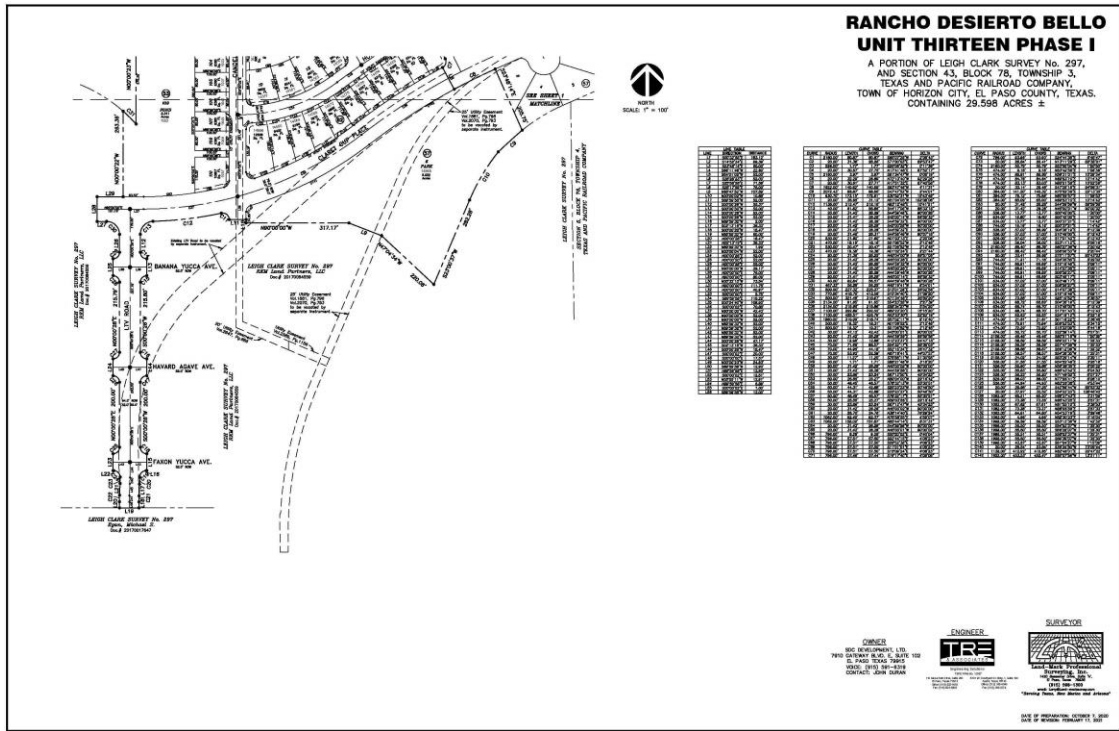
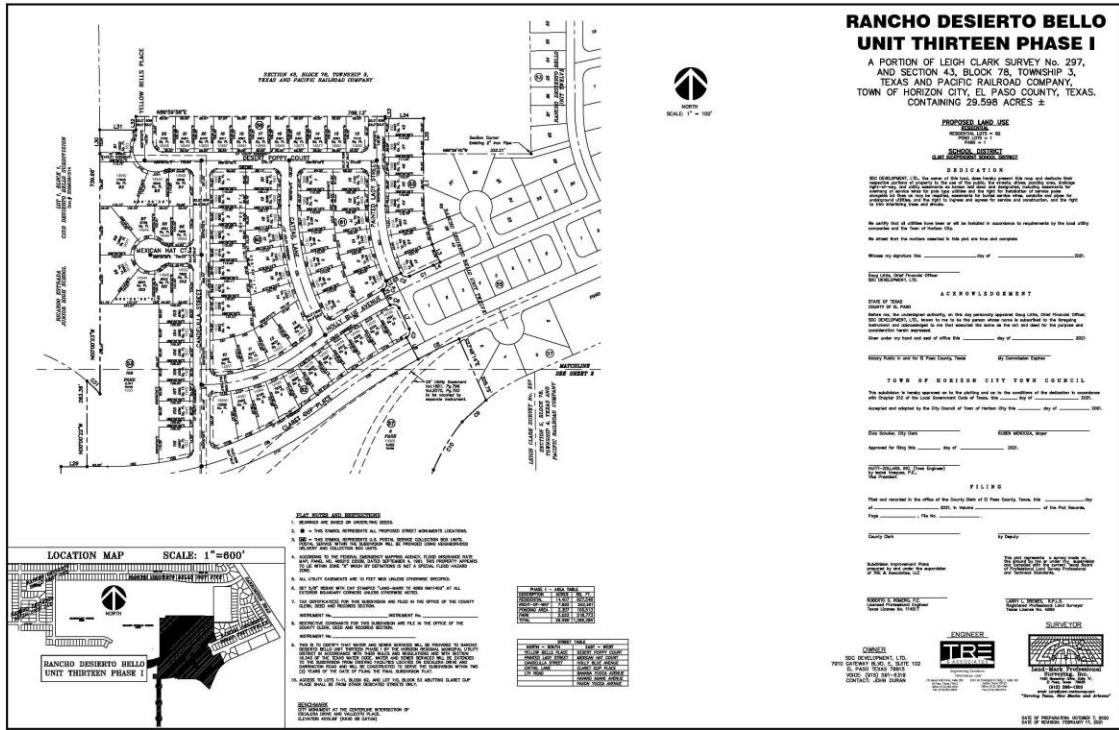
- 1 - Aerial**
- 2 - Zoning Map**
- 3 - Location Map**
- 4 –Final Plat**
- 5 – Final Plat Application**

# Attachment 1: Aerial





# Attachment 4- Final Plat



# Attachment 5 - Application



**TOWN OF HORIZON CITY**  
 14999 Darrington Road  
 Horizon City, Texas 79928  
 Phone 915-852-1046 Fax 915-852-1005

**MAJOR SUBDIVISION  
 FINAL PLAT APPLICATION**

*SUB-002464-2021*

SUBDIVISION PROPOSED NAME: Rancho Desierto Bello Unit 13 Phase I SUBMITTAL DATE: 02/16/2021

1. LEGAL DESCRIPTION FOR THE AREA INCLUDED ON THIS PLAT (TRACT, BLOCK, GRANT, etc.)  
 A PORTION OF LEIGH CLARK SURVEY No. 297, AND SECTION 43, BLOCK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD COMPANY, TOWN OF HORIZON CITY, EL PASO COUNTY, TEXAS, CONTAINING 29.598 ACRES +/-.

2. PROPERTY LAND USES:

|                   | ACRES  | SITES |                       | ACRES  | SITES |
|-------------------|--------|-------|-----------------------|--------|-------|
| SINGLE-FAMILY     | 14.407 | 82    | OFFICE                |        |       |
| DUPLEX            |        |       | STREET & ALLEY        | 7.862  |       |
| APARTMENT         |        |       | PONDING & DRAINAGE    | 2.307  | 1     |
| MOBILE HOME       |        |       | INSTITUTIONAL         |        |       |
| P.U.D.            |        |       | OTHER                 |        |       |
| PARK (Min 1 Acre) | 5.022  | 1     |                       |        |       |
| SCHOOL            |        |       |                       |        |       |
| COMMERCIAL        |        |       | TOTAL NO. SITES       |        | 84    |
| INDUSTRIAL        |        |       | TOTAL (GROSS) ACREAGE | 29.598 |       |

3. WHAT IS THE EXISTING ZONING OF THE PROPERTY DESCRIBED ABOVE? R-9, R-2 PROPOSED ZONING N/A
4. WILL THE RESIDENTIAL SITES, AS PROPOSED, PERMIT DEVELOPMENT IN FULL COMPLIANCE WITH ALL ZONING REQUIREMENTS OF THE EXISTING RESIDENTIAL ZONE(S)? YES  NO
5. WHAT TYPE OF UTILITY EASEMENTS ARE PROPOSED? UNDERGROUND  OVERHEAD  COMBINATION
6. WHAT TYPE OF DRAINAGE IS PROPOSED? (IF APPLICABLE LIST MORE THAN ONE) Underground storm sewer system to Retention Pond.
7. IF SINGLE-FAMILY OR DUPLEX DEVELOPMENT IS PROPOSED: AVERAGE FLOOR AREA OF HOUSES N/A
8. ARE SPECIAL IMPROVEMENTS PROPOSED IN CONNECTION WITH THE DEVELOPMENT? YES  NO
9. IS A MODIFICATION OF ANY PORTION OF THE SUBDIVISION ORDINANCE PROPOSED? YES  NO   
 IF "YES", PLEASE LIST SECTION & EXPLAIN THE NATURE OF THE MODIFICATION \_\_\_\_\_
10. WHAT TYPE OF LANDSCAPING IS PROPOSED? PARKWAY  MEDIANS  OTHER  N/A
11. REMARKS AND/OR EXPLANATION OF SPECIAL CIRCUMSTANCES: \_\_\_\_\_

12. WILL PLAT BE RECORDED PRIOR TO SUBDIVISION IMPROVEMENTS BEING COMPLETED & APPROVED?  YES  NO  N/A INITIALS KB  
 IF YES, submit REQUIRED GUARANTEE (SECTION 4.10.3 & 8.1.7, Municode Chapter 10) OR Improvement Cost Estimates & Construction Agreement

13. WILL ANY RESTRICTIONS AND COVENANTS BE RECORDED WITH PLAT? YES  NO  INITIALS KB IF YES, PLEASE SUBMIT COPY.

14. OWNER OF RECORD SDC Development, LTD jduran@desertviewhomes.com (915) 591-5319  
 (NAME & ADDRESS) (EMAIL) (PHONE)
15. DEVELOPER SDC Development, LTD jduran@desertviewhomes.com (915) 591-5319  
 (NAME & ADDRESS) (EMAIL) (PHONE)
16. ENGINEER TRE & Associates, LLC kbarraza@tr-eng.com (915) 852-9093  
 (NAME & ADDRESS) (EMAIL) (PHONE)
17. APPLICANT TRE & Associates, LLC kbarraza@tr-eng.com (915) 852-9093  
 (NAME & ADDRESS) (EMAIL) (PHONE)
18. REP/POINT OF CONTACT TRE & Associates, LLC kbarraza@tr-eng.com (915) 852-9093  
 (NAME & ADDRESS) (EMAIL) (PHONE)

**NOTE:** Applicant is responsible for all expenses incurred by the City in connection with the Final plat approval request, including but not limited to attorney's fees, engineering fees and publication. Charges exceeding deposit will be invoiced separately. Initials KB

Applicant Signature [Signature] EMAIL kbarraza@tr-eng.com

**APPLICATION MUST BE COMPLETE & VALIDATED PRIOR TO SUBDIVISION PROCESSING**  
 Acceptance of fee does not grant acceptance of application.  
 Non Refundable Deposit \$500.00 | Application Fee: \$150



**TOWN OF HORIZON CITY**  
 14999 Darrington Road  
 Horizon City, Texas 79928  
 Phone 915-852-1046 Fax 915-852-1005

**RECORDING PLAT APPLICATION**

SUBDIVISION PROPOSED NAME: Rancho Desierto Bello Unit Thirteen Phase I SUBMITTAL DATE: 04/08/2021

1. LEGAL DESCRIPTION FOR THE AREA INCLUDED ON THIS PLAT (TRACT, BLOCK, GRANT, etc.)  
A PORTION OF LEIGH CLARK SURVEY NO. 297, AND SECTION 43, BLOCKK 78, TOWNSHIP 3, TEXAS AND PACIFIC RAILROAD COMPANY, TOWN OF HORIZON CITY, EL PASO COUNTY, TEXAS, CONTAINING 29.611 ACRES +/-.

2. PROPERTY LAND USES:

|               | ACRES         | SITES     |                       | ACRES         | SITES     |
|---------------|---------------|-----------|-----------------------|---------------|-----------|
| SINGLE-FAMILY | <u>14.407</u> | <u>82</u> | OFFICE                | _____         | _____     |
| DUPLEX        | _____         | _____     | STREET & ALLEY        | <u>7.862</u>  | _____     |
| APARTMENT     | _____         | _____     | PONDING & DRAINAGE    | <u>2.307</u>  | <u>1</u>  |
| MOBILE HOME   | _____         | _____     | INSTITUTIONAL         | _____         | _____     |
| P.U.D.        | _____         | _____     | OTHER                 | _____         | _____     |
| PARK          | <u>5.022</u>  | <u>1</u>  | _____                 | _____         | _____     |
| SCHOOL        | _____         | _____     | _____                 | _____         | _____     |
| COMMERCIAL    | _____         | _____     | TOTAL NO. SITES       | <u>29.611</u> | <u>84</u> |
| INDUSTRIAL    | _____         | _____     | TOTAL (GROSS) ACREAGE | <u>29.611</u> | _____     |

3. WHAT IS THE EXISTING ZONING OF THE PROPERTY DESCRIBED ABOVE? R-9 PROPOSED ZONING N/A

4. WILL THE RESIDENTIAL SITES, AS PROPOSED, PERMIT DEVELOPMENT IN FULL COMPLIANCE WITH ALL ZONING REQUIREMENTS OF THE EXISTING RESIDENTIAL ZONE(S)? YES  NO

5. WHAT TYPE OF UTILITY EASEMENTS ARE PROPOSED? UNDERGROUND  OVERHEAD  COMBINATION

6. WHAT TYPE OF DRAINAGE IS PROPOSED? (IF APPLICABLE LIST MORE THAN ONE)  
Storm runoff will be captured by RCP pipes to a proposed retention pond

7. IF SINGLE-FAMILY OR DUPLEX DEVELOPMENT IS PROPOSED: AVERAGE FLOOR AREA OF HOUSES N/A

8. ARE SPECIAL IMPROVEMENTS PROPOSED IN CONNECTION WITH THE DEVELOPMENT? YES \_\_\_\_\_ NO X

9. IS A MODIFICATION OF ANY PORTION OF THE SUBDIVISION ORDINANCE PROPOSED? YES  NO   
 IF ANSWER IS "YES", PLEASE EXPLAIN THE NATURE OF THE MODIFICATION \_\_\_\_\_

10. WHAT TYPE OF LANDSCAPING IS PROPOSED? PARKWAY  MEDIANS  OTHER  N/A

11. REMARKS AND/OR EXPLANATION OF SPECIAL CIRCUMSTANCES: \_\_\_\_\_

12. WILL PLAT BE RECORDED PRIOR TO SUBDIVISION IMPROVEMENTS BEING COMPLETED & APPROVED? YES  NO  N/A  INITIALS KB  
 IF YES, REQUIRED GUARANTEE, Improvement Cost Estimates & Construction Agreement have been submitted? YES  NO  Date: \_\_\_\_\_

13. WILL ANY RESTRICTIONS AND COVENANTS BE RECORDED WITH PLAT? YES  NO  INITIALS KB IF YES, PLEASE ATTACH COPY.

14. OWNER OF RECORD SDC Development, LTD 7910 Gateway Blvd. E Suite 102, El Paso, TX 79915 jdurand@DesertViewhomes.com (915) 591-6319  
 (NAME & ADDRESS) (EMAIL) (PHONE)

15. DEVELOPER SDC Development, LTD 7910 Gateway Blvd. E Suite 102, El Paso, TX 79915 jdurand@DesertViewhomes.com (915) 591-6319  
 (NAME & ADDRESS) (EMAIL) (PHONE)

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 (NAME & ADDRESS) (EMAIL) (PHONE)

17. APPLICANT TRE & Associates, LLC 110 Mesa Park Dr. Suite 200 El Paso, TX 79912 libaven@tr-eng.com (915) 852-9093  
 (NAME & ADDRESS) (EMAIL) (PHONE)

18. REP/POINT OF CONTACT Leslie Ibaven 110 Mesa Park Dr. Suite 200 El Paso, TX 79912 libaven@tr-eng.com (915) 852-9093  
 (NAME & ADDRESS) (EMAIL) (PHONE)

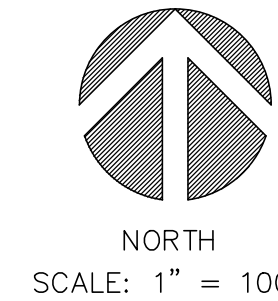
**NOTE:** Applicant is responsible for all expenses incurred by the City in connection with the Recording plat approval request, including but not limited to attorneys, engineering, County Clerk & publication fees. Charges exceeding deposit will be invoiced separately. Initials KB.

Applicant Signature [Signature] EMAIL kbarraza@tr-eng.com

**APPLICATION MUST BE COMPLETELY FILLED OUT & VALIDATED PRIOR TO SUBDIVISION PROCESSING | APPLICATION FEE: \$80.00**

# RANCHO DESIERTO BELLO UNIT THIRTEEN PHASE I

A PORTION OF LEIGH CLARK SURVEY No. 297,  
AND SECTION 43, BLOCK 78, TOWNSHIP 3,  
TEXAS AND PACIFIC RAILROAD COMPANY,  
TOWN OF HORIZON CITY, EL PASO COUNTY, TEXAS.  
CONTAINING 29.611 ACRES ±



**PROPOSED LAND USE**  
RESIDENTIAL  
RESIDENTIAL LOTS = 82  
POND LOTS = 1  
PARK = 1  
**SCHOOL DISTRICT**  
CLINT INDEPENDENT SCHOOL DISTRICT

### DEDICATION

SDC DEVELOPMENT, LTD., the owner of this land, does hereby present this map and dedicate their respective portions of property to the use of the public, the streets, drives, ponding area, drainage right-of-way, and utility easements as hereon laid down and designated, including easements for over-riding of service wires for pole type utilities and the right for installation of service poles alongside lot lines as may be required, easements for buried service wires, conduits and pipes for underground utilities, and the right to ingress and egress for service and construction, and the right to trim interfering trees and shrubs.

We certify that all utilities have been or will be installed in accordance to requirements by the local utility companies and the Town of Horizon City.

We attest that the matters asserted in this plat are true and complete.

Witness my signature this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Doug Little, Chief Financial Officer  
SDC DEVELOPMENT, LTD.

### ACKNOWLEDGEMENT

STATE OF TEXAS  
COUNTY OF EL PASO

Before me, the undersigned authority, on this day personally appeared Doug Little, Chief Financial Officer, SDC DEVELOPMENT, LTD., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed for the purpose and consideration herein expressed.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Notary Public in and for El Paso County, Texas My Commission Expires \_\_\_\_\_

### TOWN OF HORIZON CITY TOWN COUNCIL

This chapter is hereby approved as to the platting and as to the conditions of the dedication in accordance with Chapter 212 of the Local Government Code of Texas, this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Accepted and adopted by the City Council of Town of Horizon City this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Elvia Schuller, City Clerk RUBEN MENDOZA, Mayor

Approved for filing this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

HUITT-ZOLLARS, INC. (Town Engineer)  
by Isabel Vasquez, P.E.,  
Vice President

### FILING

Filed and recorded in the office of the County Clerk of El Paso County, Texas, this \_\_\_\_\_ day of \_\_\_\_\_ 2021, in Volume \_\_\_\_\_ of the Plat Records,  
Page \_\_\_\_\_, File No. \_\_\_\_\_.

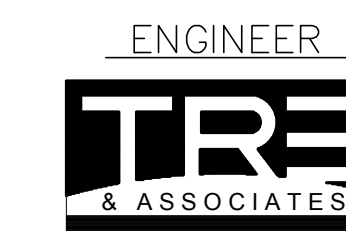
County Clerk \_\_\_\_\_ by Deputy \_\_\_\_\_

This plat represents a survey made on the ground by me or under my supervision and complies with the current Texas Board of Professional Land Survey Professional and Technical Standards.

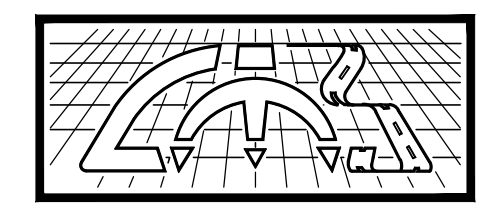
ROBERTO S. ROMERO, P.E.  
Licensed Professional Engineer  
Texas License No. 114517

LARRY L. DREWES, R.P.L.S.  
Registered Professional Land Surveyor  
Texas License No. 4869

**OWNER**  
SDC DEVELOPMENT, LTD.  
7910 GATEWAY BLVD. E, SUITE 102  
EL PASO TEXAS 79915  
VOICE: (915) 591-6319  
CONTACT: JOHN DURAN



### SURVEYOR



Engineering Solutions  
110 Mesa Park Drive, Suite 200 6101 W. Courtyard Dr., Bldg. 1, Suite 100  
El Paso, Texas 79912 Austin, Texas 78728  
Office: (915) 852-6903 Office: (512) 354-4049  
Fax: (915) 629-8506 Fax: (512) 366-6374

Land-Mark Professional  
Surveying, Inc.  
1420 Bessemer Drive, Suite 'A',  
El Paso, Texas 79935  
(915) 598-1300  
email: Larry@land-marksurvey.com  
"Serving Texas, New Mexico and Arizona"

DATE OF PREPARATION: OCTOBER 7, 2020  
DATE OF REVISION: APRIL 1, 2021



### PLAT NOTES AND RESTRICTIONS

- BEARINGS ARE BASED ON UNDERLYING DEEDS.
- = THIS SYMBOL REPRESENTS ALL PROPOSED STREET MONUMENTS LOCATIONS.
- ☒ = THIS SYMBOL REPRESENTS U.S. POSTAL SERVICE COLLECTION BOX UNITS. POSTAL SERVICE WITHIN THE SUBDIVISION WILL BE PROVIDED USING NEIGHBORHOOD DELIVERY AND COLLECTION BOX UNITS.
- ACCORDING TO THE FEDERAL EMERGENCY MAPPING AGENCY, FLOOD INSURANCE RATE MAP, PANEL NO. 480212 02505, DATED SEPTEMBER 4, 1991, THIS PROPERTY APPEARS TO LIE WITHIN ZONE "X" WHICH BY DEFINITIONS IS NOT A SPECIAL FLOOD HAZARD ZONE.
- ALL UTILITY EASEMENTS ARE 10 FEET WIDE UNLESS OTHERWISE SPECIFIED.
- SET 5/8" REBAR WITH CAP STAMPED "LAND-MARK TX 4869 NM11402" AT ALL EXTERIOR BOUNDARY CORNERS UNLESS OTHERWISE NOTED.
- TAX CERTIFICATE(S) FOR THIS SUBDIVISION ARE FILED IN THE OFFICE OF THE COUNTY CLERK, DEED AND RECORDS SECTION.  
INSTRUMENT No. \_\_\_\_\_ INSTRUMENT No. \_\_\_\_\_
- RESTRICTIVE COVENANTS FOR THIS SUBDIVISION ARE FILED IN THE OFFICE OF THE COUNTY CLERK, DEED AND RECORDS SECTION.  
INSTRUMENT No. \_\_\_\_\_
- THIS IS TO CERTIFY THAT WATER AND SEWER SERVICES WILL BE PROVIDED TO RANCHO DESIERTO BELLO UNIT THIRTEEN PHASE I BY THE HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT IN ACCORDANCE WITH THEIR RULES AND REGULATIONS AND WITH SECTION 16.343 OF THE TEXAS WATER CODE. WATER AND SEWER SERVICES WILL BE EXTENDED TO THE SUBDIVISION FROM EXISTING FACILITIES LOCATED ON ESCALERA DRIVE AND DARRINGTON ROAD AND WILL BE CONSTRUCTED TO SERVE THE SUBDIVISION WITHIN TWO (2) YEARS OF THE DATE OF FILING THE FINAL SUBDIVISION PLAT.
- ACCESS TO LOTS 1-11, BLOCK 62, AND LOT 110, BLOCK 53 ABUTTING CLARET CUP PLACE SHALL BE FROM OTHER DEDICATED STREETS ONLY.

**BENCHMARK**  
CITY MONUMENT AT THE CENTERLINE INTERSECTION OF  
ESCALERA DRIVE AND VALLEJO PLACE.  
ELEVATION 4016.99' (NAVD 88 DATUM)

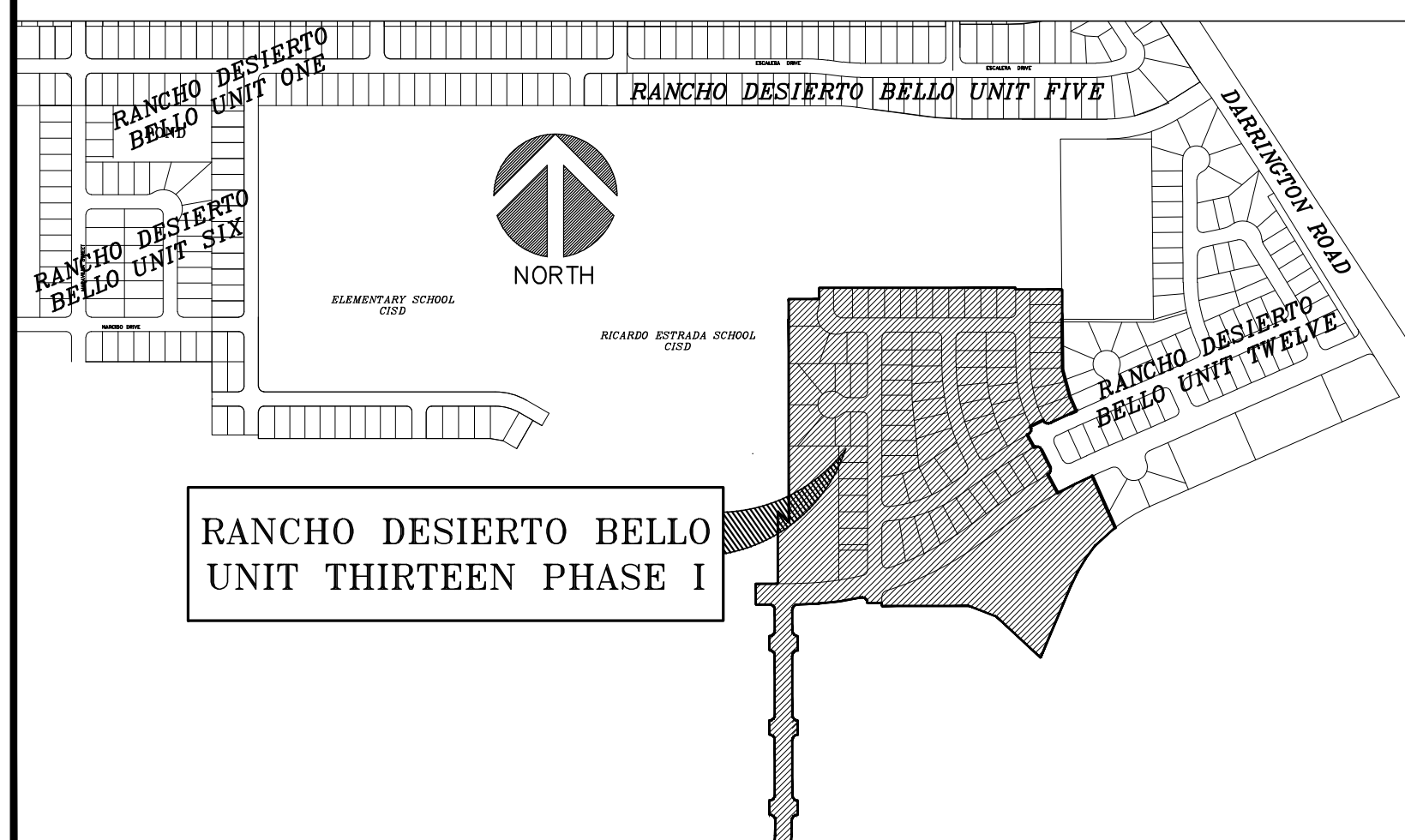
| PHASE I - AREA TABLE |        |           |
|----------------------|--------|-----------|
| DESCRIPTION          | ACRES  | SQ. FT.   |
| RESIDENTIAL          | 14.407 | 627,548   |
| RIGHT-OF-WAY         | 7.862  | 342,461   |
| PONDING AREA         | 2.307  | 100,513   |
| PARK                 | 5.022  | 218,773   |
| TOTAL                | 29.598 | 1,289,295 |

| STREET TABLE        |                     |
|---------------------|---------------------|
| NORTH - SOUTH       | EAST - WEST         |
| YELLOW BELLS PLACE  | DESERT POPPY COURT  |
| PAINTED LADY STREET | MEXICAN HAT COURT   |
| CANDELLULA STREET   | HOLLY BLUE AVENUE   |
| CATTLE LANE         | CLARET CUP PLACE    |
| LTV ROAD            | BANANA YUCCA AVENUE |
|                     | HAVARD AGAVE AVENUE |
|                     | FAXON YUCCA AVENUE  |

(SHEET 1 OF 2)

### LOCATION MAP

SCALE: 1"=600'





**PARKLAND DEVELOPER PARTICIPATION AGREEMENT**

**RANCHO DESIERTO BELLO UNIT #13**

**BETWEEN THE TOWN OF HORIZON CITY  
AND  
RANCHOS REAL XV, LLC**

This Parkland Developer Participation Agreement (the "Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_ 2020 (the "Effective Date"), by and between the TOWN OF HORIZON CITY ("City"), and SDC Development, LTD, a Texas company ("Developer").

**RECITALS**

A. Developer owns property described as Rancho Desierto Bello Unit #13 on Exhibit "A" attached hereto (the "Developer Property")

C. Developer is required by the approved preliminary plat for the Developer Property to dedicate certain parkland ("Dedicated Park") and/or pay certain in-lieu park fees pursuant to Horizon City Code Chapter 10, Article 10.02, Section 2.8 in connection with the development of the Developer Property pursuant to the rules and regulations of the City and dedicate the required parkland to the City for use as a public park.

D. The Developer has requested that in lieu of making certain in-lieu park fees to the City, that it be allowed to use the required funds to construct additional improvements to the Dedicated Park ("Additional Park Improvements") and receive credit for the expenditure of the additional funds in lieu of payment of the required park fees to the City.

E. The Developer will enter into a Construction Agreement with the City with regard to the public improvements that the subdivision of the Developer Property is required to provide under the Horizon City Code Chapter 10, Article 10.02, Section 8.

E. As provided in Texas Local Government Code §212.071 and §232.105, a municipality may contract with a developer to construct public improvements and participate in the cost of the additional improvements not exceed thirty (30%) percent of the total contract price and participate at a level not to exceed one hundred (100%) percent of the total cost of any oversized improvements required by the municipality.

F. Developer and City desire that the Developer shall construct the additional improvements to the dedicated park property concurrent with the Developer's construction of the adjacent Subdivision improvements and acknowledge that the amount of the cost of the additional improvements does not exceed thirty percent (30%) of the total cost of public improvements being required by the City for such Subdivision.

NOW, THEREFORE, for and in consideration of the promises, mutual agreements and in-kind services set forth, the parties mutually agree as follows:

## 1. PARTIES' OBLIGATIONS

(a) Developer Obligations. Developer shall be responsible to plan, design, engineer, plat and construct all improvements to the Dedicated Park as required by the City in its approval of the Final Plat for Rancho Desierto Bello Unit #13 (concurrent with this Agreement) depicted in the attached Exhibit B. The cost estimate for construction of all of the public improvements for the Developer Property is attached to this Agreement as Exhibit C, including the costs of the additional improvements to the Dedicated Park (the "Cost Estimate"). All work shall be done in consultation with The City staff to assure that all aspects of the work to be performed are consistent with the City Final Plat approval and requirements.

Developer and City agree that concurrent with the planning, design, engineering and construction of Phase II of the Developer Property, the Developer shall construct the Additional Park Improvements.

(b) Construction Costs. Developer shall be solely responsible for the payment of any and all costs and expenses related to the planning, designing, engineering, platting and constructing the entire Developer Property, the Dedicated Park and the Additional Park Improvements as shown on Exhibit C.

The City will give the Developer credit in lieu of park fees for a portion of the total contract price of the public improvements constructed under this Agreement to the extent of thirty (30%) of the total cost of the public improvements being required by the City for the portion described herein as the Additional Park Improvements. The remaining improvements constructed above the required 30% shall be credited to future new development in another subdivision development application that the Developer submits and such credit shall be equal to 3.522 acres of future new development units.

(c) Party Coordination; Platting. Developer shall consult with the City's designated representatives to assure that all work is done consistent with and in compliance with City rules, regulations, and conditions including inspection on the on-going work, and applicable federal and state laws and requirements. City designated representative may, at reasonable times, observe or inspect all work done and materials furnished for the Developer Property, the Dedicated Park and the Additional Park Improvements. If City designated representative reasonably believes the Developer Property, the Dedicated Park and the Additional Park Improvements is not being constructed as per the approved plans and specifications, the parties' designated representatives shall meet to discuss appropriate actions to ensure that any defects in the Developer Property, the Dedicated Park and the Additional Park Improvements or deviations in the approved designs are remedied. After final completion of the construction of the Developer Property, the Dedicated Park and the Additional Park Improvements and the Dedicated Park, including the Additional Park Improvements, shall be dedicated and accepted as required by the City's subdivision ordinance.

(d) Time for Completion. All work to be performed under this Agreement (excluding maintenance and repair after acceptance) shall be substantially completed in no more than two (2) years from the Effective Date, concurrent with the Subdivision Construction Agreement. Upon achieving substantial completion, Developer shall notify City, who shall promptly inspect Developer's work and either accept the work or notify Developer of deficiencies that must be corrected before the work can be accepted.

(e) Invoice. Upon satisfactory completion and acceptance of the improvements, the Developer shall submit to City an invoice detailing the cost of planning, designing, engineering and constructing the Additional Park Improvements for an amount not to exceed the approved amount of the in-lieu park fees of \$76,056, as set forth in Exhibit "D".

(f) The Developer agrees to provide City with copies of all subcontractor and consultant agreements used by the Developer in the construction of the Dedicated Park and the Additional Park Improvements. The City shall also have the right to inspect the Developer's books and records related to the construction of the Dedicated Park and the Additional Park Improvements during regular business hours and after reasonable written notice.

**2. TERM.** This Agreement shall automatically terminate after the construction of the Developer Property, the Dedicated Park and the Additional Park Improvements is completed, the City Public Works Director has inspected the project to assure that the City Design Standards have been met and the City has accepted the dedication of the Dedicated Park, including the Additional Park Improvements.

**3. BOND REQUIRED.** The Developer must execute or cause its contractor to execute a performance bond for one hundred percent (100%) of the amount of the in-lieu park fees to secure fulfillment of all the Developer's obligations under this Agreement. The bond or bonds must be in the form attached hereto as Exhibit "E" and incorporated herein for all purposes. The bond must be executed by a corporate surety in accordance with Chapter 2253, Government Code, Vernon's Annotated Civil Statutes. The bond(s) shall identify the City as an additional named Obligee.

**4. INSURANCE.** During construction, Developer shall carry and maintain, or cause to be carried and maintained by its contractors, in full force and effect the following insurance coverage:

(a) Workers' compensation insurance as provided by law on Developer's and its contractor's employees;

(b) Commercial general liability insurance written on an occurrence basis, including independent contractors, products, completed operations and premises liability with broad form endorsement including blanket contractual liability and personal injury liability with combined single limits of not less than \$1,000,000.00 each occurrence/and \$2,000,000.00 aggregate;

(c) Comprehensive automobile liability insurance of not less than \$300,000.00.

**7. THIRD PARTY RIGHTS OR OBLIGATIONS.** No person or entity not a party to this Agreement shall have any third-party beneficiary or other rights under this Agreement.

**8. MAINTENANCE WARRANTY.** Developer hereby covenants and warrants that the public improvements being constructed under this Agreement will be free from defective materials, construction defects, or defects in workmanship for a period of one (1) year following acceptance by the City of all required improvements. Developer shall also provide a maintenance bond, as depicted in Exhibit “E”, in the amount of fifty percent (50%) of the costs of the public improvements for such period. In the event of the maintenance or repair of a defect in the improvements during the initial guarantee period, the Developer shall provide a one-year extended maintenance guarantee in favor of the City for the entire defect area, with the one year period to commence upon completion of the maintenance or repair. The extended maintenance guarantee period shall be repeated until the defect within the affected area has been satisfactorily remedied. Notwithstanding any other provision in this Agreement, this paragraph shall survive the expiration of this Agreement.

**9. NOTICES.** All notices, communications and reports under this Agreement shall be either hand-delivered or mailed, postage prepaid in the United States Postal Service, to the respective parties at the respective addresses shown below, unless and until either party is otherwise notified in writing:

**HORIZON CITY:** Town of Horizon City  
Attn: Mayor  
14999 Darrington Rd.  
Horizon City, TX 79928

Copy to: Town of Horizon City  
Attn: Planning Director  
14999 Darrington Rd.  
Horizon City, TX 79928

**DEVELOPER:** SDC Development, LTD  
Attn: John Duran  
7910 Gateway East Blvd., Suite 102  
El Paso, Texas 79915

**10. CUMULATIVE RIGHTS.** All remedies, either under this Agreement or at law or in equity or otherwise available to a party, are cumulative and not alternative and may be exercised or pursued separately or collectively in any order, sequence or combination. the City do not waive any rights, immunities, or defenses which either has or may have under law or in equity.

**11. GOVERNING LAW.** All questions concerning the validity, operation, and interpretation of this Agreement and the performance of the obligations imposed upon the parties hereunder shall be governed by the laws of the State of Texas. Venue shall be in El Paso County, Texas.

**12. ASSIGNMENT.** The Developer shall have the right to assign its rights and obligations in this Agreement. In the event that the Developer does assign its rights under this Agreement, the

assignee shall execute an assignment agreeing that it will be responsible for all of the obligations of Developer, a copy of which shall be sent to the City.

**13. RELATIONSHIP.** It is expressly understood and agreed by and between the parties that Developer is not an officer, agent or employee of either the City and is not subject to the direct or continuous supervision and control of the City. The City and Developer acknowledge and agree that the parties have not formed, and are not hereby forming a partnership, joint venture or any other similar entity and this Agreement is not intended, and shall not be construed, to create any such entity or relationship.

**14. CONSTRUCTION STANDARDS.** All work performed by the Developer or its agents shall be done in a good and workmanlike manner in accordance with the City's codes and regulations and the City's Subdivision Regulations and Design Standards. Any contractor or consultant hired by the Developer shall have sufficient skills and experience to properly perform the work required of it and shall provide adequate supervision to assure competent performance of the work.

**15. CONSTRUCTION CONTRACTS.** Developer agrees to furnish the City a copy of each written agreement entered into with a contractor or consultant retained to complete the construction of the improvements the subject of this Agreement. All of the books and records related to the construction of the project shall be available for inspection by the City upon written request. All work performed by a contractor or consultant of the Developer will not under any circumstances, relieve the Developer of its responsibilities and obligations under this Agreement.

**16. ENTIRE AGREEMENT.** This Agreement embodies and constitutes the entire understanding between the parties with respect to the transactions contemplated herein, and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement. This Agreement may not be modified except by an instrument in writing signed by all of the parties.

**17. AUTHORIZED SIGNATURE.** The person executing this Agreement on behalf of the Developer warrants to the City that the Developer is a duly authorized and existing limited partnership, that Developer is qualified to do business in the State of Texas, that Developer has full right and authority to enter into this Agreement, and that every person signing on behalf of Developer is authorized to do so.

EXECUTED in El Paso, El Paso County, Texas as of the Effective Date.

**TOWN OF HORIZON CITY**

By: \_\_\_\_\_  
Ruben Mendoza, Mayor

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Bertha A. Ontiveros  
Assistant City Attorney

\_\_\_\_\_  
Michelle Padilla, CNU  
Planning Director

**DEVELOPER**

SDC Development, LTD

By: \_\_\_\_\_  
\_\_\_\_\_

DRAFT

Exhibit A  
Developer Property

DRAFT

Exhibit B

Final Plat Approvals

DRAFT

Exhibit C  
Cost Estimate and Total Costs

DRAFT

Exhibit D  
Form of Performance Bond

DRAFT

Exhibit E  
Maintenance Bond

DRAFT

## **SUBDIVISION CONSTRUCTION AGREEMENT**

1. **Parties.** The parties to this Subdivision Construction Agreement (the "Agreement") are \_\_\_\_\_(individually and collectively, the "Subdivider") and the Town of Horizon City, Texas, (the "Town").
  
2. **Effective Date.** This Agreement is effective on the date the Town approves the final plat for the subdivision described in Paragraph 3 of this Agreement by the Town Council approval of the plat in accordance with Town Regulations (the "Effective Date").

### **Recitals**

3. Subdivider is the owner of the land included in the proposed final subdivision plat of the subdivision, as shown in the Town's File Number (the "Subdivision") and described as \_\_\_\_\_, more particularly described by the metes and bounds description attached and incorporated into this Agreement as Exhibit A (the "Property"); and
  
4. Subdivider seeks authorization from the Town to subdivide the Property in accordance with the requirements imposed by Texas statute and the Town Rules, Regulations, and other requirements; and
  
5. Town Regulations require the completion of various improvements in connection with the development of the Subdivision to protect the health, safety, and general welfare of the community and to limit the harmful effect of substandard subdivisions; and
  
6. The purpose of this Agreement is to protect the Town from the expense of completing subdivision improvements required to be installed by the Subdivider; and
  
7. This Agreement is authorized by and consistent with state law and the Town Rules, Regulations, and other requirements governing development of a subdivision.

IN CONSIDERATION of the foregoing recitals and the mutual covenants, promises, and obligations by the parties set forth in this Agreement, the parties agree as follows:

### **Subdivider's Obligations**

8. **Improvements.** The Subdivider agrees to construct and install, at Subdivider's expense, all subdivision improvements required to comply with Town orders, regulations, and policies governing subdivision approval, specifically including without limitation those improvements listed on Exhibit B attached and incorporated by reference into this Agreement (collectively, the Improvements, any of which is an "Improvement"). All Improvements shall be constructed in conformity to the Town requirements, procedures, and specifications,

pursuant to construction plans, permits, and specifications approved by the Town prior to commencement of construction, and subject to inspection, certification, and acceptance by the Town.

**9. Completion.** Unless a different time period is specified for a particular Improvement in Exhibit B, construction of all Improvements shall be completed no later than (2) years after the Effective Date (the "Completion Date"); provided, however, that if the Subdivider or the Issuer delivers to the Town no later than the Completion Date a substitute Bond satisfying the criteria established in Paragraph 11 and which has an expiration date no earlier than one year from the Completion Date, then the Completion Date shall be extended to the expiration date of that substitute Bond or any subsequent substitute Bond provided in accordance with this Paragraph. Upon completion of each of the Improvements, the Subdivider agrees to provide to the Town a complete set of construction plans for the Improvements, certified "as built" by the engineer responsible for preparing the approved construction plans and specifications.

Notwithstanding the above, Exhibit B schedule permits the phased construction, completion and dedication of the Improvements, with the construction, completion and dedication date for the Park Improvements to be later than the remaining Improvements. The Town will permit the issuance of conditional building permits for a limited number of new residential structures following the completion and dedication of the remaining Improvements, but before the completion and dedication of the Park Improvements; provided, however, that the total number of permits may not exceed 15% **[50% IF PARK IMPROVEMENTS WILL BE CONSTRUCTED AFTER ALL OTHER STREET, DRAINAGE IMPROVEMENTS]** of the total number of lots in the Subdivision, and the issuance of such residential construction permits is subject to the conditions set forth in Exhibit B.

**10. Warranty.** The Subdivider warrants the Improvements constructed by Subdivider or Subdivider's agents, contractors, employees, tenants, or licensees will be free from defects for a period of one (1) year from the date the Town accepts the dedication of a completed Improvement or group of Improvements (the "Warranty Period"), as such Improvement or group of Improvements is separately identified and listed on Exhibit B, except the Subdivider does not warrant the Improvements for defects caused by events outside the control of the Subdivider or the Subdivider's agents, contractors, employees, tenants, or licensees. The Subdivider agrees to repair any damage to the Improvements before and during the Warranty Period due to private construction-related activities. As a condition of the Town acceptance of dedication of any of the Improvements, the Town may require the Subdivider to post a maintenance bond or other financial security acceptable to the Town to secure the warranty established by this Agreement. If the Improvements have been completed but not accepted, and neither the Subdivider nor Issuer is then in default under this Agreement or the Bond, at the written request of the Subdivider or the Issuer the Town shall complete, execute, and deliver to the Issuer a reduction letter documenting that the Stated Amount has been reduced to an amount equal to the face amount of the maintenance bond or other financial security acceptable to the Town.

**11. Security.** To secure the performance of Subdivider's obligations under this Agreement, Subdivider agrees to provide adequate financial guarantees of performance in the form of a surety bond acceptable to the Town, a cash deposit to be held by the Town

in escrow, or an irrevocable Bond in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) (the "Stated Amount"), which amount is the estimated total cost of constructing each of the Improvements as shown on Exhibit B. If a Bond is provided pursuant to this Agreement, it shall be in a standard form acceptable to this Agreement, it shall be in a standard form acceptable to the Town, shall have an expiration date no earlier than one year from the date of its issuance, and shall be issued by a financial institution having a rating equivalent to the minimum acceptable rating established under the Town or County financial institution rating system in effect at the time the initial Bond is issued pursuant to this Agreement (the "Issuer"). During the term of this Agreement and subject to the terms of Paragraph 22 of this Agreement, the Town may revise the standard form Bond it reasonably considers acceptable and necessary to secure the performance of Subdivider's obligations under this Agreement. A Bond satisfying the criteria of this Paragraph (and any substitute or confirming Bond) is referenced to in this Agreement as to the "Bond".

**12. Reduction In Bond.** After the acceptance of any Improvement, the amount which the Town is entitled to draw on the Bond shall be reduced by an amount equal to ninety percent (90%) of the Quoted cost of the accepted Improvement, as shown on Exhibit B. Upon completion of an Improvement, at the written request of subdivider or Issuer, and if neither the Subdivider nor Issuer is then in default under this Agreement or the Bond, the Town shall complete, execute, and deliver to the Issuer a reduction letter verifying the acceptance of the Improvement and documenting that the Stated Amount has been reduced by stating the balance of the Stated Amount remaining after the reduction required by the first sentence of this Paragraph. No later than sixty (60) days after its receipt of a written request to reduce the Stated Amount submitted by the Subdivider or the Issuer, the Town shall determine the Estimated Remaining Cost and shall complete, execute, and deliver to the Issuer a reduction letter documenting that the Stated Amount has been reduced to the Estimated Remaining Cost if the Town determines the Stated Amount exceeds the Estimated Remaining Cost. Notwithstanding the preceding sentence, the Town shall not be required to authorize reductions in the Stated Amount more frequently than every ninety (90) days. As used in this Paragraph, "Estimated Remaining Cost" means the amount the Town estimates to be the cost of completing all Improvements incomplete as of the time of such estimate.

### **Town Obligations**

**13. Inspection and Certificate.** The Town agrees to inspect Improvements during and at the time completion of construction and, if completed in accordance with the standards and specifications for such Improvements, to certify the Improvements as being in compliance with County standards and specifications. The inspections and certifications will be conducted in accordance with standard Town policies and requirements. The Subdivider grants the Town, its agents, employees, officers, and contractors and easement and license to enter the Property to perform such inspections as it deems appropriate.

**14. Notice of Defect.** The Town will provide timely notice to the Subdivider whenever inspection reveals that an Improvement is not constructed or completed in accordance with the standards and specifications for health or safety, and the notice of defect includes a statement explaining why the defect creates such immediate and substantial harm,

the cure period may be shortened to no less than five (5) days and the Town may declare a default under this Agreement if not satisfied that the defect is cured after the cure period. Any cure period should be reasonable in relation to the nature of the default.

**15. Use of Proceeds.** The Town will disburse funds drawn under the Bond for the purposes of completing the Improvements in conformance with the Town requirements and specifications for the Improvements, or to correct defects in or failures of the improvements. The Subdivider has no claim or rights under this Agreement to funds drawn under the Bond or any accrued interest earned on the funds. All funds obtained by the Town pursuant to one or more draws under the Bond shall be maintained by the Town in an interest bearing account or accounts until such funds, together with accrued interest thereon (the "Escrowed Funds"), are disbursed by the Town. The Town may disperse all or portions of the Escrowed Funds as Improvements are completed and accepted by the Town or in accordance with the terms of a written construction contract between the Town and a third party for the construction of Improvements. Escrowed Funds not used or held by the Town for the purpose of completing an Improvement or correcting defects in or failures of an Improvement, together with interest accrued thereon, shall be paid by the Town to the Issuer of the Bond no later than sixty (60) days following the Town's acceptance of the Improvement or its decision not to complete the Improvement using Escrowed Funds, whichever date is earlier.

**16. Return of Excess Escrowed Funds.** No later than sixty (60) days after its receipt of a written request from the Subdivider or the Issuer to return Excess Escrowed Funds to the Issuer, the Town shall disburse to the Issuer from the Escrowed Funds all Excess Escrowed Funds. For purposes of this Paragraph, "Excess Escrowed Funds" means the amount of Escrowed Funds exceeding one hundred ten percent (110%) of the estimated cost of constructing Improvements the Town intends to construct but which have not been accepted, as such cost is shown on Exhibit B. Notwithstanding the first sentence in this Paragraph, the Town shall not be required to disburse Excess Escrowed Funds more frequently than every ninety (90) days.

**17. Conditions of Draw Security.** The Town may draw upon any financial guarantee posted in accordance with Paragraph 11 upon the occurrence of one or more of the following events:

- a. Subdivider's failure to construct the Improvements in accordance with Paragraph 8 of this Agreement;
- b. Subdivider's failure to renew or replace the Bond at least forty five (45) days prior to the expiration date of the Bond;
- c. Subdivider's failure to replace or confirm the Bond if the Issuer fails to maintain the minimum rating acceptable to the Town in accordance with Paragraph 11 of this Agreement; or
- d. Issuer's acquisition of the Property or a portion of the Property, through foreclosure or an assignment or conveyance in lieu of foreclosure.

The Town shall provide written notice of the occurrence of one or more of the above events to the Subdivider, with a copy provided to the Issuer. Where a Bond has been provided as the financial guarantee, with respect to an event described by subparagraph (a), the Town

shall provide notice to the Subdivider and the Issuer of the specific default and the notice shall include a statement that the Town intends to perform some or all of Subdivider's obligations under Paragraph 8 for specified Improvements if the failure is not cured. The notice with respect to a default under subparagraph (a) shall be given no less than twenty (20) days before presentation of a draft on the Bond, unless, in the reasonable opinion of the Town, the failure creates an immediate and substantial harm to the public health or safety, in which case the notice shall state why the failure creates an immediate and substantial harm to the public health or safety, and shall be given no less than five (5) days before presentation of a draft on the Bond. In the event of a draw based on subparagraph (a), the Town shall be entitled to draw in the amount it considers necessary to perform Subdivider's obligation under Paragraph 8, up to the amount allocated according to Exhibit B for any Improvement it states its intent to construct or complete in accordance with the standards and specifications for such improvement. The Subdivider hereby grants to the Town, its successors, assigns, agents, contractors, and employees, a nonexclusive right and easement to enter the Property for the purposes of constructing, maintaining, and repairing such Improvements. Where a Bond has been provided as the financial guarantee, with respect to an event described by a subparagraph (b), (c), or (d), the notice shall be given no less than twenty (20) days before presentation of a draft on the Bond. In lieu of honoring a draft based on an event described in subparagraph (b) or (c), the Issuer of the Subdivider may deliver to the Town a substitute Bond if the event is described by subparagraph (b) or a described by subparagraph (c). If the Issuer has acquired all or a portion of the Property through foreclosure or an assignment or conveyance in lieu of foreclosure, in lieu of honoring a draft based on an event described in subparagraph (d), the Issuer may deliver to the Town a substitute or confirming Bond.

**18. Procedures for Drawing on the Bond.** The Town may draw upon the Bond in accordance with paragraph 18 by submitting a draft to the Issuer in compliance with the terms of the Bond governing such draft. The Bond must be surrendered upon presentation of any draft which exhausts the Stated Amount of such Bond. The Town may not draft under a Bond unless it has substantially complied with all its obligations to the Issuer under this Agreement and his property completed and executed the draft in strict accordance with the terms of the Bond.

**19. Measure of Damages.** The measure of damages for breach of this Agreement by the Subdivider is the reasonable cost of completing the Improvements in conformance with the Town requirements, procedures, and specifications. For improvements upon which construction has not begun, the estimated cost of the improvements shown on Exhibit B will be prima facie evidence of the minimum cost of completion; however, neither that amount nor the amount of the Bond establishes the maximum amount of the Subdivider's liability.

**20. Remedies.** The remedies available to the Town, the Subdivider, and Issuer under this Agreement and the laws of Texas are cumulative in nature.

**21. Provisions for the Benefit of issuer.** The provisions of Paragraphs of Paragraphs **9, 10, 11, 12, 15, 16, 17,18, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31,** and **35** of this Agreement for the benefit of the issuer may not be modified, released, diminished, or impaired by the parties without the prior written consent of the Issuer.

**22. Third Party Rights.** No person or entity who or which is not a party to this Agreement shall have any right of action under this Agreement, nor shall any such person or entity other than the Town (including without limitation a trustee in bankruptcy) have any interest in or claim to funds drawn on the Bond and held in escrow by the Town in accordance with this Agreement. Notwithstanding the preceding sentence, the Issuer shall have a right of action to enforce any provision of this Agreement where the Issuer is specifically named as a beneficiary of such provision pursuant to Paragraph 22.

**23. Indemnification.** The Subdivider hereby expressly agrees to indemnify and hold the Town harmless from and against all claims, demands, costs, and liability of every kind and nature, including reasonable attorney's fees for the defense of such claims and demands, arising from any breach on the part of the Subdivider of any provision in this Agreement, or from any act or negligence of Subdivider or Subdivider's agents, contractors, employees, tenants, or licensees in the construction of the Improvements. The Subdivider further agrees to aid and defend the Town if the Town is named as a defendant in an action arising from any breach on the part of Subdivider of any provision in this Agreement, or from any act of negligence of Subdivider or Subdivider's agents, contractors, employees, tenants, or licensees in the construction of the Improvements, except where such suit is brought by the Subdivider. The Subdivider is not an employee or agent of the Town. Notwithstanding anything to the contrary contained in this Agreement, the Subdivider does not agree to indemnify and hold the Town harmless from any claims, demands, costs, or liabilities arising from any act or negligence of the Town, its agents, contractors, employees, tenants, or licensees.

**24. No Waiver.** No waiver of any provision of this Agreement will be deemed or constitute a waiver of any other provision, nor will it be deemed or constitute continuing waiver unless expressly provided for by a written amendment to this Agreement, nor will the waiver of any default under this Agreement be deemed a waiver of any subsequent defaults of the same type. The failure at any time to enforce this Agreement or covenant by the Town, the Subdivider, or the Issuer, their heirs, successors or assigns, whether any violations thereof are known or not, shall not constitute a waiver of estoppels of the right to do so.

**25. Attorney's Fees.** Should either party or the Issuer, to the extend Issuer is named as specific beneficiary, be required to resort to litigation to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, shall be entitled to recover its costs, including reasonable attorney's fees, court costs, and expert witness fees, from the other party. If the court awards relief to both parties, each will bear its own costs in their entirety.

**26. Assignability.** The benefits and burdens of this Agreement are personal obligations of the Subdivider and also re binding on the heirs, successors, and assigns of the Subdivider. The Subdivider's obligations under this Agreement may not be assigned without the express written approval of the Town. The Town's written approval may not be withheld if the Subdivider's assignee explicitly assumes all obligations of the Subdivider under this Agreement and has posted the required security. The Town agrees to release or reduce, as appropriate, the Bond provided by the Subdivider if it accepts substitute security for all or any portion of the Improvements. The Town in its sole discretion, may assign some or

all of its rights under this Agreement, and any such assignment shall be effective upon notice to the Subdivider and the Issuer.

**27. Expiration.** This Agreement shall terminate upon the expiration of the approval of the proposed final plat of the Subdivision or if the Subdivision is vacated by the Subdivider.

**28. Notice.** Any notice required or permitted by this Agreement is effective when personally delivered in writing or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to Subdivider: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

if to Town:           The Town of Horizon City  
                          14999 Darrington Road  
                          Horizon City, TX 79928  
Attn: Ruben Mendoza, Mayor

if to Issuer: at Issuer's address shown on the Bond

The parties may, from time to time, change their respective addresses listed above to any other location in the United States for the purpose of notice under this Agreement. A party's change of address shall be effective when notice of the change is provided to the other party in accordance with the provisions of this Paragraph.

**29. Severability.** If any part, term, or provision of this Agreement is held by the courts to be illegal, invalid, or otherwise unenforceable, such illegality, invalidity, or enforceability shall not affect the validity of any other part, term, or provision, and the rights of the parties will be construed as if the part, term, or provision was never part of this Agreement.

**30. Personal Jurisdiction and Venue.** Personal jurisdiction and venue for any civil action commenced by either party to this Agreement or the Issuer, whether arising out of or relating to the Agreement or the Bond, will be deemed to be proper only if such action is commenced in District Court for **El Paso County, Texas**, or the United States District Court for the District of Texas, **Division**. The Subdivider expressly waives any right to bring such an action in or to remove such an action to any other court, whether state or federal. The Issuer, by providing a Bond pursuant to the terms of this Agreement, expressly waives any right to bring such an action in or to remove such an action to any other court, whether state or federal.

**31. Release Upon Completion.** Upon acceptance of all Improvements, the Town agrees: (a) to complete, execute and deliver to the Subdivider and the Issuer a release in recordable form releasing the Subdivider and Subdivider's heirs, successors and assigns, and the property from all provisions of this Agreement except those contained in Paragraph 10, and (b) to return to the Issuer the Bond and any Escrowed Funds not expended or obligated by the Town for the completion of the Improvements.

**32. Captions Immaterial.** The numbering, order, and captions or headings of the paragraph of this Agreement are for convenience only and shall not be considered in constraining this Agreement.

**33. Entire Agreement.** This Agreement contains the entire agreement between the parties and correctly sets forth the rights, duties, and obligations of each to the other as of the Effective Date. Any oral representatives or modifications concerning this Agreement shall be of no force or effect excepting a subsequent written modification executed by both parties.

**34. Authorization to Complete Blanks.** By signing and delivering this Agreement to the appropriate official of the Town, the Subdivider authorizes completion of this Agreement by filling in this Effective Date below.

**35. Binding Agreement.** The execution and delivery of this Agreement and the performance of the transactions contemplated thereby have been duly authorized by all necessary corporate and governmental action of the Town. This Agreement has been duly executed and delivered by each party, and constitutes a legal, valid, and binding obligation of each party enforceable in accordance with the terms as of the effective date. These representations and agreements are for the benefit of the Issuer, and have been relied on by

the Issuer in issuing the Bond.

EXECUTED by the parties to be effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**WITNESS THE FOLLOWING SIGNATURES AND/OR SEALS:**

**TOWN OFFICIAL:** \_\_\_\_\_  
**Ruben Mendoza, Mayor**

**SUBDIVIDER:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[SIGNATURES OF THE PARTIES TO BE ACKNOWLEDGED]

**ACKNOWLEDGEMENTS**

**THE STATE OF TEXAS**

**COUNTY OF EL PASO**

This instrument was acknowledged before me on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by **Ruben Mendoza**, as **Mayor** of the **Town of Horizon City, Texas**.

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

**My commission expires:**

\_\_\_\_\_

**THE STATE OF TEXAS**

**COUNTY OF EL PASO**

This instrument was acknowledged before me on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_.

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

**My commission expires:**

\_\_\_\_\_

**EXHIBITS:**

EXHIBIT A: METES AND BOUNDS DESCRIPTION

EXHIBIT B: SUBDIVISION IMPROVEMENTS

**Subdivision Improvements.** Subdivider and Town agree the following improvements are required in connection with the approval and development of the Subdivision (collectively, the "Subdivision Improvements"). Subdivider agrees to deliver a financial guarantee acceptable in form and substance to the Town in an amount equal to the Estimated Cost of Completion listed below, as follows:

**\*Conditions Regarding Conditional Building Permits**

- 1) Per Town policy, the total number of conditional building permits may not exceed 15% of the total number of lots after the Subdivision plat has been approved but prior to the completion of the Improvements and inspection, dedication and acceptance by the Town for maintenance, and shall be subject to the Town's Conditional Building Permits (Early Start) Policy, adopted October \_\_, 2016;
- 2) Following the dedication and acceptance of the Improvements by the Horizon Regional Municipal Utility District and the Town, with the exception of the Park

Improvements, the total number of conditional permits may be increased to an amount not to exceed 50% of the total number of lots in the Subdivision. [THIS APPLIES ONLY WHEN THERE ARE PARK IMPROVEMENTS THAT WILL BE CONSTRUCTED AFTER STREET, DRAINAGE AND OTHER REQUIRED IMPROVEMENTS]

- 3) Work done under any Conditional Building Permit cannot be concealed and shall remain open for inspection and can only proceed to the point where the next sequential inspection is required.
- 4) The financial security required in this Agreement shall be submitted and approved prior to commencement of construction under any conditional building permit.
- 5) No final Inspection will be performed nor will any Certificate of Occupancy be issued by the Building Official until all of the Improvements, including but not limited to the Park Improvements, have been completed, inspected, dedicated and accepted by the Town for maintenance.

#### SECTION B-1 FEES

A. GENERAL SUBDIVISION FEE. To cover general expenses related to processing subdivision, a subdivision fee will be charged prior to the preliminary plat approval. The subdivision fee shall be \$150.00, or \$5.00 per lot, whichever is greater.

B. ENGINEERING FEES. The Town shall be reimbursed for all Town engineering fees incurred for the required inspection, testing and approval of any subdivision. These fees shall be paid at the time they are incurred. Town engineering fees are as scheduled:

Sketch Plat Review \$ 50.00

Preliminary Plat Review \$100.00

Variance Request \$150.00

Engineering Report Review \$150.00

Construction Plans & Specification Review \$150.00

Note: 1. The Developer has the option of contracting the services of a certified testing laboratory, approved by the Town, to conduct all required testing. If this option is selected, the Developer shall be responsible for payment of all laboratory fees; promptly provide copies of all test results to the Town Engineer and pay a basic testing fee of \$100.00 to the

Town prior to commencing construction.

2. In the event that the inspection and/or testing requirements involve specialized engineering review, the Town will retain the services of a Registered Professional Engineer to perform these services. The additional cost of the consulting engineering review shall be reimbursed to the Town by the Developer. If possible, estimates of the additional costs will be provided to the Developer prior to any special inspections and/or review.

C. VACATION AND REPLAT FEES. To cover general expenses related to processing, any replat, or vacation of plat shall require a fee of \$25.00 for each action.

D. METHOD OF PAYMENT. Fee shall be made payable to the Town of Horizon City, Texas. All fees, including Town engineering fees, shall be paid at the time of application for preliminary approval. Fees are non-refundable.

EXHIBIT C: BOND