



City of Horseshoe Bay
AGENDA PACKET
City Council Regular Meeting

February 17, 2026
at 3:00 PM

Council Chambers 9101 W. FM 2147 Horseshoe Bay, TX 78657

1. Call the Meeting to Order and Establish a Quorum

Mayor Jeff Jones
Mayor Pro Tem Larry Morgan
Council Member Ruben Fechner
Council Member Frank Hosea
Council Member Elaine Waddill
Council Member Buck Weatherby

2. Invocation

A. Scott Vermillion, Pastor of The Church of Horseshoe Bay will be present to lead the Invocation.

3. Pledges to the Flags

4. Announcements and Staff Recognition

A. Patriot Awards from the Employer Support of the Guard and Reserve (ESGR), Chief of Police Jason Graham and Assistant Chief of Police Paul Nelson **4**
B. Introduction of New City Team Members: **6**
Susie Quinn - City Secretary

5. Proclamations

A. Proclamation of gratitude to Pedernales Electric Cooperative **7**

6. Public Comment

The Council Chambers is open to the public. This portion of the agenda is the public's opportunity to address the Council about any item listed on the agenda, except public hearings, or to provide a general comment. Comments related to public hearings will be heard when the specific hearing begins. Public comments are limited to three (3) minutes per speaker, unless otherwise required by law. Per the Texas Open Meetings Act, the Council is not permitted to act on or discuss any item not listed on the agenda. Items suggested for action may be placed on a future agenda, at the Council's sole discretion.

7. Presentations

Informational only; no action to be taken.

A. Fiscal Year 2026 First Quarter Financial Report
B. City's Water Quality Video Presentation

8. Public Hearing Items (continued from the January 20, 2026, meeting)

Public Hearing and possible action regarding:

A. Public hearing continuation, discussion, consideration and action on a request for a variance in accordance with Section 10.03.462 of the subdivision regulations for relief from the general design standards referenced in Section 10.03.010 that limits cut and fill to not exceed four feet of depth for a subdivision to be known as Cap Rock Thundercloud, a 4.47-acre development consisting of 10 garden home residential lots, located off Bay West Boulevard in Zone 3, Horseshoe Bay West, in Horseshoe Bay./

- B. Public hearing continuation, discussion, consideration and action on a request for a variance in accordance with Section 10.03.462 of the subdivision regulations for relief from the general design standards referenced in Section 10.03.010 that limits cut and fill to not exceed four feet of depth for a subdivision to be known as Cap Rock Thundercloud, a 1.0-acre development consisting of 2 garden home residential lots (aka Rudd House), located off Bay West Boulevard in Zone 3, Horseshoe Bay West, in Horseshoe Bay./Horseshoe Bay Resort Destinations, LLC, Applicant

23

9. Business

Discuss, Consider, and Possibly Take Action Regarding:

- A. Presentation and Acceptance of the Audited Financial Report for the Year Ended September 30, 2025. 38
- B. Resolution 2026-08 Authorizing the Publication of Notice of Intention to Issue Certificates of Obligation 140
- C. Approval of a Vendor for a Fire Department Rescue Boat 146
- D. Consideration and possible action on a request for a fourth building permit extension for the property located at 109 Plaza Escondido / Allen & Lucchi, Applicant. 159
- E. Consideration and possible action on a request for a third building permit extension for the property located at 1407 Swallow / Juan Rodriguez, Applicant. 165
- F. Resolution 2026-09: Donation of Property to the Mausoleum 168
- G. Approval of Summit Rock Public Improvement District (PID) Revised Payment Agreement 189

10. Consent Agenda

All consent items are considered to be routine and will be enacted by one motion and vote.

- A. Approval of the Fiscal Year 2026 First Quarter Investment Report 205
- B. Approval of City Council Meeting Minutes - January 20, 2026, City Council Work Shop 207
- C. Approval of City Council Meeting Minutes - January 20, 2026, City Council Regular Meeting 213
- D. Approval of the Appointment of a Water Rate Study Consultant 221
- E. Award Contract for Street Upgrade Engineering 253
- F. Award Contract for Upgrades to Mountain Dew 270

11. Monthly Reports

Informational reports only; no action to be taken.

- A. Finance, Legislative Services, Police, Fire, Development Services, Public Works, Utilities, Human Resources, Technology Services, Communications 272
- B. Planning and Zoning Commission, Board of Adjustment, Land Use and Development Advisory Committee, Building Regulations Advisory Committee, Historic Preservation Advisory Committee, Transportation Advisory Committee

12. Executive Session

- A. Receive legal advice pursuant to Texas Government Code Sec. 551.071 (Consultation with Attorney) to deliberate and seek legal advice regarding:
1. Legal requirements relating to Architectural Control Committee review and approval prior to issuing building permits.

2. Legal requirements relating to Right of Way easements, Utility lines, franchised utilities and other users of the Right of Way.

13. Action Relative to Executive Session

- A. Consideration and possible action related to Executive Session agenda items, listed above.

14. Adjourn

I certify that this is a true and correct copy of the Horseshoe Bay City Council Meeting Agenda and that this notice was posted on the designated bulletin board at Horseshoe Bay City Hall, 1 Community Drive, Horseshoe Bay, Texas 78657, a place convenient and readily accessible to the public at all times, and said notice was posted on February 10, 2026, by 3:15 p.m. and will remain posted continuously for three business days prior to the scheduled meeting pursuant to Chapter 551 of the Texas Government Code. As a courtesy, the agenda was also posted on the front window of the new City Centre at 9701 W FM 2147, Horseshoe Bay, Texas 78657.

Susie Quinn, City Secretary

In compliance with the American with Disabilities Act, the City of Horseshoe Bay will provide reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodation or interpretive services must be received at least 48 hours prior to the meeting. Please contact the City Secretary at 830-598-9943 or squinn@horseshoe-bay-tx.gov.

Notice of Possible Quorum: There may be a quorum of the Board of Adjustment, Historic Preservation Advisory Committee, Planning and Zoning Commission, Transportation Advisory Committee, the Building Regulations Advisory Committee, and Impact Fee Advisory Committee. Members who may be present at the meeting or attending virtually will not deliberate on any city or board business.



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
From: Jeff Koska, City Manager
Re: Patriot Awards from the Employer Support of the Guard and Reserve (ESGR), Chief of Police Jason Graham and Assistant Chief of Police Paul Nelson

SUMMARY

This report is presented for informational purposes to recognize Police Chiefs Graham and Nelson, who have been nominated for **Patriot Awards** from the Employer Support of the Guard and Reserve (ESGR), a Department of War office. The nomination was submitted by Mr. Nick King, a member of the department who also serves in the Army National Guard (ARNG).

BACKGROUND

ESGR was established in 1972 to promote cooperation and understanding between Reserve Component Service members and their civilian employers. For more than 50 years, ESGR has fostered a culture in which all employers support and value the employment and military service of members of the National Guard and Reserve in the United States.

ESGR is supported by a network of nearly 2,300 volunteers across 54 committees located in all 50 states, the District of Columbia, Guam-CNMI (Commonwealth of the Northern Mariana Islands), Puerto Rico, and the U.S. Virgin Islands. Together with Headquarters ESGR staff and a small cadre of support staff for each State Committee, these volunteers work to promote and enhance employer support for military service in the Guard and Reserve.

ESGR AWARDS PROGRAM

ESGR sponsors an awards program designed to recognize employers for employment policies and practices that are supportive of their employees' participation in the National Guard and Reserve. All employer recognition and awards originate from nominations by individual Reserve Component members.

The Patriot Award

The first in ESGR's series of awards is the **Patriot Award**. An employee serving in the National Guard or Reserve may nominate individual supervisors for the support they provide directly to the nominating Service member and his or her family. The Patriot Award reflects the efforts made to support citizen warriors through a wide range of measures, including:

- Flexible schedules
- Time off prior to and after deployment

- Caring for families during deployment or training
- Granting leaves of absence, if needed

Patriot Awards are awarded to **individual supervisors**, not to an entire staff or organization as a whole. A nominator may request an award for more than one supervisor. Each nomination recipient receives a Patriot Award certificate and an accompanying lapel pin.

Additional ESGR Awards

ESGR offers many other awards that are progressive in nature, each building upon the Patriot Award and recognizing organizations or companies. These include:

- Above and Beyond Award
- Pro Patria Award
- Extraordinary Employer Support Award
- Department of War – Freedom Award

These awards go through a rigorous vetting and selection process. More information about the awards can be found at the ESGR website: *Employer Support of the Guard and Reserve > Employer Awards > ESGR Awards Programs*.

NOMINATION DETAILS

Mr. Nick King, who serves in the Army National Guard (ARNG), has nominated both HsB Police Chiefs — Chief Graham and Chief Nelson — for ESGR Patriot Awards. This nomination recognizes the direct support that Chiefs Graham and Nelson have provided to Mr. King as supervisors, enabling him to fulfill his military service obligations while maintaining his civilian employment.

ESGR MISSION AND IMPACT

ESGR has continued to adapt to meet the needs of Reserve Component members, their families, and America’s employers by joining forces with a network of other national, state, and local government and professional trade organizations. These citizen warriors could not defend and protect us at home and abroad without the continued promise of meaningful civilian employment for themselves and their families.

RECOMMENDATION

Staff recommends that the City Council acknowledge and congratulate Police Chiefs Graham and Nelson on their nomination for ESGR Patriot Awards in recognition of their exemplary support of employees serving in the National Guard and Reserve.

ESGR Point of Contact: Louis Cioletti, ESGR-Texas: *“Together, We All Serve!”*



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
From: Jeff Koska, City Manager
Re: Introduction of New City Team Member: Susie Quinn (Legislative Services Director/City Secretary)

Susie Quinn comes to the city with over 30 years of experience as a City Secretary. Susie has retired twice in her career, (in 2011 and 2024), and came out of retirement for this position. She has been doing interim work across the State of Texas to stay mentally sharp as well as supplement her travel budget. She began to travel in 2022 and has been to Rome twice, Paris, Normandy, Ireland, and took her first cruise (Alaska). Susie is a Texas Registered Municipal Clerk through the Texas Municipal Clerk Association and is a Certified Municipal Clerk through the International Institute of Municipal Clerks. Susie has four children, seven grandchildren and one great-grandchild. The city is excited to have someone as well seasoned to join our world class staff.

Please join me in welcoming Susie to the HSB team.



Proclamation of the City of Horseshoe Bay, Texas
Appreciation for Assistance from Pedernales Electric Cooperative's Team

WHEREAS, an extremely cold weather event in Horseshoe Bay occurred January 24 through January 26, 2026; and

WHEREAS, during normal conditions, all departments of Pedernales Electric Cooperative (PEC) face demanding responsibilities and deserve greater recognition for enhancing living and working conditions in our local communities; and

WHEREAS, Horseshoe Bay experienced multiple electrical power outages that directly impacted three major facilities in our water and wastewater system; and

WHEREAS, PEC's team demonstrated flawless logistics and operational readiness throughout the event; and

WHEREAS, PEC's leadership and exemplary partnership – marked by immediate response and real-time resource allocation – proved highly effective; and

WHEREAS, PEC's External Relations team, Marble Falls District Personnel, Emergency Preparedness Department, and Distribution Operators in the Distribution Operations Center formed the critical backbone that kept our operations running; and

WHEREAS, the City of Horseshoe Bay recognizes the outstanding service provided by the PEC's dedicated staff who were essential to maintaining our operational continuity.

NOW, THEREFORE, BE IT PROCLAIMED BY THE MAYOR AND CITY COUNCIL OF HORSESHOE BAY, TEXAS:

That we extend our sincerest gratitude and appreciation to the Pedernales Electric Cooperative team for their exceptional response, unwavering commitment, and vital support during this challenging weather event.

Proclaimed this 17th day of February 2026

Jeff Jones, Mayor
City of Horseshoe Bay



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
Thru: Jeff Koska, City Manager
From: John Byrum, Development Services Director
Re: Public hearing continuation, discussion, consideration and action on a request for a variance in accordance with Section 10.03.462 of the subdivision regulations for relief from the general design standards referenced in Section 10.03.010 that limits cut and fill to not exceed four feet of depth for a subdivision to be known as Cap Rock Thundercloud, a 4.47-acre development consisting of 10 garden home residential lots, located off Bay West Boulevard in Zone 3, Horseshoe Bay West, in Horseshoe Bay / *Horseshoe Bay Resort Destinations, LLC, Applicant*

As required by state law, the public hearing for this item was scheduled according to notification requirements. This public hearing is a continuation from the last City Council meeting held on January 20, 2026.

This item was scheduled in anticipation that all reviews and comments would be completed and addressed before the hearing date. However, as the review process is ongoing, the item is not ready for Council consideration at time of the staff report.

The applicant has a presentation for City Council at the February 17, 2026 meeting.

At time of staff report, staff recommends the City Council close the continuation of the public hearing and have this item come back to Council when ready for action, unless action is ready to be taken by the time this is heard at the February 17, 2026 City Council meeting.

Enclosures: Email from George Fowler
Addendum to Soils Report revised 1-28-2026

John Byrum

From: George Fowler <George.Fowler@freese.com>
Sent: Tuesday, February 3, 2026 4:52 PM
To: John Byrum; Sandra Nash; Steve Kinnard
Cc: Rick Williams
Subject: RE: Cap Rock Thundercloud Subdivision Variance Request
Attachments: 03-06023-Cap Rock North-Horseshoe Bay Texas-Addendum to Soils Report-REVISED-1-28-26.pdf

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi John,

In our last correspondence FNI recommended "If the retaining walls will be at or below the sandstone, then I agree that global stability analysis is not needed". If the retaining walls are located at or below sandstone then this comment is cleared.

In the attached letter, the applicant's geotechnical engineer stated the wall footings could rest on brown clayey sand. Screen shot below.

FNI recommends the applicant's engineer clarify whether the wall footings will be placed into the sandstone.

We expect the walls to consist of reinforced concrete. We recommend the retaining wall footings be seated a minimum of 36 inches below existing grade and into brown clayey sand or tan sandstone sized for an allowable bearing value of 2,500 PSF. In order to resist sliding, a key may be placed a minimum of 12

Best,

George

From: George Fowler
Sent: Thursday, January 22, 2026 1:59 PM
To: 'John Byrum' <jbyrum@horseshoe-bay-tx.gov>; 'Sandra Nash' <snash@horseshoe-bay-tx.gov>; 'Steve Kinnard' <skinnard@horseshoe-bay-tx.gov>
Cc: 'Rick Williams' <rwilliams@horseshoe-bay-tx.gov>
Subject: RE: Cap Rock Thundercloud Subdivision Variance Request

Good afternoon John,

Attached is the review from our geotechnical reviewer.

"With regard to the global stability calculations requested by us, Holt has stated that, in their opinion, a Global Stability Analysis is not feasible due to the hard sandstone encountered in the borings. The report provides boring logs and sandstone is encountered as shallow as 0.5' to up to 13.5' deep but the boring

Revised: 28 January 2026
13 January 2026

Replay Destinations
237 North Craftsman Court
Scottsdale, Arizona 85251

Attn: Mr. Paul Woodward

Re: Addendum to Soils Report
Caprock North
Bay West Boulevard and Thunder Cloud
Horseshoe Bay, Texas

File No.: 03-06023

Dear Mr. Woodward:

As per the request of Mr. Daniel Wright, Land Development Manager with Replay Destinations and Cindy Pedrioli, PLA, Landscape Architect with DTJ Design, in an email dated 12 January 2026 as well as addressing Mr. George Fowler with Freese and Nicols, Inc. comments in an email dated 26 January 2026, we are providing additional foundation recommendations for the above-referenced project. It should be noted our firm provided a revised investigation and report with foundation recommendations for proposed development in March 2025 (Ref. Holt Hile No.: 03-06023). It is our understanding the total depth of cut and fill for the proposed development will exceed 19 feet, and we expect tall retaining walls will be constructed in these areas. It should be noted, during our original investigation, boring B-05, located in the area of one of the proposed retaining walls, was omitted due to insufficient access for our truck mounted drill rig due to the area being heavily wooded with some exposed large rocks on the surface. Therefore, our recommendations for the wall on Lot 7 and Lot 8 are based on borings P-02 and B-04 drilled during our initial investigation. All other walls on the other lots are based on the closest borings drilled during our initial investigation.

We expect the walls to consist of reinforced concrete. We recommend the retaining wall footings be seated a minimum of 36 inches below existing grade and into brown clayey sand or tan sandstone sized for an allowable bearing value of 2,500 PSF. In order to resist sliding, a key may be placed a minimum of 12 inches below the bottom of the footing. A lateral bearing value of 450 PSF may be used for the face of the key seated into clayey sand or sandstone. A friction factor of 0.3 may be used for the portion of the footing bearing onto undisturbed clayey sand or sandstone to resist sliding.

The walls should be backfilled with a one-inch diameter free-draining rock or washed gravel at a minimum thickness of 36 inches to within approximately 18 inches of the surface. A filter fabric should be

Mr. Woodward
Revised: 28 January 2026
13 January 2026
Page 2 of 2

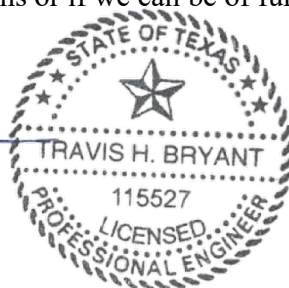
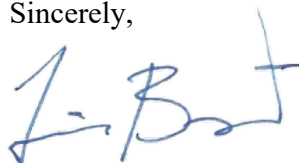
placed between the gravel and other fill soils. The final 18 inches of fill should be a clean topsoil suitable for the planned landscaping or a low P.I. Select Fill Material. A collector drain should be placed behind the wall and should consist of 6-inch perforated PVC pipe and should be used to remove groundwater seepage. The pipe should be placed at the base of the wall footing and sloped to drain to daylight. Wall backfill beyond the gravel envelope, if needed, should consist of clean low P.I. Select Fill material placed in lifts not exceeding 8 inches and be compacted to at least 95% of maximum dry density as determined by TxDOT test method TEX-113-E. Soil moisture should be within 3% of optimum. If these conditions are met, the wall may be designed for active pressure of 45 PCF for the drain condition and 65 PCF for the undrained condition using the simple hydrostatic formulas.

We recommend the side slope excavations for retaining wall construction be no steeper than 1 (Horizontal) to 1 (Vertical). Based on the soils and rock encountered in our borings, as well as numerous other cuts in the area, we expect this cut to be in a stable condition. Due to the hard to very hard sandstone encountered in our borings, in our opinion, a Global Stability Analysis is not necessary. We recommend periodic inspections be made by the geotechnical engineer during excavation to inspect the rock face to check for fractured zones, weathered layers or seepage zones that might indicate unstable areas. If seasonal groundwater seepage is encountered during construction, the Geotechnical Engineer should be notified as this may indicate an unstable slope or cut.

The sandstone encounter in our borings is very hard and resulted in auger refusal in all borings except B-07, P-02, and P-03. Excavation for footings will require a jackhammer, rock saw or hoe ram. Bit wear will be excessive and cutting rates slow.

If you have any questions or if we can be of further service, please do not hesitate to contact us.

Sincerely,




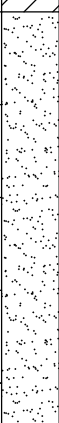
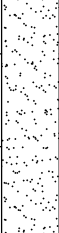

Travis H. Bryant, P.E.
Principal Engineer
Holt Engineering, Inc.
TBPE Firm Registration No. F-430

Enclosed: Generalized Boring Location Plan and Boring Logs

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-01						
DATE DRILLED : 03-08-23		BORING DEPTH : 9.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:		LONG.:				
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			LEAN CLAY (CL), brown, very silty, firm	21		15.5		30	14	52.9
			CLAYEY SAND (SC), reddish-brown, fine, w/ tan sand layers, medium dense			10.1		41	24	41.2
			SAND, tan, fine, dense							
5			-- 4.8' - thin very hard conglomerate layer	50/3"						
			SANDSTONE, tan, w/ few thin fractured layers, very hard	50/1"						
10			-- Auger refusal at 9.0' Terminated @ 9 feet							
15										

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-02						
DATE DRILLED : 03-08-23		BORING DEPTH : 12.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			LEAN CLAY (CL), reddish-brown, firm	18		16.3		47	29	69.7
			SAND, light brown, fine, silty, dense							
5			-- 5.5' - 8.0' - w/ thin very hard gray sandstone layers	40						
			SANDSTONE, gray, w/ thin fractured layers, very hard	50/1"						
10										
			-- Auger refusal at 12.0' Terminated @ 12 feet							
15										

LOG OF BORING B-03

ELEVATION :



LONG.:

_LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-04						
DATE DRILLED : 03-08-23		BORING DEPTH : 9.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			LEAN CLAY (CL), brown, very silty, sandy, w/ small to large sized sandstone rocks at the surface, w/ fine sand, firm	15		13.1		35	19	65.3
			SAND, light brown, fine, silty, dense	50/3"						
5										
			SANDSTONE, tan, very hard	50/1"						
			SANDSTONE, gray, w/ few thin fractured layers, very hard							
			-- Auger refusal at 9.0' Terminated @ 9 feet							
10										
15										

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-06						
DATE DRILLED : 03-08-23		BORING DEPTH : 4.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
5			Fill - Unclassified reddish-brown granite sand, w/ small to medium sized limestone rocks	50/0"						
			SANDSTONE, tan, w/ few thin fractured layers, very hard							
			-- Auger refusal at 4.0' Terminated @ 4 feet							

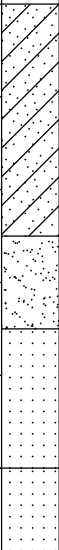

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-07						
DATE DRILLED : 02-25-25		BORING DEPTH : 15.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			5" Concrete							
			Fill - Unclassified brown granite sand, clayey	4		12.3		34	18	20.6
5				3						
10			CLAYEY SAND (SC), brown, coarse, w/ small sized sandstone rocks, loose	6		11.7		35	19	25.8
			SAND, light brown, fine, very silty, medium dense							
				50/1"						
			SANDSTONE, light brown, very hard, solid							
15			Terminated @ 15 feet							
20										



LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-08						
DATE DRILLED : 02-25-25		BORING DEPTH : 10.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			Fill - Unclassified brown sand, coarse, w/ small to medium sized gravel at the surface			14.4		42	24	49.5
			CLAYEY SAND (SC), light brown, very silty -- 1.0' - 4.0' - medium dense	14		12.4		34	18	38.9
5			-- 4.0' - 8.0' - dense, w/ small to medium sized sandstone rocks	40		8.9		54	35	70.7
			SANDSTONE, light brown, very hard, solid	50/1"						
10			-- Auger Refusal @ 10.0' Terminated @ 10 feet							
15										
20										

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING P-01						
DATE DRILLED : 03-08-23		BORING DEPTH : 6.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:		LONG.:				
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
5			LEAN CLAY (CL), reddish-brown, sandy, becoming lighter and more sandy with depth, w/ fine sand, firm	14	50/1"	12.8		37	20	73.2
			SAND, light brown, dense							
			SANDSTONE, tan, severely fractured, w/ multiple thin fractured layers, very hard							
			SANDSTONE, gray, w/ few thin fractured layers, very hard							
			Terminated @ 6 feet							
10										
15										

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING P-02						
DATE DRILLED : 03-08-23		BORING DEPTH : 6.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
5			CLAYEY SAND (SC), brown, very silty, fine, w/ small sized sandstone rocks & thin very hard sandstone layers, medium dense	9		11.1		30	14	34.2
			-- 4.0' - 4.5' - w/ thin fractured layers	50/1"						
			Terminated @ 6 feet							
10										
15										

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING P-03						
DATE DRILLED : 03-08-23		BORING DEPTH : 2.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15			Fill - Unclassified reddish-brown granite sand	50/2"						
			SAND, tan, fine, silty, dense							
			SANDSTONE, tan, w/ thin fractured layers, very hard							
						-- Auger refusal at 2.0' Terminated @ 2 feet				



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
Thru: Jeff Koska, City Manager
From: John Byrum, Development Services Director
Re: Public hearing continuation, discussion, consideration and action on a request for a variance in accordance with Section 10.03.462 of the subdivision regulations for relief from the general design standards referenced in Section 10.03.010 that limits cut and fill to not exceed four feet of depth for a subdivision to be known as Cap Rock Thundercloud, a 1.0-acre development consisting of 2 garden home residential lots, located off Bay West Boulevard in Zone 3, Horseshoe Bay West, in Horseshoe Bay / *Horseshoe Bay Resort Destinations, LLC, Applicant*

As required by state law, the public hearing for this item was scheduled according to notification requirements. This public hearing is a continuation from the last City Council meeting held on January 20, 2026.

This item was scheduled in anticipation that all reviews and comments would be completed and addressed before the hearing date. However, as the review process is ongoing, the item is not ready for Council consideration at time of the staff report.

The applicant has a presentation for City Council at the February 17, 2026 meeting.

At time of staff report, staff recommends the City Council close the continuation of the public hearing and have this item come back to Council when ready for action, unless action is ready to be taken by the time this is heard at the February 17, 2026 City Council meeting.

Enclosures: Email from George Fowler
Addendum to Soils Report revised 1-28-2026

John Byrum

From: George Fowler <George.Fowler@freese.com>
Sent: Tuesday, February 3, 2026 4:52 PM
To: John Byrum; Sandra Nash; Steve Kinnard
Cc: Rick Williams
Subject: RE: Cap Rock Thundercloud Subdivision Variance Request
Attachments: 03-06023-Cap Rock North-Horseshoe Bay Texas-Addendum to Soils Report-REVISED-1-28-26.pdf

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi John,

In our last correspondence FNI recommended "If the retaining walls will be at or below the sandstone, then I agree that global stability analysis is not needed". If the retaining walls are located at or below sandstone then this comment is cleared.

In the attached letter, the applicant's geotechnical engineer stated the wall footings could rest on brown clayey sand. Screen shot below.

FNI recommends the applicant's engineer clarify whether the wall footings will be placed into the sandstone.

We expect the walls to consist of reinforced concrete. We recommend the retaining wall footings be seated a minimum of 36 inches below existing grade and into brown clayey sand or tan sandstone sized for an allowable bearing value of 2,500 PSF. In order to resist sliding, a key may be placed a minimum of 12

Best,

George

From: George Fowler
Sent: Thursday, January 22, 2026 1:59 PM
To: 'John Byrum' <jbyrum@horseshoe-bay-tx.gov>; 'Sandra Nash' <snash@horseshoe-bay-tx.gov>; 'Steve Kinnard' <skinnard@horseshoe-bay-tx.gov>
Cc: 'Rick Williams' <rwilliams@horseshoe-bay-tx.gov>
Subject: RE: Cap Rock Thundercloud Subdivision Variance Request

Good afternoon John,

Attached is the review from our geotechnical reviewer.

"With regard to the global stability calculations requested by us, Holt has stated that, in their opinion, a Global Stability Analysis is not feasible due to the hard sandstone encountered in the borings. The report provides boring logs and sandstone is encountered as shallow as 0.5' to up to 13.5' deep but the boring

Revised: 28 January 2026
13 January 2026

Replay Destinations
237 North Craftsman Court
Scottsdale, Arizona 85251

Attn: Mr. Paul Woodward

Re: Addendum to Soils Report
Caprock North
Bay West Boulevard and Thunder Cloud
Horseshoe Bay, Texas

File No.: 03-06023

Dear Mr. Woodward:

As per the request of Mr. Daniel Wright, Land Development Manager with Replay Destinations and Cindy Pedrioli, PLA, Landscape Architect with DTJ Design, in an email dated 12 January 2026 as well as addressing Mr. George Fowler with Freese and Nicols, Inc. comments in an email dated 26 January 2026, we are providing additional foundation recommendations for the above-referenced project. It should be noted our firm provided a revised investigation and report with foundation recommendations for proposed development in March 2025 (Ref. Holt Hile No.: 03-06023). It is our understanding the total depth of cut and fill for the proposed development will exceed 19 feet, and we expect tall retaining walls will be constructed in these areas. It should be noted, during our original investigation, boring B-05, located in the area of one of the proposed retaining walls, was omitted due to insufficient access for our truck mounted drill rig due to the area being heavily wooded with some exposed large rocks on the surface. Therefore, our recommendations for the wall on Lot 7 and Lot 8 are based on borings P-02 and B-04 drilled during our initial investigation. All other walls on the other lots are based on the closest borings drilled during our initial investigation.

We expect the walls to consist of reinforced concrete. We recommend the retaining wall footings be seated a minimum of 36 inches below existing grade and into brown clayey sand or tan sandstone sized for an allowable bearing value of 2,500 PSF. In order to resist sliding, a key may be placed a minimum of 12 inches below the bottom of the footing. A lateral bearing value of 450 PSF may be used for the face of the key seated into clayey sand or sandstone. A friction factor of 0.3 may be used for the portion of the footing bearing onto undisturbed clayey sand or sandstone to resist sliding.

The walls should be backfilled with a one-inch diameter free-draining rock or washed gravel at a minimum thickness of 36 inches to within approximately 18 inches of the surface. A filter fabric should be

Mr. Woodward
Revised: 28 January 2026
13 January 2026
Page 2 of 2

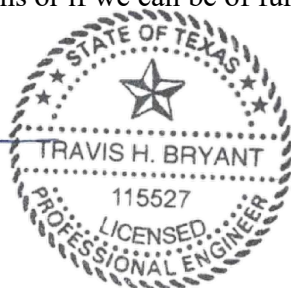
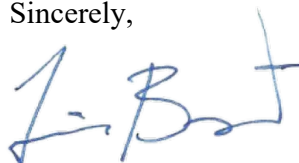
placed between the gravel and other fill soils. The final 18 inches of fill should be a clean topsoil suitable for the planned landscaping or a low P.I. Select Fill Material. A collector drain should be placed behind the wall and should consist of 6-inch perforated PVC pipe and should be used to remove groundwater seepage. The pipe should be placed at the base of the wall footing and sloped to drain to daylight. Wall backfill beyond the gravel envelope, if needed, should consist of clean low P.I. Select Fill material placed in lifts not exceeding 8 inches and be compacted to at least 95% of maximum dry density as determined by TxDOT test method TEX-113-E. Soil moisture should be within 3% of optimum. If these conditions are met, the wall may be designed for active pressure of 45 PCF for the drain condition and 65 PCF for the undrained condition using the simple hydrostatic formulas.

We recommend the side slope excavations for retaining wall construction be no steeper than 1 (Horizontal) to 1 (Vertical). Based on the soils and rock encountered in our borings, as well as numerous other cuts in the area, we expect this cut to be in a stable condition. Due to the hard to very hard sandstone encountered in our borings, in our opinion, a Global Stability Analysis is not necessary. We recommend periodic inspections be made by the geotechnical engineer during excavation to inspect the rock face to check for fractured zones, weathered layers or seepage zones that might indicate unstable areas. If seasonal groundwater seepage is encountered during construction, the Geotechnical Engineer should be notified as this may indicate an unstable slope or cut.

The sandstone encounter in our borings is very hard and resulted in auger refusal in all borings except B-07, P-02, and P-03. Excavation for footings will require a jackhammer, rock saw or hoe ram. Bit wear will be excessive and cutting rates slow.

If you have any questions or if we can be of further service, please do not hesitate to contact us.

Sincerely,





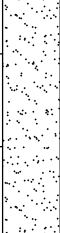

Travis H. Bryant, P.E.
Principal Engineer
Holt Engineering, Inc.
TBPE Firm Registration No. F-430

Enclosed: Generalized Boring Location Plan and Boring Logs

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-01						
DATE DRILLED : 03-08-23		BORING DEPTH : 9.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			LEAN CLAY (CL), brown, very silty, firm	21		15.5		30	14	52.9
			CLAYEY SAND (SC), reddish-brown, fine, w/ tan sand layers, medium dense			10.1		41	24	41.2
			SAND, tan, fine, dense							
5			-- 4.8' - thin very hard conglomerate layer	50/3"						
			SANDSTONE, tan, w/ few thin fractured layers, very hard	50/1"						
10			-- Auger refusal at 9.0' Terminated @ 9 feet							
15										

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-02						
DATE DRILLED : 03-08-23		BORING DEPTH : 12.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			LEAN CLAY (CL), reddish-brown, firm			16.3		47	29	69.7
			SAND, light brown, fine, silty, dense	18						
5			-- 5.5' - 8.0' - w/ thin very hard gray sandstone layers	40						
			SANDSTONE, gray, w/ thin fractured layers, very hard	50/1"						
10										
			-- Auger refusal at 12.0' Terminated @ 12 feet							
15										

LOG OF BORING B-03

ELEVATION :



LONG.:

_LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-04						
DATE DRILLED : 03-08-23		BORING DEPTH : 9.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			LEAN CLAY (CL), brown, very silty, sandy, w/ small to large sized sandstone rocks at the surface, w/ fine sand, firm	15		13.1		35	19	65.3
			SAND, light brown, fine, silty, dense	50/3"						
5										
			SANDSTONE, tan, very hard	50/1"						
			SANDSTONE, gray, w/ few thin fractured layers, very hard							
			-- Auger refusal at 9.0' Terminated @ 9 feet							
10										
15										

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-06						
DATE DRILLED : 03-08-23		BORING DEPTH : 4.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :		ELEVATION :						
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
5			Fill - Unclassified reddish-brown granite sand, w/ small to medium sized limestone rocks	50/0"						
			SANDSTONE, tan, w/ few thin fractured layers, very hard							
			-- Auger refusal at 4.0' Terminated @ 4 feet							



LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-07						
DATE DRILLED : 02-25-25		BORING DEPTH : 15.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT(%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			5" Concrete							
			Fill - Unclassified brown granite sand, clayey	4		12.3		34	18	20.6
5				3						
10			CLAYEY SAND (SC), brown, coarse, w/ small sized sandstone rocks, loose	6		11.7		35	19	25.8
			SAND, light brown, fine, very silty, medium dense							
				50/1"						
			SANDSTONE, light brown, very hard, solid							
15			Terminated @ 15 feet							
20										



LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING B-08						
DATE DRILLED : 02-25-25		BORING DEPTH : 10.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
			Fill - Unclassified brown sand, coarse, w/ small to medium sized gravel at the surface			14.4		42	24	49.5
			CLAYEY SAND (SC), light brown, very silty -- 1.0' - 4.0' - medium dense	14		12.4		34	18	38.9
5			-- 4.0' - 8.0' - dense, w/ small to medium sized sandstone rocks	40		8.9		54	35	70.7
			SANDSTONE, light brown, very hard, solid	50/1"						
10			-- Auger Refusal @ 10.0' Terminated @ 10 feet							
15										
20										

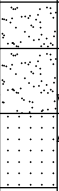

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING P-01						
DATE DRILLED : 03-08-23		BORING DEPTH : 6.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :								
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
5			LEAN CLAY (CL), reddish-brown, sandy, becoming lighter and more sandy with depth, w/ fine sand, firm	14		12.8		37	20	73.2
			SAND, light brown, dense							
			SANDSTONE, tan, severely fractured, w/ multiple thin fractured layers, very hard	50/1"						
			SANDSTONE, gray, w/ few thin fractured layers, very hard							
			Terminated @ 6 feet							
10										
15										

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING P-02						
DATE DRILLED : 03-08-23		BORING DEPTH : 6.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :		ELEVATION :						
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
5			CLAYEY SAND (SC), brown, very silty, fine, w/ small sized sandstone rocks & thin very hard sandstone layers, medium dense	9		11.1		30	14	34.2
			-- 4.0' - 4.5' - w/ thin fractured layers	50/1"						
			Terminated @ 6 feet							
10										
15										

LOG OF BORING 03-06023 - CAP ROCK NORTH - HORSESHOE BAY, TEXAS.GPJ HOLT ENGINEERING.GDT 3/11/25

CAPROCK NORTH BAY WEST BOULEVARD AND THUNDER CLOUD HORSESHOE BAY, TEXAS				LOG OF BORING P-03						
DATE DRILLED : 03-08-23		BORING DEPTH : 2.0 FEET		NOTES : Hole dry upon completion of drilling operation.						
DRILLER : Will McGee		WATER LEVEL :		ELEVATION :						
DRILLING METHOD : 4" Flight Augers				LAT.:			LONG.:			
DEPTH (feet)	GRAPHIC LOG	SAMPLE	SOIL DESCRIPTION	BLOWS PER FOOT	UCC STR. (TSF)	MOISTURE CONTENT (%)	DRY DENSITY (PCF)	LIQUID LIMIT (%)	PLASTICITY INDEX	% PASSING #200 SIEVE
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15			Fill - Unclassified reddish-brown granite sand	50/2"						
			SAND, tan, fine, silty, dense							
			SANDSTONE, tan, w/ thin fractured layers, very hard							
			-- Auger refusal at 2.0' Terminated @ 2 feet							



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
Thru: Jeff Koska, City Manager
From: Molly Jester, Finance Director
Re: Presentation and Acceptance of the Audited Financial Report for the Year Ended September 30, 2025

Jon Watson of the auditing firm Brooks Watson & Co., PLLC is presenting the Audited Financial Report for the Year Ended September 30, 2025. Council Members: Mayor Jeff Jones, Larry Morgan, Frank Hosea, and Finance Director, Assistant City Manager, and City Manager have all reviewed and approved the Audited Financial Report.

The Audited Financial Report is available in the Finance Director's office and on the City's website. Staff is asking council to Accept the Financial Report for the Year ended September 30, 2025.

Proposed Motion: "I move to accept the Audited Financial Report for the Year Ended September 30, 2025."

Enclosures: Audit Report for Fiscal Year Ended 9/30/25

CITY OF

DRAFT

2025 ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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ANNUAL FINANCIAL REPORT

of the

City of Horseshoe Bay, Texas

**For the Year Ended
September 30, 2025**

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City of Horseshoe Bay, Texas

TABLE OF CONTENTS

September 30, 2025

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	7

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	20
Statement of Activities	22

Fund Financial Statements

Governmental Funds:

Balance Sheet	24
Reconciliation of the Balance Sheet to the Statement of Net Position- Governmental Funds	27
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33

Proprietary Funds:

Statement of Net Position	34
Statement of Revenues, Expenses, and Change in Net Position	35
Statement of Cash Flows	36

Notes to Financial Statements	39
--------------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual - General Fund	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual – Escondido PID Fund	82
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual – Summit Rock PID Fund	83
Schedule of Changes in Net Pension Liability and Related Ratios	85
Schedule of Employer Contributions to Pension Plan	87
Schedule of Changes in Postemployment Benefits Other than Pension (OPEB) Liability and Related Ratios	89

COMBINING AND INDIVIDUAL FUND FINANCIAL SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	94

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Horseshoe Bay:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Horseshoe Bay (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Horseshoe Bay, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Emphasis of Matter

As discussed in Note V.E. to the financial statements, due to the implementation of GASB 101 and a change within financial reporting, the City restated beginning net position/fund balance of governmental activities, business-type activities, the debt service fund, the utility fund, and the nonmajor governmental funds. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Horseshoe Bay's basic financial statements. The combining schedule of fund statements for nonmajor governmental funds is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining schedule of fund statements for nonmajor governmental funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
February 3, 2026

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of Horseshoe Bay, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2025

As management of the City of Horseshoe Bay (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025.

Financial Highlights

- The City's total combined net position is \$52,029,822 at September 30, 2025. Of this, \$22,411,879 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- As of the end of the year, the unassigned fund balance of the general fund was \$10,725,341 or 82% of total general fund expenditures.
- The City had an overall increase in net position of \$3,938,304.
- The City has a pension with TMRS for employee retirement benefits during the previous fiscal year. The net pension asset was \$15,321 for the year ended September 30, 2025.

The government adopted a policy for the general fund that requires a minimum cash flow reserve equal to or greater than \$2,500,000 or three months of total operating expenses, plus debt service reserves as required by debt indentures. As of September 30, 2025, the unassigned fund balance for the general fund was \$10,725,341, which was 82% of total general fund expenditures or approximately 10 months of total operating expenditures. The general fund currently doesn't have any debt service obligations, with the exception of lease payments, which are treated as debt service.

The government also adopted a policy for the utility fund that requires excess funds each year to create a cash reserve. The target amount of the reserve fund will be three months of personnel and operating expenses. As of September 30, 2025, the cash balance for the water utility fund was \$8,620,761, which is 81% of total utility fund expenses excluding depreciation, which is approximately 10 months of personnel and operating expenses.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

City of Horseshoe Bay, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

Government-Wide Statements

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

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, and public works. The business-type activities of the City include water, wastewater and solid waste recycling operations.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City of Horseshoe Bay. They are usually segregated for specific activities or objectives. The City of Horseshoe Bay uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities 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. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing

City of Horseshoe Bay, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Horseshoe Bay maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, debt service, capital projects, Summit Rock Public Improvement District, Escondido Public Improvement District, vehicle replacement, court child safety, court technology, court security, and youth diversion funds. The general, debt service, Summit Rock Public Improvement District, Escondido Public Improvement District, and capital projects funds are considered to be major funds.

The City of Horseshoe Bay adopts an annual appropriated budget for all established funds. A budgetary comparison schedule has been provided to demonstrate compliance with the general fund, Summit Rock Public Improvement District, and Escondido Public Improvement District fund budgets.

Proprietary Funds

The City maintains one type of proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund to account for its utility services. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, utility production and distribution. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires is a budgetary comparison schedule. RSI can be found after the basic financial statements.

The PID special revenue funds, and their debt obligations consisting of the PID special assessment bond and note payable to the water utility fund, are solely funded by property assessments paid for by the respective homeowners of the related developments. The City is not obligated for repayment of

City of Horseshoe Bay, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2025

these debts. City council is the governing body over the PID's, the City is the account holder for PID funds, and is the responsible party for management of the PID activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Horseshoe Bay, assets and deferred outflows exceeded liabilities and deferred inflows by \$52,029,822 as of September 30, 2025, in the primary government.

The largest portion of the City's net position, \$25,831,171, reflects its investments in capital assets (e.g., land, city hall, fire station, police building, water plant, sewer system, as well as the machinery and equipment), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$3,786,772, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$22,411,879 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Current and other assets of governmental activities as of September 30, 2025 and September 30, 2024 were \$25,806,413 and \$34,267,220, respectively. The decrease of \$8,460,807 was primarily due to less cash on hand, resulting from available funds used to purchase new capital improvements during the year.

Current and other assets of business-type activities as of September 30, 2025 and September 30, 2024 were \$10,737,522 and \$6,661,913, respectively. The increase of \$4,075,609 was primarily due to unspent bond proceeds received in the current year.

Capital assets of governmental activities as of September 30, 2025 and September 30, 2024 were \$43,336,567 and \$30,215,665, respectively. The increase of \$13,120,902 was primarily due to continued development of the new City hall and fire station over the course of the year.

Other liabilities of governmental activities as of September 30, 2025 and September 30, 2024 were \$4,532,516 and \$2,737,376, respectively. The increase of \$1,795,140 is primarily due to nonrecurring payables for capital improvements that remain unpaid and timing of payments subsequent to year-end.

Long-term liabilities of the primary government as of September 30, 2025 and September 30, 2024 were \$52,699,157 and \$45,883,936, respectively. The increase of \$6,815,221 was due to new bond issuances outweighing principal payments made in the current year.

City of Horseshoe Bay, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 25,806,413	\$ 10,737,522	\$ 36,543,935	\$ 34,267,220	\$ 6,661,913	\$ 40,929,133
Internal balances	(3,053,940)	3,053,940	-	(3,624,324)	3,624,324	-
Capital assets, net	43,336,567	30,764,950	74,101,517	30,215,665	26,921,473	57,137,138
Total Assets	66,089,040	44,556,412	110,645,452	60,858,561	37,207,710	98,066,271
Deferred Outflows of Resources	510,238	174,759	684,997	490,814	146,678	637,492
Other liabilities	4,532,516	1,973,018	6,505,534	2,737,376	1,940,528	4,677,904
Long-term liab.	36,333,816	16,365,341	52,699,157	32,715,643	13,168,293	45,883,936
Total Liabilities	40,866,332	18,338,359	59,204,691	35,453,019	15,108,821	50,561,840
Deferred Inflows of Resources	67,375	28,561	95,936	36,342	14,063	50,405
Net Position:						
Net investment in capital assets	11,584,748	14,246,423	25,831,171	13,973,082	13,389,134	27,362,216
Restricted	3,782,211	4,561	3,786,772	3,697,840	-	3,697,840
Unrestricted	10,298,612	12,113,267	22,411,879	8,189,092	8,842,370	17,031,462
Total Net Position	\$ 25,665,571	\$ 26,364,251	\$ 52,029,822	\$ 25,860,014	\$ 22,231,504	\$ 48,091,518

City of Horseshoe Bay, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Statement of Activities:

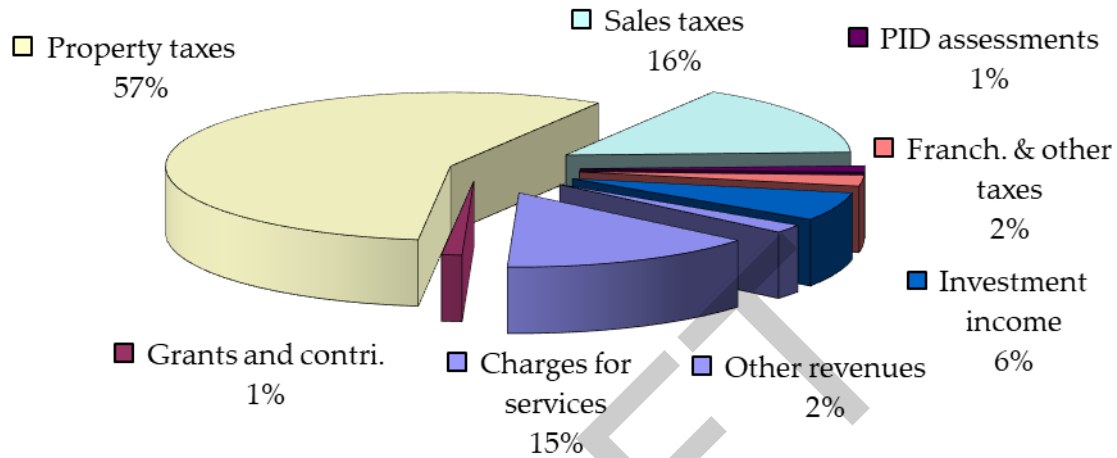
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business Type Activities	Total Primary Government	Governmental Activities	Business Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 2,781,215	\$ 13,126,452	\$ 15,907,667	\$ 2,665,751	\$ 11,811,642	\$ 14,477,393
Grants and contri.	220,235	188,850	409,085	25,000	679,667	704,667
General revenues:						
Property taxes	10,877,454	-	10,877,454	9,523,079	-	9,523,079
Sales taxes	3,003,458	-	3,003,458	2,747,122	-	2,747,122
PID assessments	265,548	-	265,548	348,133	-	348,133
Franch. & other taxes	447,089	-	447,089	420,887	-	420,887
Investment income	1,185,528	413,306	1,598,834	1,644,030	240,245	1,884,275
Other revenues	345,179	1,007,828	1,353,007	153,934	608,191	762,125
Total Revenues	19,125,706	14,736,436	33,862,142	17,527,936	13,339,745	30,867,681
Expenses						
General govt.	2,456,214	-	2,456,214	2,835,880	-	2,835,880
Dev. Services	1,424,659	-	1,424,659	1,319,122	-	1,319,122
Public works	589,684	-	589,684	620,616	-	620,616
Public safety	7,515,453	-	7,515,453	6,595,194	-	6,595,194
Highways/streets	3,239,122	-	3,239,122	2,846,119	-	2,846,119
Culture and rec.	22,511	-	22,511	12,988	-	12,988
Interest	1,387,520	463,784	1,851,304	1,457,911	384,659	1,842,570
Water utility	-	12,824,891	12,824,891	-	10,965,383	10,965,383
Total Expenses	16,635,163	13,288,675	29,923,838	15,687,830	11,350,042	27,037,872
Change Before Transfers	2,490,543	1,447,761	3,938,304	1,840,106	1,989,703	3,829,809
Transfers	(2,684,986)	2,684,986	-	218,581	(218,581)	-
Total	(2,684,986)	2,684,986	-	218,581	(218,581)	-
Change in Net Pos.	(194,443)	4,132,747	3,938,304	2,058,687	1,771,122	3,829,809
Beginning Net Position	25,860,014	22,231,504	48,091,518	23,801,327	20,460,382	44,261,709
Ending Net Position	\$ 25,665,571	\$ 26,364,251	\$ 52,029,822	\$ 25,860,014	\$ 22,231,504	\$ 48,091,518

City of Horseshoe Bay, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues

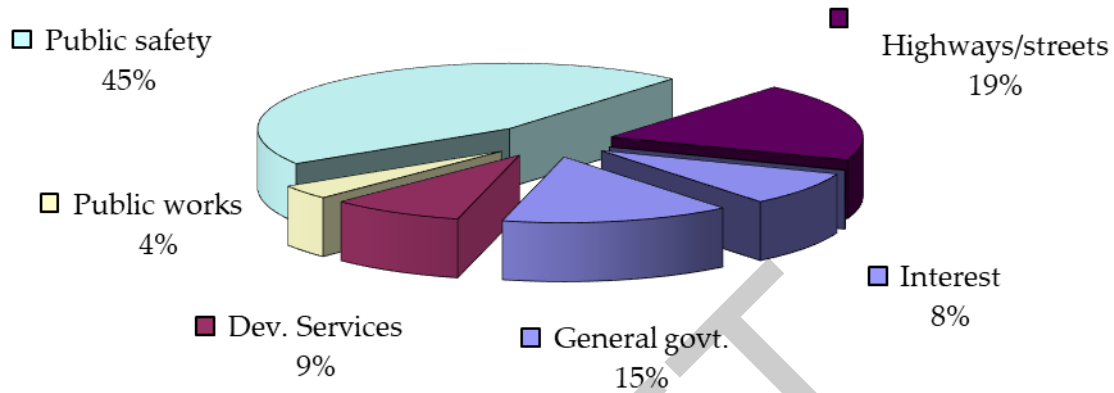


For the year ended September 30, 2025, revenues from governmental activities totaled \$19,125,706. Property tax, sales tax, and charges for services are the City's largest revenue sources. Property tax increased by \$1,354,375 or 14% due to greater appraised property values. Sales taxes and franchise taxes increased by \$256,336 and \$26,202, respectively, which is primarily attributable to local economic growth during the current year. Investment income decreased by \$458,502 or 28% primarily due to lower interest-bearing account balances held over the course of the year. Other revenue increased by \$191,245 or 124% primarily due to nonrecurring in-kind donations and reimbursements in the current year. All other revenues remained relatively consistent with the prior year.

City of Horseshoe Bay, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

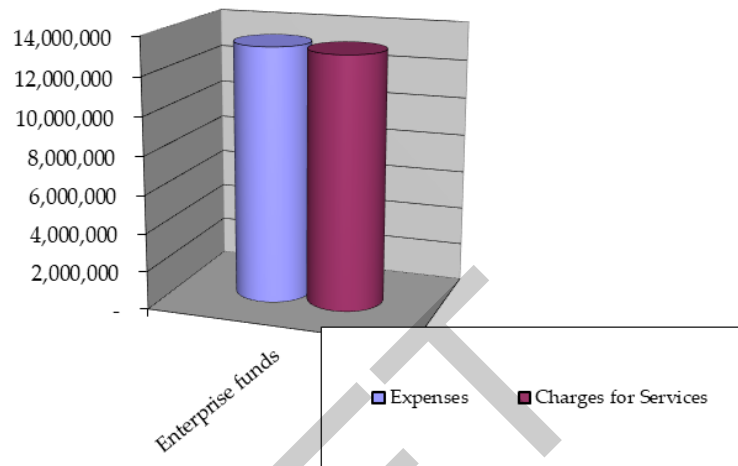


For the year ended September 30, 2025, expenses for governmental activities totaled \$16,635,163. This represents an increase of \$947,333 or 6% from the prior year. The City's largest functional expense is public safety of \$7,515,453, which includes operational expenses for the police, fire, and animal control departments. Public safety expenses increased by \$920,259 or 14% primarily due to greater personnel costs, resulting from fire fighter deployment/backfill expenses in the current year. In addition, the City recorded greater asset depreciation and vehicle/equipment maintenance in the current year. General government expenses decreased by \$379,666 or 13% primarily due to the reallocation of payroll expenses for utility employees to business-type activities. Development services increased by \$105,537 or 8% primarily as a result of greater personnel costs, resulting from annual wage increases and hiring a new assistant city manager. Highway and streets expense increased by \$393,003 or 14% primarily due to street maintenance projects and higher asphalt and street material costs in the current year. Interest and fiscal charges decreased by \$70,391 or 5% due to nonrecurring bond issuance costs in the prior year. All other expenses remained relatively consistent with the prior year.

City of Horseshoe Bay, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2025, charges for services by business-type activities totaled \$13,126,452. This is an increase of \$1,314,810, or 11%, from the previous year and primarily a result of a 14% increase in water and sewer consumption by local citizens compared to the prior year. Grants and contributions decreased by \$490,817 primarily due to nonrecurring federal grant reimbursements received through the American Rescue Plan in the prior year.

Total expenses increased \$1,938,633 or 17% which was primarily due to greater personnel costs (aforementioned reallocation of payroll expenses for utility employees), increased raw water purchases, repairs/clean-up expenses related to an accidental chemical spill, nonrecurring plant and lift station maintenance, and greater asset depreciation in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

As of the end of the year the general fund reflected a total fund balance of \$10,779,423. Of this, \$54,082 is nonspendable and represents prepaids. Unassigned fund balance totaled \$10,725,341 as of year-end. The general fund increased by \$1,710,742 primarily due to revenues exceeding current year expenditures and other financing uses.

City of Horseshoe Bay, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

The debt service fund reflected an ending fund balance of \$297,518, an increase of \$134,049. The increase is primarily a result of greater property tax collections in the current year.

The Summit Rock PID fund reflected an ending deficit fund balance of \$3,148,838 as of September 30, 2025. This was an improvement of \$289,501 when compared to the deficit in fund balance as of September 30, 2024. This improvement is due to special assessment revenue exceeding interest expenditures.

The Escondido PID fund reflected an ending fund balance of \$891,179, a slight increase of \$5,853. This increase is due to property assessment revenue and investment income exceeding current year expenditures.

The capital projects fund reflected an ending fund balance of \$4,715,737, a decrease of \$11,477,466. This decrease was a result of capital outlay spending during the current year.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The City won the GFOA Distinguished Budget Presentation Award for their fiscal year 2025 budget. This is the eighth year in a row that the City has won this award. The City also received the Texas Comptroller of Public Accounts Transparency Star - Traditional Finances for the year ended September 30, 2024, which represents six years in a row they've received this accolade.

There was a total negative budget variance of \$48,256 in the general fund. This is a combination of a positive revenue variance of \$13,792, a negative expenditure variance of \$121,133, and a positive variance of \$59,085 in other financing sources and uses. Fire and police actual revenue exceeded budget by \$14,939 due to it exceeding expectations. The most significant expense variance was for fire. The fire, technology services, debt service – principal, debt service – interest, and capital outlay departments exceeded appropriations at the legal level of control. These items exceeded appropriations due to clerical/timing errors with budget amendments, and the budget not accommodating GASB 87 accounting.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$43,336,567 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$30,764,950 in a variety of capital assets and infrastructure, net of accumulated depreciation.

City of Horseshoe Bay, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Major capital asset events during the current year include the following:

- Investments in City Center construction totaling \$9,202,326.
- Fire station construction costs totaling \$2,900,158.
- Phase 5 street and roadway upgrades for \$1,888,708.
- Phase 6 street and roadway upgrades for \$519,908.
- Purchased eight Motorola radios for police use totaling \$58,232.
- Purchased John Deere equipment for \$95,524.
- Bay Blvd West overlay improvements for \$496,330.
- Purchased two new plots of land totaling \$103,706.
- In-kind land donation (2,067 acres) valued at \$125,668.
- Improvements to Reclamation Center totaling \$120,282.
- High storage project investments in the amount of \$2,208,438.
- Water storage tank rehabilitation improvements totaling \$836,926.
- Water & wastewater improvements totaling \$464,243.
- Central water plant reconstruction costs (post-chemical accident) for \$827,032.
- Purchased new utility equipment totaling \$159,753.
- Lakawana lift station rehab improvements for \$73,820.
- Installation of internet towers for \$188,850.

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

LONG-TERM DEBT

At the end of the current year, the City had total debt outstanding (including premiums) of \$52,699,157. The City made principal payments on debt of \$3,158,872 in the current year. The City issued \$9,700,000 of Certificates of Obligation during the current year. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Horseshoe Bay and improving services provided to their public citizens.

City of Horseshoe Bay, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Horseshoe Bay's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City's finance office by phone at (830) 598-8741 or in person at 9101 W. 2147, Horseshoe Bay, Texas 78657.

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FINANCIAL STATEMENTS

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City of Horseshoe Bay, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 18,578,317	\$ 8,620,761	\$ 27,199,078
Restricted cash	923,540	-	923,540
Receivables, net	1,449,730	2,095,810	3,545,540
Prepays	68,438	16,390	84,828
Internal balances	35,407	(35,407)	-
Total Current Assets	21,055,432	10,697,554	31,752,986
Internal advances	(3,089,347)	3,089,347	-
Receivables, noncurrent	4,775,628	-	4,775,628
Net pension asset	10,760	4,561	15,321
Capital assets:			
Non-depreciable	14,575,091	4,482,950	19,058,041
Net depreciable capital assets	28,761,476	26,282,000	55,043,476
Total Noncurrent Assets	45,033,608	33,858,858	78,892,466
Total Assets	66,089,040	44,556,412	110,645,452
<u>Deferred Outflows of Resources</u>			
Deferred charge on refundings	101,532	1,506	103,038
Pension outflows	408,706	173,253	581,959
Total Deferred Outflows of Resources	510,238	174,759	684,997

City of Horseshoe Bay, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and			
accrued liabilities	\$ 2,449,419	\$ 933,548	\$ 3,382,967
Accrued interest payable	179,988	72,608	252,596
Unearned revenue	-	17,564	17,564
Customer and permit deposits	832,374	715,036	1,547,410
Compensated absences, current	932,690	197,707	1,130,397
Long term debt due within one year	2,030,509	1,500,000	3,530,509
Total Current Liabilities	6,424,980	3,436,463	9,861,443
Noncurrent liabilities:			
OPEB liability	34,413	14,588	49,001
Debt due in more than one year	34,303,307	14,865,341	49,168,648
Compensated absences	103,632	21,967	125,599
Total Noncurrent Liabilities	34,441,352	14,901,896	49,343,248
Total Liabilities	40,866,332	18,338,359	59,204,691
<u>Deferred Inflows of Resources</u>			
Pension inflows	37,126	15,738	52,864
OPEB inflows	30,249	12,823	43,072
Total Deferred Inflows of Resources	67,375	28,561	95,936
<u>Net Position</u>			
Net investment in capital assets	11,584,748	14,246,423	25,831,171
Restricted for:			
Debt service	297,518	-	297,518
PID activities, including debt service	3,011,435	-	3,011,435
Pension	10,760	4,561	15,321
Other purposes	462,498	-	462,498
Unrestricted	10,298,612	12,113,267	22,411,879
Total Net Position	\$ 25,665,571	\$ 26,364,251	\$ 52,029,822

See Notes to Financial Statements.

City of Horseshoe Bay, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,456,214	\$ 9,001	\$ 220,235	\$ -
Development services	1,424,659	961,369	-	-
Public works	589,684	594,181	-	-
Public safety	7,515,453	556,359	-	-
Highways and streets	3,239,122	660,305	-	-
Culture and recreation	22,511	-	-	-
Interest and fiscal charges	1,387,520	-	-	-
Total Governmental Activities	16,635,163	2,781,215	220,235	-
Business-Type Activities				
Utility	13,288,675	13,126,452	-	188,850
Total Business-Type Activities	13,288,675	13,126,452	-	188,850
Total Primary Government	\$ 29,923,838	\$ 15,907,667	\$ 220,235	188,850

General Revenues:

Taxes
 Property taxes
 Sales taxes
 Franchise and local taxes
 PID assessment revenue
 Investment income
 Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position, as previously presented
 New Accounting Standard - GASB 101
 Beginning Net Position, as adjusted
Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,226,978)	\$ -	\$ (2,226,978)
(463,290)	-	(463,290)
4,497	-	4,497
(6,959,094)	-	(6,959,094)
(2,578,817)	-	(2,578,817)
(22,511)	-	(22,511)
(1,387,520)	-	(1,387,520)
(13,633,713)	-	(13,633,713)
-	26,627	26,627
-	26,627	26,627
(13,633,713)	26,627	(13,607,086)
10,877,454	-	10,877,454
3,003,458	-	3,003,458
447,089	-	447,089
265,548	-	265,548
1,185,528	413,306	1,598,834
345,179	1,007,828	1,353,007
(2,684,986)	2,684,986	-
13,439,270	4,106,120	17,545,390
(194,443)	4,132,747	3,938,304
26,392,412	22,330,913	48,723,325
(532,398)	(99,409)	(631,807)
25,860,014	22,231,504	48,091,518
\$ 25,665,571	\$ 26,364,251	\$ 52,029,822

City of Horseshoe Bay, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2025

	General	Debt Service	Summit Rock PID
<u>Assets</u>			
Cash and cash equivalents	\$ 11,937,005	\$ 297,518	\$ -
Restricted cash	-	-	33,041
Receivables, net	903,189	46,872	3,148,838
Due from other funds	-	-	-
Prepays	54,082	-	-
Total Assets	\$ 12,894,276	\$ 344,390	\$ 3,181,879
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 461,880	\$ -	\$ -
Permit deposits	832,374	-	-
Advances from other funds	-	-	3,089,347
Due to other funds	674,162	-	92,532
Total Liabilities	1,968,416	-	3,181,879
<u>Deferred Inflows of Resources</u>			
Unavailable revenue			
Property taxes	146,437	46,872	-
PID property assessments	-	-	3,148,838
Total Deferred Inflows of Resources	146,437	46,872	3,148,838
<u>Fund Balances</u>			
Nonspendable:			
Prepays	54,082	-	-
Restricted for:			
Court	-	-	-
Vehicle replacement	-	-	-
Youth diversion	-	-	-
PID activities, including debt service	-	-	-
Debt service	-	297,518	-
Capital projects	-	-	-
Unassigned reported in:			
General fund	10,725,341	-	-
Summit Rock PID fund	-	-	(3,148,838)
Total Fund Balances	10,779,423	297,518	(3,148,838)
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 12,894,276	\$ 344,390	\$ 3,181,879

See Notes to Financial Statements.

Escondido PID	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 6,343,794	\$ -	\$ 18,578,317
890,499	-	-	923,540
2,120,936	-	5,523	6,225,358
-	345,126	456,975	802,101
-	14,356	-	68,438
<u>\$ 3,011,435</u>	<u>\$ 6,703,276</u>	<u>\$ 462,498</u>	<u>\$ 26,597,754</u>
\$ -	\$ 1,987,539	\$ -	\$ 2,449,419
-	-	-	832,374
-	-	-	3,089,347
-	-	-	766,694
<u>-</u>	<u>1,987,539</u>	<u>-</u>	<u>7,137,834</u>
-	-	-	193,309
2,120,256	-	-	5,269,094
<u>2,120,256</u>	<u>-</u>	<u>-</u>	<u>5,462,403</u>
-	14,356	-	68,438
-	-	62,115	62,115
-	-	400,000	400,000
-	-	383	383
891,179	-	-	891,179
-	-	-	297,518
-	4,701,381	-	4,701,381
-	-	-	10,725,341
-	-	-	(3,148,838)
<u>891,179</u>	<u>4,715,737</u>	<u>462,498</u>	<u>13,997,517</u>
<u>\$ 3,011,435</u>	<u>\$ 6,703,276</u>	<u>\$ 462,498</u>	<u>\$ 26,597,754</u>

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City of Horseshoe Bay, Texas

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

September 30, 2025

Fund Balances - Total Governmental Funds	\$ 13,997,517
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	14,575,091
Capital assets - net depreciable	28,761,476
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	193,309
Assessments receivable	5,269,094
Net pension asset	10,760
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditure) until then.	
Deferred charge on refunding	101,532
Pension outflows	408,706
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.	
Pension inflows	(37,126)
OPEB inflows	(30,249)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(179,988)
Compensated absences	(1,036,322)
Bond premium	(1,845,211)
OPEB liability	(34,413)
Non-current liabilities due in one year	(2,030,509)
Non-current liabilities due in more than one year	(32,458,096)
Net Position of Governmental Activities	\$ 25,665,571

See Notes to Financial Statements.

City of Horseshoe Bay, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2025

	General	Debt Service	Summit Rock PID	Escondido PID
<u>Revenues</u>				
Property tax	\$ 7,872,300	\$ 2,984,388	\$ -	\$ -
Sales tax	3,003,458	-	-	-
Franchise and local taxes	447,089	-	-	-
License and permits	961,369	-	-	-
Charges for services	1,263,487	-	-	-
Fire and police	537,177	-	-	-
Intergovernmental revenue	220,235	-	-	-
PID property assessments	-	-	508,117	325,119
Investment income	530,618	50,517	5,147	35,812
Other revenue	296,331	-	-	-
Total Revenues	15,132,064	3,034,905	513,264	360,931
<u>Expenditures</u>				
Current:				
General government	2,124,830	-	-	22,099
Police department	3,093,097	-	-	-
Development services	1,386,765	-	-	-
Fire	3,555,930	-	-	-
Animal control	254,620	-	-	-
Streets	1,028,229	-	-	-
Mowing and clearing	589,684	-	-	-
Technology services	188,880	-	-	-
Culture and Recreation	-	-	-	-
Debt service:				
Principal	17,872	1,565,000	-	256,000
Interest	955	1,335,856	223,763	76,979
Bond issuance costs	-	-	-	-
Capital outlay	915,418	-	-	-
Total Expenditures	13,156,280	2,900,856	223,763	355,078
Excess of Revenues Over (Under)	1,975,784	134,049	289,501	5,853

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,856,688
-	-	3,003,458
-	-	447,089
-	-	961,369
-	-	1,263,487
-	19,182	556,359
-	-	220,235
-	-	833,236
563,434	-	1,185,528
-	383	296,714
563,434	19,565	19,624,163
-	6,005	2,152,934
-	1,664	3,094,761
-	-	1,386,765
-	-	3,555,930
-	-	254,620
-	-	1,028,229
-	-	589,684
-	-	188,880
-	-	-
-	-	1,838,872
-	-	1,637,553
113,924	-	113,924
14,947,579	-	15,862,997
15,061,503	7,669	31,705,149
(14,498,069)	11,896	(12,080,986)

City of Horseshoe Bay, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS (Page 2 of 2) For the Year Ended September 30, 2025

	General	Debt Service	Summit Rock PID	Escondido PID
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers (out)	(375,112)	-	-	-
Bond issuance	-	-	-	-
Premium from bond issuance	-	-	-	-
Sale of capital assets	46,850	-	-	-
Insurance recoveries	4,115	-	-	-
Lease issuance	59,105	-	-	-
Total Other Financing Sources (Uses)	(265,042)	-	-	-
Net Change in Fund Balances	1,710,742	134,049	289,501	5,853
Beg. fund balances, as previously reported	9,068,681	-	(3,438,339)	885,326
Change in reporting entity (nonmajor to major)	-	163,469	-	-
Beg. fund balances, as adjusted	9,068,681	163,469	(3,438,339)	885,326
Ending Fund Balances (Deficit)	\$ 10,779,423	\$ 297,518	\$ (3,148,838)	\$ 891,179

See Notes to Financial Statements.

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 162,112	\$ 200,000	\$ 362,112
(2,671,986)	-	(3,047,098)
5,305,000	-	5,305,000
225,477	-	225,477
-	-	46,850
-	-	4,115
-	-	59,105
<u>3,020,603</u>	<u>200,000</u>	<u>2,955,561</u>
(11,477,466)	211,896	(9,125,425)
16,193,203	414,071	23,122,942
-	(163,469)	-
16,193,203	250,602	23,122,942
<u>\$ 4,715,737</u>	<u>\$ 462,498</u>	<u>\$ 13,997,517</u>

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City of Horseshoe Bay, Texas

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

For the Year Ended September 30, 2025

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

Net changes in fund balances - total governmental funds	\$ (9,125,425)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	15,893,846
Depreciation expense	(2,770,444)
Net effect of capital asset disposals	(2,500)

Revenues in the statement of activities that do not provide current financial resources and, therefore, are not reported as revenues in the funds.

Property tax receivable	20,766
PID property assessments receivable	(567,688)

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

Compensated absences	(257,288)
Accrued interest	246,430
Net pension liability	19,074
OPEB liability	(18,031)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities.

This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issuance	(5,305,000)
Premiums on current debt issuance	(225,477)
Lease issuance	(59,105)
Amortization of deferred charges on refunding	(15,010)
Amortization of premium on debt	132,537
Principal payments	1,838,872

Change in Net Position of Governmental Activities	\$ (194,443)
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See Notes to Financial Statements.

City of Horseshoe Bay, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2025

	Utility
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 8,620,761
Receivables, net	2,095,810
Due from other funds	282,366
Prepays	16,390
Total Current Assets	11,015,327
<u>Noncurrent Assets</u>	
Advance to other funds	3,089,347
Net pension asset	4,561
Capital assets:	
Non-depreciable	4,482,950
Net depreciable capital assets	26,282,000
Total Noncurrent Assets	33,858,858
Total Assets	44,874,185
<u>Deferred Outflows of Resources</u>	
Pension outflows	173,253
Deferred charge on refunding	1,506
Total Deferred Outflows of Resources	174,759
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	933,548
Accrued interest	72,608
Customer deposits	715,036
Unearned revenue	17,564
Compensated absences, current	197,707
Long-term debt due within a year	1,500,000
Due to other funds	317,773
Total Current Liabilities	3,754,236
<u>Noncurrent Liabilities</u>	
OPEB liability	14,588
Compensated absences, noncurrent	21,967
Long-term debt due in more than a year	14,865,341
Total Liabilities	18,656,132
<u>Deferred Inflows of Resources</u>	
Pension inflows	15,738
OPEB inflows	12,823
Total Deferred Inflows of Resources	28,561
<u>Net Position</u>	
Net investment in capital assets	14,246,423
Restricted for pension	4,561
Unrestricted	12,113,267
Total Net Position	\$ 26,364,251

See Notes to Financial Statements.

City of Horseshoe Bay, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2025

	Utility
<u>Operating Revenues</u>	
Charges for services	\$ 13,126,452
Other revenue	977,247
Total Operating Revenues	14,103,699
<u>Operating Expenses</u>	
Administration	2,639,828
Water production	2,226,343
Water distribution	1,340,309
Wastewater treatment	1,033,152
Wastewater collection	1,924,373
Solid waste recycling	1,508,648
Depreciation	2,152,238
Total Operating Expenses	12,824,891
Operating Income (Loss)	1,278,808
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	413,306
Gain on sale of property	30,581
Interest expense	(463,784)
Total Nonoperating Revenues (Expenses)	(19,897)
Income (Loss) Before Transfers	1,258,911
Capital grant and contributions	188,850
Transfers in	2,684,986
Change in Net Position	4,132,747
Beginning net position, as previously presented	22,330,913
New Accounting Standard - GASB 101	(99,409)
Beginning net position, as adjusted	22,231,504
Ending Net Position	\$ 26,364,251

See Notes to Financial Statements.

City of Horseshoe Bay, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 1 of 2) For the Year Ended September 30, 2025

	Utility
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 13,804,801
Payments to suppliers	(8,104,653)
Payments to employees	(2,585,994)
Receipts from (payments to) other funds	253,072
Net Cash Provided by Operating Activities	3,367,226
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating transfers in	2,684,986
Net Cash Provided (Used) by Noncapital Financing Activities	2,684,986
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(5,998,744)
Proceeds from sale of capital assets	33,611
Collections of advance to other funds	317,312
Capital grant	188,850
Proceeds from capital debt	4,581,018
Principal paid on debt	(1,320,000)
Interest paid on debt	(531,684)
Net Cash (Used) by Capital and Related Financing Activities	(2,729,637)
<u>Cash Flows from Investing Activities</u>	
Interest on investments	413,306
Net Cash Provided by Investing Activities	413,306
Net Increase (Decrease) in Cash and Cash Equivalents	3,735,881
Beginning cash and cash equivalents	4,884,880
Ending Cash and Cash Equivalents	\$ 8,620,761

See Notes to Financial Statements.

City of Horseshoe Bay, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUND (Page 2 of 2)

For the Year Ended September 30, 2025

	Utility
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 1,278,808
Adjustments to reconcile operating income to net cash provided:	
Depreciation	2,152,238
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(318,777)
Prepays	(16,390)
Due from/to other funds	253,072
Net pension and deferrals	(21,507)
OPEB liability and deferrals	9,366
Increase (Decrease) in:	
Accounts payable and accrued liabilities	(55,438)
Compensated absences	65,975
Customer deposits	19,879
Net Cash Provided by Operating Activities	\$ 3,367,226

See Notes to Financial Statements.

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City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

At a special election held on September 10, 2005, voters approved incorporation of the City of Horseshoe Bay, Texas (the "City") as a Type A, General-Law Municipality. At a special election held on November 8, 2005, voters elected a mayor and five Council Members. In January 2006, the City approved a strategic partnership agreement with Lake LBJ Municipal Utility District (the "District"). Pursuant to the terms of the agreement, on March 6, 2006, the City annexed the District. All assets, liabilities, and equity of the District were transferred to the City and the District was subsequently dissolved. The City became a Home Rule City when a majority of the voters approved the Home Rule Charter at a special election held on May 9, 2009.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

C. Basis of Presentation Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and other taxes, licenses and permits, and charges for services. Expenditures include general government, public safety, and public works.

Debt Service Fund

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the debt service fund is restricted exclusively for debt service expenditures.

Summit Rock PID Fund

The Summit Rock PID fund is used to account for all activities of the Summit Rock Public Improvement District.

Escondido PID Fund

The Escondido PID fund is used to account for all activities of the Escondido Public Improvement District.

Capital Projects Fund

The Capital Projects fund is used to account for construction activities of governmental activities

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the City include enterprise funds.

The government reports the following major enterprise fund:

Utility Fund

This fund is used to account for the provision of water, wastewater, and solid waste recycling services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection and treatment systems, and solid waste recycling services. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

considered to be measurable and available only when cash is received by the government.

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost (except for right-to-use lease assets, the measurement of which is discussed in Note 13) if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Vehicles	5 years
Equipment	7 years
Right-to-use leased assets	3 – 5 years
Infrastructure	20-40 years
Street improvements	20 years
Buildings and improvements	30 years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and PID property assessments revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as 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 government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The government adopted a policy for the general fund that requires a minimum cash flow reserve equal to or greater than \$2,500,000 or three months of total operating expenses, plus debt service reserves as required by debt indentures. As of September 30, 2025, the City was in compliance with this policy.

The government also adopted a policy for the water utility fund that requires excess funds each year to create a cash reserve. The target amount of the reserve fund will be three months of personnel and operating expenses. As of September 30, 2024, the City was in compliance with this policy.

11. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation/sick balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred in accordance with GASB statement no. 65.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

13. Leases

The City is a lessee for a noncancellable lease of office equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

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

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

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

14. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

15. Subscription Based Information Technology Arrangements ("SBITA")

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements ("SBITA"). The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

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

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and enterprise funds.

The appropriated budget is prepared by fund, function, and department. The legal level of control is the department level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Several supplemental budget appropriations were made during the year.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

A. Expenditures Exceeding Appropriations

During the year ended September 30, 2025, general fund expenditures exceeded appropriations at the legal level of control for fire, technology services, debt service – principal, debt service – interest, and capital outlay by \$63,517, \$11,814, \$17,872, \$955, and \$47,147, respectively. These variances were due to clerical/timing errors within the budget, and also the results of GASB 87 lease accounting required. The budget is based on GAAP, but excludes certain GAAP-only accounting standards such as GASB 87.

B. Deficit Fund Equity

The Summit Rock PID fund had a deficit fund balance of \$3,148,838 as of September 30, 2025 primarily due to an advance owed to the Water Utility fund. The fund plans to repay the principal amounts owed with property assessment collections on residential lots sold. The assessment receivable is currently sufficient to repay the advance, but is offset with a deferred inflow of resources due to the long term nature of the receivable. The deficit will decrease as the advance is paid down with the assessment collections.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2025, the primary government had the following investments:

Investment Type	Value	Average Maturity (Years)
External investment pools	\$ 23,829,666	0.12
Total value	<u>\$ 23,829,666</u>	
Portfolio weighted average maturity		0.12

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed six months; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Credit risk – The City’s investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than “A” or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2025, the market values of pledged securities and FDIC full insured all deposit balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City’s safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

TexasCLASS

Texas CLASS is a local government investment pool created to meet the cash management and short-term investment needs of Texas governmental entities. Texas CLASS Government seeks to provide participants with a competitive market yield while maintaining daily liquidity and a stable net asset value. Texas CLASS Government is rated 'AAAm' by S&P Global Ratings. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

	Governmental Activities					Total
	General	Debt Service	Summit Rock PID	Escondido PID	Nonmajor Govt.	
Property taxes	\$ 146,437	\$ 46,872	\$ -	\$ -	\$ -	\$ 193,309
Sales tax	499,858	-	-	-	-	499,858
Franchise & local taxes	109,001	-	-	-	-	109,001
Assessments - long-term	-	-	3,147,238	2,117,232	-	5,264,470
Assessments - delinq.	-	-	1,600	3,704	-	5,304
Liens	52,187	-	-	-	-	52,187
Accounts	147,893	-	-	-	5,523	153,416
Allowance	(52,187)	-	-	-	-	(52,187)
	<u>\$ 903,189</u>	<u>\$ 46,872</u>	<u>\$ 3,148,838</u>	<u>\$ 2,120,936</u>	<u>\$ 5,523</u>	<u>\$ 6,225,358</u>

	Business-Type	
	Utility	Total
Accounts	\$ 2,285,679	\$ 2,285,679
Allowance	(189,869)	(189,869)
	<u>\$ 2,095,810</u>	<u>\$ 2,095,810</u>

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The following schedule shows the future anticipated collections for assessments (principal) receivable at year end. All other receivables are expected to be fully collected within one year of the balance sheet date.

Year(s) ended:	Summit Rock PID	Escondido PID	Total
9/30/26	\$ 254,146	\$ 240,000	\$ 494,146
9/30/27	271,936	240,000	511,936
9/30/28	290,971	240,000	530,971
9/30/29	311,339	240,000	551,339
9/30/30	333,133	240,000	573,133
10/1/30 - 9/30/35	1,687,313	920,936	2,608,249
TOTAL	\$ 3,148,838	\$ 2,120,936	\$ 5,269,774

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Disposals / Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 146,855	\$ 247,775	\$ -	\$ 394,630
Donated land	125,320	-	-	125,320
Construction in progress	2,350,657	14,586,793	(2,882,310)	14,055,141
Total capital assets not being depreciated	<u>2,622,832</u>	<u>14,834,568</u>	<u>(2,882,310)</u>	<u>14,575,091</u>
Capital assets, being depreciated:				
Infrastructure	41,573,742	520,170	2,882,310	44,976,222
Buildings and improvements	4,558,479	23,176	-	4,581,655
Right to use leased equipment	76,206	59,105	-	135,311
Machinery and equipment	4,860,708	456,827	(98,488)	5,219,046
Total capital assets being depreciated	<u>51,069,134</u>	<u>1,059,278</u>	<u>2,783,822</u>	<u>54,912,234</u>
Less accumulated depreciation				
Infrastructure	16,865,979	2,179,497	-	19,045,476
Buildings and improvements	3,231,887	128,798	-	3,360,685
Right to use leased equipment	45,114	17,752	-	62,866
Machinery and equipment	3,333,322	444,397	(95,988)	3,681,731
Total accumulated depreciation	<u>23,476,302</u>	<u>2,770,444</u>	<u>(95,988)</u>	<u>26,150,758</u>
Net capital assets being depreciated	<u>27,592,832</u>	<u>(1,711,166)</u>	<u>2,879,810</u>	<u>28,761,476</u>
Total Capital Assets	<u><u>\$ 30,215,665</u></u>	<u><u>\$ 13,123,402</u></u>	<u><u>\$ (2,500)</u></u>	<u><u>\$ 43,336,567</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 53,388
Public safety	470,015
Streets	2,195,255
Development services	29,275
Culture and recreation	22,511
Total Governmental Activities Depreciation Expense	<u><u>\$ 2,770,444</u></u>

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Disposals / Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 419,563	\$ -	\$ -	\$ 419,563
Construction in progress	648,347	4,456,922	(1,041,882)	4,063,387
Total capital assets not being depreciated	<u>1,067,910</u>	<u>4,456,922</u>	<u>(1,041,882)</u>	<u>4,482,950</u>
Capital assets, being depreciated:				
Infrastructure	57,146,162	1,111,834	896,500	59,154,495
Buildings and improvements	1,298,183	-	145,382	1,443,565
Right to use assets	7,504	-	-	7,504
Machinery and equipment	4,935,010	429,988	(54,883)	5,310,115
Total capital assets being depreciated	<u>63,386,858</u>	<u>1,541,822</u>	<u>986,999</u>	<u>65,915,679</u>
Less accumulated depreciation				
Infrastructure	33,141,123	1,670,731	-	34,811,854
Buildings and improvements	892,869	56,186	-	949,055
Right to use assets	7,504	-	-	7,504
Machinery and equipment	3,491,799	425,321	(51,853)	3,865,267
Total accumulated depreciation	<u>37,533,295</u>	<u>2,152,238</u>	<u>(51,853)</u>	<u>39,633,680</u>
Net capital assets being depreciated	25,853,563	(610,416)	1,038,852	26,282,000
Total Capital Assets	<u><u>\$ 26,921,473</u></u>	<u><u>\$ 3,846,506</u></u>	<u><u>\$ (3,030)</u></u>	<u><u>\$ 30,764,950</u></u>

Depreciation was charged to business-type activities as follows:

Utility	\$ 2,152,238
Total Business-type Activities Depreciation Expense	<u><u>\$ 2,152,238</u></u>

D. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. The City uses the debt service fund to liquidate the majority of governmental activities debts.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
Combination Tax and Revenue					
Certificates of Obligation	\$ 18,540,000	\$ 5,305,000	\$ (1,115,000)	\$ 22,730,000	\$ 1,315,000
General Obligation Bonds	9,790,000	-	(450,000)	9,340,000	465,000
PID Special Assessments Bond	2,602,000	-	(256,000)	2,346,000	229,000
Lease liabilities	31,372	59,105	(17,872)	72,605	21,509
Less deferred amounts:					
For issuance premiums	1,752,271	225,477	(132,537)	1,845,211	-
Total Governmental Activities	<u>\$ 32,715,643</u>	<u>\$ 5,589,582</u>	<u>\$ (1,971,409)</u>	<u>\$ 36,333,816</u>	<u>\$ 2,030,509</u>
Long-term liabilities due in more than one year				<u>\$ 34,303,307</u>	
Business-Type Activities:					
General Obligation Bonds	\$ 2,815,000	\$ -	\$ (685,000)	\$ 2,130,000	\$ 705,000
Certificates of Obligation	9,855,000	4,395,000	(635,000)	13,615,000	795,000
Less deferred amounts:					
For issuance premiums	498,293	186,018	(63,970)	620,341	-
Total Business-Type Activities	<u>\$ 13,168,293</u>	<u>\$ 4,581,018</u>	<u>\$ (1,383,970)</u>	<u>\$ 16,365,341</u>	<u>\$ 1,500,000</u>
Long-term liabilities due in more than one year				<u>\$ 14,865,341</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Long-term debt at year end was comprised of the following debt issues:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Certificates of Obligation:			
\$9,800,000 Certificates of Obligation, Series 2014, due in annual installments through 2039, interest at 2-3.75%	\$ 2,600,000	\$ 3,050,000	\$ 5,650,000
\$3,770,000 Certificates of Obligation, Series 2016, due in annual installments through 2031, interest at 2-4%	115,000	1,310,000	1,425,000
\$5,920,000 Certificates of Obligation, Series 2019, due in annual installments through 2039, interest at 2-4%	-	4,860,000	4,860,000
\$3,925,000 Certificates of Obligation, Series 2020, due in annual installments through 2039, interest at 2%	3,215,000	-	3,215,000
\$4,050,000 Certificates of Obligation, Series 2022, due in annual installments through 2042, interest at 5%	3,605,000	-	3,605,000
\$8,390,000 Certificates of Obligation, Series 2024, due in annual installments through 2044, interest at 2%-4.265%	8,390,000	-	8,390,000
\$9,700,000 Certificates of Obligation, Series 2025, due in annual installments through 2045, interest at 2.188-2.355%	4,805,000	4,395,000	9,200,000
Total Certificates of Obligation	\$ 22,730,000	\$ 13,615,000	36,345,000
PID Special Assessment Bond:			
\$3,270,000 PID Special Assessment Bond, Series 2020, due in annual installments through 2034, interest at 3-3.25%	\$ 2,346,000	\$ -	\$ 2,346,000
General Obligation Bonds:			
\$7,500,000 General Obligation, Series 2007, due in installments through 2027, interest at 4.04%	\$ -	\$ 1,030,000	\$ 1,030,000
\$7,500,000 General Obligation Refunding Bonds, Series 2020, due in installments through 2030, interest at 2-5%	1,745,000	1,100,000	2,845,000
\$7,795,000 General Obligation Refunding Bonds, Series 2023, due in installments through 2053, interest at 4-5%	7,595,000	-	7,595,000
Total General Obligation Bonds	\$ 9,340,000	\$ 2,130,000	\$ 11,470,000
Less deferred amounts:			
Issuance premium	\$ 1,845,211	\$ 620,341	\$ 2,465,552
Lease Liabilities	\$ 72,605	\$ -	\$ 72,605
Total Debt	\$ 36,333,816	\$ 16,365,341	\$ 52,699,157

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Governmental Activities					
	General Obligation Bonds		Certificates of Obligation		2020 Prop. Assess. Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 465,000	\$ 400,363	\$ 1,315,000	\$ 906,540	\$ 229,000	\$ 69,085
2027	475,000	384,963	980,000	851,215	240,000	62,050
2028	490,000	365,763	1,030,000	811,409	250,000	54,700
2029	515,000	344,413	1,070,000	769,184	255,000	47,125
2030	535,000	320,088	1,110,000	725,365	265,000	39,325
2031	170,000	302,713	1,150,000	679,553	251,000	31,585
2032	180,000	294,213	1,210,000	631,825	285,000	23,189
2033	190,000	285,213	1,260,000	581,259	290,000	13,845
2034	200,000	275,713	1,310,000	528,248	281,000	4,566
2035	205,000	265,713	1,355,000	476,613	-	-
2036	220,000	255,463	1,420,000	424,463	-	-
2037	230,000	244,463	1,230,000	374,606	-	-
2038	240,000	232,963	1,225,000	328,750	-	-
2039	250,000	220,963	1,265,000	281,950	-	-
2040	265,000	208,463	1,325,000	233,225	-	-
2041	280,000	195,213	1,120,000	184,788	-	-
2042	290,000	181,213	1,160,000	138,931	-	-
2043	305,000	166,713	910,000	91,069	-	-
2044	320,000	154,513	945,000	53,894	-	-
2045	330,000	141,713	340,000	14,875	-	-
2046	345,000	128,513	-	-	-	-
2047	360,000	114,713	-	-	-	-
2048	375,000	100,313	-	-	-	-
2049	390,000	85,313	-	-	-	-
2050	405,000	69,713	-	-	-	-
2051	420,000	53,513	-	-	-	-
2052	435,000	36,713	-	-	-	-
2053	455,000	18,769	-	-	-	-
	<u>\$ 9,340,000</u>	<u>\$ 5,848,395</u>	<u>\$ 22,730,000</u>	<u>\$ 9,087,759</u>	<u>\$ 2,346,000</u>	<u>\$ 345,470</u>

The PID special assessment bond is secured solely by the pledged property assessments revenue for the related properties within the Escondido PID area. The

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

debt is repaid with property assessments by the respective homeowners. The City is not obligated to pay the bonds from any funds raised from taxation or from any other revenues available to the City. The City through their designated trustee and third-party administrator set up a separate fund used to service the bond, collect the property assessments, and for initiating any future foreclosures.

Year ending September 30,	Governmental Activities	
	Leases	
	Principal	Interest
2026	\$ 21,509	\$ 2,412
2027	18,579	1,620
2028	12,595	1,025
2029	13,087	533
2030	6,835	75
	<u>\$ 72,605</u>	<u>\$ 5,665</u>

The City entered into a six separate five-year lease agreement as a lessee for the acquisition and use of office equipment. The total initial lease liability for these agreements was recorded in the amount of \$135,310. As of September 30, 2024, the value of the lease liability was \$72,605. The City is required to make monthly principal and interest payments ranging from of \$186 to \$658. The leases have an interest rate of 4%. The equipment has a five-year estimated useful life. The value of the right-to-use assets as of the end of the current fiscal year was \$135,311, and had accumulated amortization of \$62,866.

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Business-Type Activities			
	2007 G.O. Bond		2020 G.O Bond	
	Principal	Interest	Principal	Interest
2026	\$ 505,000	\$ 41,612	\$ 200,000	\$ 40,400
2027	525,000	21,210	210,000	34,200
2028	-	-	220,000	25,600
2029	-	-	230,000	16,600
2030	-	-	240,000	6,000
	<u>\$ 1,030,000</u>	<u>\$ 62,822</u>	<u>\$ 1,100,000</u>	<u>\$ 122,800</u>

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Year ending September 30,	Business-Type Activities					
	2014 C.O.O.		2016 C.O.O.		2019 C.O.O.	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 165,000	\$ 104,135	\$ 200,000	\$ 52,400	\$ 295,000	\$ 114,450
2027	175,000	99,035	205,000	44,400	305,000	102,650
2028	180,000	93,485	215,000	36,200	315,000	90,450
2029	185,000	87,554	220,000	27,600	325,000	84,150
2030	195,000	81,379	230,000	18,800	330,000	77,650
2031	200,000	74,960	240,000	9,600	335,000	71,050
2032	210,000	68,088	-	-	345,000	64,350
2033	220,000	60,670	-	-	350,000	57,450
2034	225,000	52,994	-	-	355,000	50,450
2035	235,000	44,413	-	-	365,000	42,906
2036	250,000	34,713	-	-	370,000	35,150
2037	260,000	25,000	-	-	380,000	26,825
2038	270,000	15,394	-	-	390,000	18,275
2039	280,000	5,250	-	-	400,000	9,500
	<u>\$ 3,050,000</u>	<u>\$ 847,068</u>	<u>\$ 1,310,000</u>	<u>\$ 189,000</u>	<u>\$ 4,860,000</u>	<u>\$ 845,306</u>

Year ending September 30,	Business-Type Activities	
	2025 C.O.O.	
	Principal	Interest
2026	\$ 135,000	\$ 206,338
2027	140,000	199,588
2028	150,000	192,588
2029	155,000	185,088
2030	165,000	177,338
2031-2035	950,000	755,438
2036-2040	1,205,000	492,938
2041-2045	1,495,000	199,163
	<u>\$ 4,395,000</u>	<u>\$ 2,408,479</u>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

E. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general and enterprise funds to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 779,034	\$ 958,419	\$ (701,131)	\$ 1,036,322	\$ 932,690
Total Governmental Activities	<u>\$ 779,034</u>	<u>\$ 958,419</u>	<u>\$ (701,131)</u>	<u>\$ 1,036,322</u>	<u>\$ 932,690</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 103,632</u>	
Business-Type Activities:					
Compensated Absences	\$ 153,699	\$ 212,535	\$ (146,560)	\$ 219,674	\$ 197,707
Total Business-Type Activities	<u>\$ 153,699</u>	<u>\$ 212,535</u>	<u>\$ (146,560)</u>	<u>\$ 219,674</u>	<u>\$ 197,707</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 21,967</u>	

F. Deferred Charges on Refunding

Deferred charges resulting from the issuance of series 2019 general obligation refunding bonds and 2020 series refunding special assessment bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding debts. Current year balances for governmental and business-type activities totaled \$101,532 and \$1,506, respectively. Current year amortization expense for governmental and business-type activities totaled \$15,010 and \$344, respectively.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

G. Interfund Transactions

Transfers between the primary government funds during the 2025 year were as follows:

Transfers (out):	Transfers In:			Total
	Capital Projects	Nonmajor Govt	Utility	
Utility	\$ -	\$ -	\$ -	\$ -
General	162,112	200,000	13,000	375,112
Capital projects	-	-	2,671,986	2,671,986
	<u>\$ 162,112</u>	<u>\$ 200,000</u>	<u>\$ 2,684,986</u>	<u>\$ 3,047,098</u>

The compositions of interfund due to/from balances as of the year ended September 30, 2025 were as follows:

Due to: (Payable Fund)	Due from: (Receivable Fund)			Total
	Capital Projects	Nonmajor Govt.	Utility	
General	\$ 27,353	\$ 456,975	\$ 189,834	\$ 674,162
Summit Rock PID	-	-	92,532	92,532
Utility	317,773	-	-	317,773
Total	<u>\$ 345,126</u>	<u>\$ 456,975</u>	<u>\$ 282,366</u>	<u>\$ 1,084,467</u>

Interfund balances resulted from the timing difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All balances are expected to be paid in the subsequent year.

The compositions of interfund advances to/from balances as of the year ended September 30, 2025 were as follows:

Advances to:	Advances from:	
	Summit Rock PID	Total
Utility	\$ 3,089,347	\$ 3,089,347
Total	<u>\$ 3,089,347</u>	<u>\$ 3,089,347</u>

The amount indicated as an “advance to/from” within the table above relates to the remaining balance of the note between the Summit Rock PID and the City to finance

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

water and wastewater capital improvements for the Summit Rock PID area. This note accrues interest between 3% and 7% at an interest rate of prime, and is being repaid with annual property assessments collected by the Summit Rock PID.

H. Restricted/Committed Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of net position/fund balances restricted by the City:

	Governmental Funds Restricted	Governmental Activities Restricted	Business-Type Activities Restricted
Court tech. and security	\$ 21,673 *	\$ 21,673	\$ -
Vehicle replacement	400,000 *	400,000	-
Child safety	40,442 *	40,442	-
Youth diversion	383	383	-
PID activities, including debt service	891,179	3,011,435	-
Debt service	297,518	297,518	-
Capital projects	4,715,737	-	-
Pension	-	10,760	4,561
	<u>\$ 6,366,932</u>	<u>\$ 3,782,211</u>	<u>\$ 4,561</u>

* Restricted by enabling legislation

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with 2,700 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does not anticipate that it will have an arbitrage liability and performs periodic calculations to estimate whether any potential liability exists. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

D. Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Horseshoe Bay participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

2. Benefits Provided

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

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2023</u>	<u>Plan Year 2024</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	0%	0%
Annuity increase (to retirees)	0% of CPI	0% of CPI
Supplemental death benefit to active employees	Yes	Yes
Supplemental death benefit to retirees	Yes	Yes

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>2024</u>
Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	19
Active employees	<u>114</u>
Total	<u>135</u>

3. Contributions

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

Employees for the City of Horseshoe Bay, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City of Horseshoe Bay, Texas was 7.91% and 8.02% for the calendar year 2025 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$763,081 and were equal to the required contributions.

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Actuarial assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.6% to 11.85%, including inflation
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the same 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 3.0% 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 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.

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

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, Gabriel, Roeder, Smith & Company (GRS) focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Real Return	12.0%	8.0%
Real Estate	12.0%	7.6%
Absolute Return	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

Discount Rate

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

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 407,078	\$ (15,321)	\$ (359,451)

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
Balance at 12/31/23	\$ 1,254,743	\$ 1,254,518	\$ 225
Changes for the year:			
Service Cost	1,289,044	-	1,289,044
Interest (on the Total Pension Liab.)	127,449	-	127,449
Change in benefit terms	-	-	-
Difference between expected and actual experience	(2,647)	-	(2,647)
Changes of assumptions	-	-	-
Contributions – employer	-	692,904	(692,904)
Contributions – employee	-	604,780	(604,780)
Net investment income (loss)	-	132,564	(132,564)
Benefit payments, including refunds of emp. contributions	(22,252)	(22,252)	-
Administrative expense	-	(836)	836
Other changes	-	(20)	20
Net changes	1,391,594	1,407,140	(15,546)
Balance at 12/31/24	<u>\$ 2,646,337</u>	<u>\$ 2,661,658</u>	<u>\$ (15,321)</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2025, the City recognized pension expense of \$716,179.

The general fund and utility fund are used to liquidate pension liabilities.

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	\$ -	\$ (39,674)
Changes in assumptions	-	(8,235)
Investment experience	-	(4,955)
Contributions subsequent to the measurement date	581,959	-
Total	\$ 581,959	\$ (52,864)

The City reported \$581,959 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2026.

Deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	
2025	\$ (11,710)
2026	(11,710)
2027	(11,709)
2028	(11,253)
2029	(1,677)
Thereafter	(4,805)
	\$ (52,864)

Supplemental Death Benefits Fund

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

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. 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. As such, contributions fund the covered active member and retiree deaths on a pay-as-you-go basis.

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	4
Active employees	114
Total	121

The City's contributions to the TMRS SDBF for the year ended September 30, 2025 were \$736.

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.6% to 11.85%, including inflation per year
Discount rate	4.08%
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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. 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. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate.

1% Decrease 3.08%	Current Single Rate Assumption 4.08%	1% Increase 5.08%
\$ 59,801	\$ 49,001	\$ 40,596

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/23	\$ 29,311
Changes for the year:	
Service Cost	31,103
Interest	1,691
Difference between expected and actual experience	(10,034)
Changes of assumptions	(3,070)
Net changes	19,690
Balance at 12/31/24	\$ 49,001

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

For the year ended September 30, 2025, the City recognized OPEB expense of \$27,395.

City of Horseshoe Bay, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ (41,230)
Changes in assumptions	-	(1,842)
Total	\$ -	\$ (43,072)

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

Year ended December 31:	
2025	\$ (5,399)
2026	(5,399)
2027	(5,399)
2028	(5,399)
2029	(5,399)
Thereafter	(16,077)
	<u>\$ (43,072)</u>

The OPEB plan is not administered through a trust, or equivalent arrangement, and there are no assets accumulated in a GASB-compliant trust.

E. Restatement

The City restated beginning net position/fund balance for governmental activities, business-type activities, nonmajor government funds, and the utility fund due to the implementation of GASB 101 and changes within financial reporting entity.

City of Horseshoe Bay, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The restatements are summarized below:

	Governmental Activities	Business-Type Activities	Debt Service	Nonmajor Govt.	Utility Fund
Prior year ending net position/fund balance, as reported	\$ 26,392,412	\$ 22,330,913	\$ -	\$ 414,071	\$ 22,330,913
Change within financial reporting entity (nonmajor to major fund)	-	-	163,469	(163,469)	-
Implementation of GASB 101	(532,398)	(99,409)	-	-	(99,409)
Restated beginning net position/fund balance	<u>\$ 25,860,014</u>	<u>\$ 22,231,504</u>	<u>\$ 163,469</u>	<u>\$ 250,602</u>	<u>\$ 22,231,504</u>

F. Subsequent Events

Subsequent events were evaluated through February 3, 2026, the date the financial statements were available to be issued.

G. New Accounting Pronouncements

The City adopted GASB 101, *Compensated Absences* during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a "full accrual" basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in an increase in compensated absences liability of \$631,806 as of September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

City of Horseshoe Bay, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Page 1 of 2)
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>				
Property tax	\$ 7,863,649	\$ 7,873,065	\$ 7,872,300	\$ (765)
Sales tax	2,717,800	3,003,479	3,003,458	(21)
Franchise and local taxes	397,430	447,120	447,089	(31)
License and permits	953,500	961,491	961,369	(122)
Charges for services	1,365,524	1,263,561	1,263,487	(74)
Intergovernmental revenue	-	220,246	220,235	(11)
Fire and police	453,600	522,238	537,177	14,939
Investment income	550,000	530,629	530,618	(11)
Other revenue	132,050	296,443	296,331	(112)
Total Revenues	14,433,553	15,118,272	15,132,064	13,792
<u>Expenditures</u>				
Current:				
General government	2,196,568	2,128,503	2,124,830	3,673
Police department	3,217,179	3,101,034	3,093,097	7,937
Development services	1,356,470	1,394,894	1,386,765	8,129
Fire	3,252,705	3,492,413	3,555,930	(63,517) * ²
Animal control	202,672	254,776	254,620	156
Streets	1,555,439	1,028,486	1,028,229	257
Mowing and clearing	610,000	589,704	589,684	20
Technology services	178,800	177,066	188,880	(11,814) * ²
Debt service:				
Principal	-	-	17,872	(17,872) * ³
Interest	-	-	955	(955) * ³
Capital outlay	562,500	868,271	915,418	(47,147) * ³
Total Expenditures	13,132,333	13,035,147	13,156,280	(121,133)
Revenues Over				
(Under) Expenditures	\$ 1,301,220	\$ 2,083,125	\$ 1,975,784	\$ (107,341)

City of Horseshoe Bay, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES *IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Page 2 of 2)* **For the Year Ended September 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	\$ (4,491,725)	\$ (375,122)	\$ (375,112)	\$ 10
Lease issuance	-	-	59,105	59,105
Sale of capital assets	28,000	46,870	46,850	(20)
Insurance recoveries	10,000	4,125	4,115	(10)
Total Other Financing Sources				
(Uses)	(4,453,725)	(324,127)	(265,042)	59,085
Net Change in Fund Balance	\$ (3,152,505)	\$ 1,758,998	1,710,742	\$ (48,256)
Beginning fund balance			9,068,681	
Ending Fund Balance			\$ 10,779,423	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis generally consistent with GAAP, excluding certain GAAP-only accounting standards recorded for financial reporting purposes, including GASB 87.
 2. This variance was due to clerical/timing errors within the budget.
 3. These variances are the result of GASB 87 lease accounting required. Our budget is based on GAAP, but excludes certain GAAP-only accounting standards such as GASB 87.
- * Expenditures exceeded appropriations at the legal level of control.

City of Horseshoe Bay, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ESCONDIDO PID FUND
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
PID assessments	\$ 359,500	\$ 325,131	\$ 325,119	\$ (12)
Investment income	36,387	35,820	35,812	(8)
Total Revenues	395,887	360,951	360,931	(20)
<u>Expenditures</u>				
Debt Service:				
Principal	230,000	256,010	256,000	10
Interest and fiscal charges	77,488	76,990	76,979	11
Administrative charges	28,760	22,109	22,099	10
Total Expenditures	336,248	355,109	355,078	31
Revenues Over (Under)	59,639	5,842	5,853	11
Net Change in Fund Balance	\$ 59,639	\$ 5,842	5,853	\$ 11
Beginning fund balance			885,326	
Ending Fund Balance			\$ 891,179	

See Notes to Required Supplementary Information.

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Horseshoe Bay, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SUMMIT ROCK PID FUND
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
PID assessments	\$ 396,600	\$ 508,128	\$ 508,117	\$ (11)
Investment income	7,000	5,158	5,147	(11)
Total Revenues	403,600	513,286	513,264	(22)
<u>Expenditures</u>				
Debt Service:				
Principal	180,300	317,322	-	317,322
Interest and fiscal charges	216,300	177,885	223,763	(45,878)
Total Expenditures	396,600	495,207	223,763	271,444
Revenues Over (Under)	7,000	18,079	289,501	271,422
Net Change in Fund Balance	\$ 7,000	\$ 18,079	289,501	\$ 271,422
Beginning fund balance			(3,438,339)	
Ending Fund Balance			\$ (3,148,838)	

See Notes to Required Supplementary Information.

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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City of Horseshoe Bay, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Year Ended December 31,

	¹ 12/31/2022	12/31/2023	12/31/2024
Total pension liability			
Service cost	\$ 44,177	\$ 1,196,267	\$ 1,289,044
Interest	1,357	42,830	127,449
Changes in benefit terms (TMRS Plan Participation)	(1,984)	-	-
Difference between expected and actual experience	-	(3,277)	(2,647)
Changes in assumptions	-	(10,309)	-
Benefit payments, including refunds of employee contributions	-	(14,318)	(22,252)
Net change in total pension liability	43,550	1,211,193	1,391,594
Total pension liability - beginning	-	43,550	1,254,743
Total pension liability - ending (a)	\$ 43,550	\$ 1,254,743	\$ 2,646,337
Plan fiduciary net position			
Contributions - employer	\$ 24,425	\$ 661,409	\$ 692,904
Contributions - members	20,575	557,144	604,780
Net investment income	-	5,316	132,564
Benefit payments, including refunds of employee contributions	-	(14,318)	(22,252)
Administrative expense	-	(33)	(836)
Other	-	-	(20)
Net change in plan fiduciary net position	45,000	1,209,518	1,407,140
Plan fiduciary net position - beginning	-	45,000	1,254,518
Plan fiduciary net position - ending (b)	\$ 45,000	\$ 1,254,518	\$ 2,661,658
Fund's net pension liability (asset) - ending (a) - (b)	\$ (1,450)	\$ 225	\$ (15,321)
 Plan fiduciary net position as a percentage of the total pension liability	 103.33%	 99.98%	 100.58%
 Covered payroll	 \$ 293,924	 \$ 7,959,196	 \$ 8,639,708
 Fund's net position as a percentage of covered payroll	 -0.49%	 0.00%	 -0.18%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

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City of Horseshoe Bay, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2023	9/30/2024	9/30/2025 ¹
Actuarially determined employer contributions	\$ 526,434	\$ 677,503	\$ 763,081
Contributions in relation to the actuarially determined contribution	\$ 526,434	\$ 677,503	\$ 763,081
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Annual covered employee payroll	\$ 6,334,940	\$ 8,378,311	\$ 9,536,826
Employer contributions as a percentage of covered employee payroll	8.31%	8.09%	8.00%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes

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	N/A
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes

There were no benefit changes during the year.

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City of Horseshoe Bay, Texas
SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN
PENSION (OPEB) LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Year Ended December 31,

	¹	2022	2023	2024
Total OPEB liability				
Service cost	\$	2,025	\$ 65,265	\$ 31,103
Interest		19	1,383	1,691
Changes of assumptions		(526)	1,577	(3,070)
Differences between expected and actual experience		-	(40,432)	(10,034)
Net changes		1,518	27,793	19,690
Total OPEB liability - beginning		-	1,518	29,311
Total OPEB liability - ending	\$	1,518	\$ 29,311	\$ 49,001
Covered-employee payroll	\$	293,924	\$ 7,959,196	\$ 8,639,708
Total OPEB Liability as a percentage of covered-employee payroll		0.52%	0.37%	0.57%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

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COMBINING STATEMENTS

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City of Horseshoe Bay, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025

	Debt Service	Vehicle Replacement	Court Child Safety	Court Technology
<u>Assets</u>				
Accounts receivable, net	\$ -	\$ -	\$ 5,523	\$ -
Due from other funds	-	400,000	34,919	7,667
Total Assets	\$ -	\$ 400,000	\$ 40,442	\$ 7,667
<u>Fund Balances</u>				
Restricted for:				
Youth diversion	-	-	-	-
Court	-	-	40,442	7,667
Vehicle replacement	-	400,000	-	-
Total Fund Balances	-	400,000	40,442	7,667
Total Liabilities and Fund Balances	\$ -	\$ 400,000	\$ 40,442	\$ 7,667

Court Security	Youth Diversion	Total
\$ -	\$ -	\$ 5,523
14,006	383	456,975
<u>\$ 14,006</u>	<u>\$ 383</u>	<u>\$ 462,498</u>

-	383	383
14,006	-	62,115
-	-	400,000
<u>14,006</u>	<u>383</u>	<u>462,498</u>
<u>\$ 14,006</u>	<u>\$ 383</u>	<u>\$ 462,498</u>

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City of Horseshoe Bay, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2025

	Debt Service	Vehicle Replacement	Court Child Safety	Court Technology
<u>Revenues</u>				
Police revenue	\$ -	\$ -	\$ 16,560	\$ 1,574
Other revenue	-	-	-	-
Total Revenues	-	-	16,560	1,574
<u>Expenditures</u>				
General government	-	-	6,005	-
Public safety	-	-	-	1,664
Total Expenditures	-	-	6,005	1,664
Revenues Over (Under) Expenditures	-	-	10,555	(90)
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	200,000	-	-
Total Other Financing Sources (Uses)	-	200,000	-	-
Net Change in Fund Balances	-	200,000	10,555	(90)
Beg. fund balances, as previously reported	163,469	200,000	29,887	7,757
Change in reporting entity (nonmajor to major)	(163,469)	-	-	-
Beg. fund balances, as adjusted	-	200,000	29,887	7,757
Ending Fund Balances	\$ -	\$ 400,000	\$ 40,442	\$ 7,667

Court Security	Youth Diversion	Total
\$ 1,048	\$ -	\$ 19,182
-	383	383
1,048	383	19,565
-	-	6,005
-	-	1,664
-	-	7,669
1,048	383	11,896
-	-	200,000
-	-	200,000
1,048	383	211,896
12,958	-	414,071
-	-	(163,469)
12,958	-	250,602
<u>\$ 14,006</u>	<u>\$ 383</u>	<u>\$ 462,498</u>



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
Thru: Jeff Koska, City Manager
From: Molly Jester, Finance Director
RE: Approval of Resolution 2026-08: Authorizing Publication of Notice of Intention to Issue Certificate of Obligation

During the budget process, Council tentatively agreed to a bond for approximately \$8.4 million to address street reconstruction and infrastructure needs. In addition, drainage facilities have been added to the purpose. To proceed with the Certificate of Obligation bond sale, Council must approve the notice of intention to be placed in the local newspaper and on the City's website for a minimum of 45 days prior to the sale so that residents may have the opportunity to petition against the sale.

The preliminary timetable for the bond sale was drafted by Specialized Public Finance Inc. Both Exhibit A and B are included and are based on current debt obligations for the City.

Proposed Motion: "I move to approve Resolution 2026-08 authorizing publication of Notice of Intention to Issue Certificate of Obligation Series 2026 for the City of Horseshoe Bay."

Enclosures: Resolution No 2026-08
Exhibits A&B for debt notice and self-supporting debt
CO Series 2026 Preliminary Timetable

RESOLUTION NO. 2026-08

A RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, the City Council of the City of Horseshoe Bay, Texas (the “City”), deems it advisable to issue certificates of obligation (the “Certificates”) of the City in accordance with the notice hereinafter set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HORSESHOE BAY, TEXAS:

Section 1. The findings, definitions and recitations set out in the preamble to this resolution are found to be true and correct and are hereby adopted by City Council and made a part hereof for all purposes.

Section 2. The City Secretary is hereby authorized and directed to cause to be published and posted in the manner required by law and in substantially the form attached hereto as Exhibit A, a notice of the City’s intention to issue the Certificates (the “Notice”).

Section 3. The Notice shall be published once a week for two (2) consecutive weeks, the date of the first publication to be at least forty-six (46) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates. In addition, the Notice shall be posted continuously on the City’s website for at least forty-five (45) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates.

Section 4. For the purposes of the Notice, the City hereby designates as self-supporting those public securities listed in the attached Exhibit B, the debt service on which the City currently pays from sources other than ad valorem tax collections. The City plans to continue to pay these public securities based on this practice; however, there is no guarantee this practice will continue in future years.

Section 5. The City Manager, Finance Director and all other appropriate officials of the City, the City’s financial advisor, Specialized Public Finance Inc., and bond counsel, Bracewell LLP, are authorized and directed to proceed with the preparation of all necessary documents and to make all necessary arrangements for the authorization and sale of the Certificates at a future meeting of the City Council of the City.

Section 6. The Mayor, the City Manager, the Finance Director, the City Secretary, and all other officers and agents of the City are hereby authorized and directed to do any and all things necessary or desirable to carry out the provisions of this resolution.

Section 7. This resolution shall take effect immediately from and after its passage by the City Council of the City.

Section 8. It is hereby officially found and determined that the meeting at which this resolution was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

PASSED AND APPROVED this 17th day of February, 2026.

Jeff Jones, Mayor
City of Horseshoe Bay, Texas

ATTEST:

Susie Quinn, City Secretary

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Horseshoe Bay, Texas (the "City"), will meet at 9101 W. FM 2147, Horseshoe Bay, Texas at 3:00 p.m. on the 21st day of April, 2026 (unless alternative meeting arrangements are required to address public health concerns, which meeting arrangements will be specified in the notice of such meeting posted in accordance with applicable law), which is the time and place tentatively set for the passage of an ordinance and such other action as may be deemed necessary to authorize the issuance of the City's certificates of obligation (the "Certificates"), in the maximum aggregate principal amount not to exceed EIGHT MILLION FOUR HUNDRED THOUSAND DOLLARS (\$8,400,000), payable from ad valorem taxes and from a limited pledge of certain surplus revenues of the City's combined water and wastewater system in an amount not to exceed \$1,000, bearing interest at any rate or rates not to exceed the maximum interest rate authorized by law, as shall be determined within the discretion of the City Council of the City at the time of issuance of the Certificates, and maturing over a period not to exceed forty (40) years from the date of issuance, for the purposes of evidencing the indebtedness of the City for all or any part of the costs associated with (a) constructing and improving City streets, and the acquisition of land and rights-of-way in connection therewith; (b) acquiring, constructing and improving the City's waterworks system and facilities, and the acquisition of land and rights-of-way in connection therewith; (c) acquiring, constructing and improving the City's sanitary sewer system and facilities, and the acquisition of land and rights-of-way in connection therewith; (d) acquiring, constructing and improving City drainage facilities, and the acquisition of land and rights-of-way in connection therewith (collectively, the "Project"); and (e) professional services of attorneys, financial advisors and other professionals in connection with the Project and the costs of issuance of the Certificates. The estimated combined principal and interest required to pay the Certificates on time and in full is \$13,646,083.33. Such estimate is provided for illustrative purposes only, and is based on an assumed interest rate of 5.0%. Market conditions affecting interest rates vary based on a number of factors beyond the control of the City, and the City cannot and does not guarantee a particular interest rate associated with the Certificates. As of the date of this notice, the aggregate principal amount outstanding of tax-supported debt obligations of the City (excluding public securities secured by an ad valorem tax but designated by the City as self-supporting in Resolution No. 2026-08 dated February 17, 2026, which resolution is available from the City upon request) is \$31,550,000, and based on the City's expectations, as of the date of this notice the combined principal and interest required to pay all of the outstanding tax-supported debt obligations of the City (excluding public securities secured by an ad valorem tax but designated by the City as self-supporting) on time and in full is \$45,829,613.79.

WITNESS MY HAND, this 17th day of February, 2026.

Susie Quinn
City Secretary
City of Horseshoe Bay, Texas

EXHIBIT B
SELF-SUPPORTING DEBT

Principal Amount Designated as Self Supporting	Series Designation
\$15,380,000	General Obligation Refunding Bonds, Series 2007; Combination Tax & Revenue Certificates of Obligation, Series 2014; Combination Tax & Revenue Certificates of Obligation, Series 2016; Combination Tax & Revenue Certificates of Obligation, Series 2019; General Obligation Refunding Bonds, Series 2020; and Combination Tax & Revenue Certificates of Obligation, Series 2025



City of Horseshoe Bay, Texas
Summary Timetable for Issuance of
Combination of Tax & Revenue
Certificates of Obligation, Series 2026

- | | |
|------------------------------|---|
| *Tuesday, February 17, 2026* | <ul style="list-style-type: none">• FY 2025 audited financial statements approved by City Council.• City Council adopts a resolution directing publication of notice of the City's intention to issue Certificates of Obligation (COs). |
| Week of February 22, 2026 | <ul style="list-style-type: none">• First publication of notice of the City's intention to issue COs (must be at least 46 days prior to date of award by statute.)• Post notice of City's intention to issue COs on City's website (must be posted at least 46 days prior to the date of award and remain on the website until closing.) |
| Week of March 1, 2026 | <ul style="list-style-type: none">• Second publication of notice of the City's intention to issue COs. |
| Week of March 22, 2026 | <ul style="list-style-type: none">• Rating agency site visit in Horseshoe Bay. |
| Friday, April 10, 2026 | <ul style="list-style-type: none">• Ratings are received. |
| Monday, April 13, 2026 | <ul style="list-style-type: none">• Preliminary Official Statement is electronically distributed by financial advisor. |
| * Tuesday, April 21, 2026 * | <ul style="list-style-type: none">• COs are priced by financial advisor through competitive sale.• Award. COs are awarded by City Council to winning underwriter(s). |
| Wednesday, May 13, 2026 | <ul style="list-style-type: none">• Closing. COs are delivered and proceeds received by City. |

* Requires Official Council Meeting.



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

TO: Mayor and City Council
THRU: Jeff Koska, City Manager
FROM: Molly Jester, Finance Director
RE: Approval for Vendor for Emergency Response Fire Boat

To ensure compliance with City procurement policies requiring an Invitation to Bid (IFB) process for goods/services exceeding \$100,000, the City initiated an IFB for an emergency response fire boat.

The IFB was posted on the City website on December 15, 2025 and published in the *Beacon* and *Llano News* on December 18th, 24th, 31st, January 8th, and 15th.

A total of 5 bids were received as follows:

Technology International, Inc.
Nassau Trading, Inc.
Stanley Aluminum Boats
William E. Munson Co.
ACI Boats

Bids were due on January 21, 2026, and were evaluated by a review committee consisting of the Fire Chief, Assistant Fire Chief, Finance Director, and Purchasing Coordinator on January 28, 2026.

The Staff are requesting Council approve the vendor Stanley Aluminum Boats.

Potential Motion: “I move to approve the vendor Stanley Aluminum Boats for the construction of the Emergency Response Fire Boat.”

Enclosures: Internal Staff Evaluation Criteria Summary

Internal Staff Evaluation Criteria Summary for the Fire Rescue Boat IFB#12152025

City of Horseshoe Bay shall not be obligated to select the Respondent with the lowest price but shall make an award to the Respondent that provides the best value to the City.

All Responses were evaluated according to the following criteria:

Experience and References-past performance, references, and qualifications.	30%
Proposed plan for providing equipment	30%
Cost – competitiveness and clarity of pricing.	30%
Responsiveness – Completeness and professionalism of proposal.	10%

After reviewing all the bids received from the respondents, the average scores were taken into consideration. Along with the scores and the committee evaluation of each response a decision was formulated proposing what was considered to work best for the city, leading to the recommendation for Stanley Aluminum Boats to provide the manufacturing of the Fire Rescue Boat.

This company will be able to provide an Emergency Response Fire Boat that meets the needs and specifications outlined in the IFB. The vessel will be completed and ready for shipping within twelve (12) months of signed contract.

EMERGENCY RESPONSE FIRE RESCUE BOAT #12152025 – BID OPENING 1/21/2026					
1	Company	Contact Name	Phone	Email	BID
2	Technology International, Inc.	Bradley Hubbard	(407) 359-2373	brad@tii-usa.com	\$412,500.00
3	Nassau Trading Inc.	Masroor Ahmed	(929) 462-4043	masroor@nassautradinginc.com	\$449,489.00
4	Stanley Aluminum Boats	Gerry Ramsay	(705) 746-5875	gerry@connorindustries.com	\$258,044.00
5	William E. Munson Co.	Jesse Munson	(360) 707-2752	jesse@MunsonBoats.com	\$348,035.00
6	ACI Boats	Alasun Schrecengost	(360) 385-1203	govsales@aciboats.com	\$542,000.00
7					
8					
9					
10					
11					
12					
13					

EMERGENCY RESPONSE FIRE RESCUE BOAT IFB#12152025

COMPANY	TOTAL COST	COMMITTEE AWARD SCORE	COMMITTEE RANKING
Technology International, Inc	\$412,500.00	50.3	4
Nassau Trading Inc.	\$449,489.00	31.2	5
Stanley Aluminum Boats	\$258,044.00	74.6	1
William E. Munson Co.	\$348,035.00	65.1	2
ACI Boats	\$542,000.00	54.9	3

Evaluation Committee
Master Score Sheet
For
[Fire Rescue Boat IFB #12152025]

			Committee Score				
Criteria	Weight (Maximum Points Permitted)		Technology International Inc.	Nassau Trading Inc.	Stanley Aluminum Boats	William E. Munson Co.	ACI
1. Experience and References-past performance, references, and qualifications.	30%	86 85 87	78.5 89 40	89 13	88 88 85 100	92.5 93 75	86 60 60
2. Proposed plan for providing equipment	30%		44	15	100	65	
3. Cost - competitiveness and clarity of pricing.	30%						
4. Responsiveness - Completeness and professionalism of proposal.	10%						
5.							
Total	[100 points]		251.5	156	373	325.5	274.67

Signature of Evaluation Committee Chair: _____

Printed Name of Evaluation committee Chair: _____

Date: 1-28-2026

**Evaluation Committee
Master Score Sheet
For
[Fire Rescue Boat IFB #12152025]**

Criteria	Weight (Maximum Points Permitted)	Committee Score				ACI
		Technology International Inc.	Nassau Trading Inc.	Stanley Aluminum Boats	William E. Musson Co.	
1. Experience and References-past performance, references, and qualifications.	30%	None 0	? 0	1982 FIRE BOAT 30	30	2015 15
2. Proposed plan for providing equipment	30%	15 PWS 25	2 0	12 HRS 30	2000 DAYS 100 10	2015 DAYS 30
3. Cost - competitiveness and clarity of pricing.	30%	14	10	30	20	5
4. Responsiveness - Completeness and professionalism of proposal.	10%	5	5	10	5	10
5.						
Total	[100 points]	44	15	100	65	60

Signature of Evaluation Committee Chair: _____

Printed Name of Evaluation committee Chair: Dag Fowler

Date: 01/28/2016

Evaluation Committee

Score Sheet

For

[Fire Rescue Boat IFB #12152025]

Criteria		Weight (Maximum Points Permitted)	Committee Score				ACI
			Technology International Inc.	Nassau Trading Inc.	Stanley Aluminum Boats	William E. Munson Co.	
1.	Experience and References-past performance, references, and qualifications.	30%	0	0	30	30	15
2.	Proposed plan for providing equipment	30%	20 20	0	30	15	30
3.	Cost - competitiveness and clarity of pricing.	30%	15	10	30	25 25	5
4.	Responsiveness - Completeness and professionalism of proposal.	10%	5	3	10	5	10
5.							
Total		[100 points]	40	13	100	75	60

Signature of Evaluator: _____

Printed Name of Evaluator: _____

Stephanie Black
Stephanie Black

Date: 1/28/2026

Printed Name of Evaluation committee Chair: Chief Fowler Date: 1.28.26

Evaluation Committee

Member Scoring Matrix

For

[Fire Rescue Boat IFB #12152025]

Criteria	Weight (Maximum Points Permitted)	Score				
		Technology International, Inc.	Nassau Trading Inc.	ACT Boats	Stanley Aluminum Boats	William E. Munson Co.
1. Experience and References-past performance, references, and qualifications.	30%	21		X	26	28
2. Proposed plan for providing equipment	30%	22		X	24	27
3. Cost - competitiveness and clarity of pricing.	30%	27	26	25	29	28
4. Responsiveness - Completeness and professionalism of proposal.	10%	8.5			9	9.5
5.						
Total	[100 points]	78.5 ②	DID NOT EVALUATE		88.0 ②	92.5 ①

412,500 ✓ 449,489 542,000 258044 ✓ 348035 ✓

Molly S. Jester 1.28.26
Molly S. Jester 1.28.26

Evaluation Committee

Member Scoring Matrix

For

[Fire Rescue Boat IFB #12152025]

Criteria		Weight (Maximum Points Permitted)	Score				ACI Boats 20 mo
			Technology International, Inc. 15 mo	Nassau Trading Inc. 26 mo	Stanley Aluminum Boats no ref	William E. Munson Co.	
1.	Experience and References-past performance, references, and qualifications.	30%	29	28	25	29	29
2.	Proposed plan for providing equipment	30%	25	28	25	29	28
3.	Cost - competitiveness and clarity of pricing.	30%	25	23	25	25	20
4.	Responsiveness - Completeness and professionalism of proposal.	10%	10	10	10	10	9
5.							86
Total		[100 points]	89	89	85	93	

Robert Isaac
ROBERT ISAAC

1-28-2026

human
document

LANDING
CRAFT
NO
CATERING
NO SHELTER
NO MANURE

20% deposit
March 31
From Canada
O/S TAXES
TAREFFS
PAYMENT
TERMS

Delivery
at 25K
cost 18K
boat 4K

Evaluation Committee Member

Fire Rescue Boat IFB #12152025

Non-Disclosure and Conflict of Interest Disclosure Statement

I Robert Isaac, the undersigned, hereby certify that the following statements are true and correct and that I understand and agree to be bound by the commitments contained herein. I am acting at the request of the City of Horseshoe Bay as a participant in the [Fire Rescue Boat IFB #12152025]

I am acting of my own accord and am not acting under duress. I am not currently employed by, nor am I receiving any compensation from, nor have I been the recipient of any present or future economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service in connection with any responses or involved respondent in return for favorable consideration. I have no preconceived position on the relative merits of any of the submitted responses nor have I established a personal preference or position on the worth or standing of any respondent participating in this action.

I agree not to disclose or otherwise divulge any information pertaining to the contents, status, or ranking of any submitted responses to anyone other than the evaluation committee chair or other evaluation committee members. I understand the terms "disclose or otherwise divulge" to include, but are not limited to, reproduction of any part or portion of any responses, or removal of same from designated areas without prior authorization from the Contract Developer. I agree to consult with the assigned Contract Developer or legal counsel, as appropriate, if I have any questions regarding the guidance provided to the evaluation committee. I agree to perform any and all evaluations of said submitted responses in an unbiased manner, to the best of my ability, and with the best interest of the City of Horseshoe Bay paramount in all decisions.


Signature

ROBERT S. ISAAC
Printed Name

1-28-2026
Date

Evaluation Committee Member

Fire Rescue Boat IFB #12152025

Non-Disclosure and Conflict of Interest Disclosure Statement

I, Stephanie Black, the undersigned, hereby certify that the following statements are true and correct and that I understand and agree to be bound by the commitments contained herein I am acting at the request of the City of Horseshoe Bay as a participant in the [Fire Rescue Boat IFB #12152025]

I am acting of my own accord and am not acting under duress I am not currently employed by, nor am I receiving any compensation from, nor have I been the recipient of any present or future economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service in connection with any responses or involved respondent in return for favorable consideration I have no preconceived position on the relative merits of any of the submitted responses nor have I established a personal preference or position on the worth or standing of any respondent participating in this action

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Stephanie Black
Signature

Stephanie Black
Printed Name

1/28/2026
Date

Evaluation Committee Member

Fire Rescue Boat IFB #12152025

Non-Disclosure and Conflict of Interest Disclosure Statement

I Molly Tester the undersigned, hereby certify that the following statements are true and correct and that I understand and agree to be bound by the commitments contained herein I am acting at the request of the City of Horseshoe Bay as a participant in the [Fire Rescue Boat IFB #12152025]

I am acting of my own accord and am not acting under duress I am not currently employed by, nor am I receiving any compensation from, nor have I been the recipient of any present or future economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service in connection with any responses or involved respondent in return for favorable consideration I have no preconceived position on the relative merits of any of the submitted responses nor have I established a personal preference or position on the worth or standing of any respondent participating in this action

I agree not to disclose or otherwise divulge any information pertaining to the contents, status, or ranking of any submitted responses to anyone other than the evaluation committee chair or other evaluation committee members I understand the terms "disclose or otherwise divulge" to include, but are not limited to, reproduction of any part or portion of any responses, or removal of same from designated areas without prior authorization from the Contract Developer I agree to consult with the assigned Contract Developer or legal counsel, as appropriate, if I have any questions regarding the guidance provided to the evaluation committee I agree to perform any and all evaluations of said submitted responses in an unbiased manner, to the best of my ability, and with the best interest of the City of Horseshoe Bay paramount in all decisions

Molly S. Tester
Signature

Molly S. Tester
Printed Name

1-28-26
Date

Evaluation Committee Member

Fire Rescue Boat IFB #12152025

Non-Disclosure and Conflict of Interest Disclosure Statement

I, Doug Fowler, the undersigned, hereby certify that the following statements are true and correct and that I understand and agree to be bound by the commitments contained herein. I am acting at the request of the City of Horseshoe Bay as a participant in the [Fire Rescue Boat IFB #12152025]

I am acting of my own accord and am not acting under duress. I am not currently employed by, nor am I receiving any compensation from, nor have I been the recipient of any present or future economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service in connection with any responses or involved respondent in return for favorable consideration. I have no preconceived position on the relative merits of any of the submitted responses nor have I established a personal preference or position on the worth or standing of any respondent participating in this action.

I agree not to disclose or otherwise divulge any information pertaining to the contents, status, or ranking of any submitted responses to anyone other than the evaluation committee chair or other evaluation committee members. I understand the terms "disclose or otherwise divulge" to include, but are not limited to, reproduction of any part or portion of any responses, or removal of same from designated areas without prior authorization from the Contract Developer. I agree to consult with the assigned Contract Developer or legal counsel, as appropriate, if I have any questions regarding the guidance provided to the evaluation committee. I agree to perform any and all evaluations of said submitted responses in an unbiased manner, to the best of my ability, and with the best interest of the City of Horseshoe Bay paramount in all decisions.

Doug Fowler
Signature

DOUG FOWLER
Printed Name

1-28-2026
Date



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
Thru: Jeff Koska, City Manager
From: John Byrum, Development Services Director
Re: Consideration and possible action on a request for a fourth building permit extension for the property located at 109 Plaza Escondido / *Allen & Lucchi, Applicant*

Section 3.03.012, Permit Extensions, of the Code of Ordinance allows for the City's Building Official to extend a building permit up to two times if the project will not be completed within the permit term (or any permitted extension of the term). If a project requires more than two permit extensions, the applicant will need to request an extension in writing, and the extensions must be considered by city council based on the schedule of time and fee (chart shown below). For any project that is not completed within the times allotted, the building inspector shall red tag the site and any additional construction will require a permit extension and permit fee as prescribed.

The applicant, Allen & Lucchi, is requesting a fourth building extension for 60 days. If granted, the permit fee would be \$10,000. The first building permit extension expired on September 22, 2025. The second building permit extension expired on November 21, 2025. The third building permit expired on January 20, 2026. A stop work order has been issued until a permit extension is granted. If granted, the fourth building permit extension would expire on March 21, 2026.

The chart on the second page shows the fees associated with each permit extension and the time of the permit extension. The highlighted section shows the associated fee for a fourth permit extension for 60 days.

Staff recommendation: Approval of the building permit extension request.

Potential motion: *I move to approve/deny the request by Allen & Lucchi for the project at 109 Plaza Escondido for a fourth building permit extension for 60 days and a fee of \$10,000.*

Time	3rd	4th	5th	6th
30 days	N/A	\$7,500.00	\$10,000.00	\$15,000.00
45 days	N/A	\$8,750.00	\$12,500.00	\$17,500.00
60 days	\$5000	\$10,000.00	\$15,000.00	\$20,000.00
75 days	\$6,250.00	\$12,500.00	\$17,500.00	\$22,500.00
90 days	\$7,500.00	\$15,000.00	\$20,000.00	\$25,000.00
105 days	\$8,750.00	\$17,500.00	\$22,500.00	\$27,500.00
120 days	\$10,000.00	\$20,000.00	\$25,000.00	\$30,000.00
135 days	\$11,250.00	\$22,500.00	\$27,500.00	\$32,500.00
150 days	\$12,500.00	\$25,000.00	\$30,000.00	\$35,000.00
165 days	\$16,750.00	\$27,500.00	\$32,500.00	\$37,500.00
180 days	\$20,000.00	\$30,000.00	\$35,000.00	\$40,000.00

Enclosures: Extension Request Letter
Stop Work Order

aL
Allen&Lucchi

Mail TO:
137 Plaza Escondido
Horseshoe Bay Texas 78657
Ship To:
137 Plaza Escondido
Horseshoe Bay Texas 78657
432-934-6971 cell
Allenlucchi@yahoo.com

January 14, 2026

TO:
City of Horseshoe Bay

**Please let this letter serve as formal request for the continuation
Of the building permit at 109 Plaza Escondido for an additional 60 days.**

John Byrum

From: Jeremy Jacobs
Sent: Friday, January 30, 2026 9:37 AM
To: corky allen
Cc: Permits; Code Enforcement; David Millegan; John Byrum
Subject: STOP WORK ORDER - 109 PLAZA ESCONDIDO, HORSESHOE BAY, TX 78657

CITY OF HORSESHOE BAY

OFFICIAL NOTICE OF STOP WORK ORDER

109 PLAZA ESCONDIDO

Effective Immediately, 01/30/2026

ATTN: G.W. ALLEN JR.

PO BOX 8906

HORSESHOE BAY, TX 78657

This email is to notify you that a Stop Work Order has been placed on your project.
The Stop Work Order has been issued for the following violation(s):

- **EXPIRED PERMIT**

Sec. 14.02.512 Stop orders

Whenever any work is being done contrary to the provisions of this article, the development services department may order the work stopped by notice in writing (referred to as a “stop work order”) served on any persons engaged in or causing such work to be done. The stop work order shall be posted on the property adjacent to the activity in question, and any such person shall forthwith stop work until authorized by the city to proceed with the work. (Ordinance 07-09-18E, sec. 5.2, adopted 9/18/07)Sec. 14.02.514 Penalties and injunctive relief Any person violating this article, upon conviction, is punishable by a fine in accordance with the following:(1) Civil and criminal penalties. The city shall have the power to administer and enforce the provisions of this article as may be required by governing law. Any person violating any provision of this article is subject to suit for injunctive relief as well as prosecution for criminal violations. Any violation of this article is hereby declared to be a nuisance.

(2) Criminal prosecution. Any person violating any provision of this article shall, upon conviction, be fined a sum not exceeding two thousand dollars (\$2,000.00). Each day that a provision of this article is violated shall constitute a separate offense. An offense under this article is a misdemeanor.(3) ***Civil remedies.*** Nothing in this article shall be construed as a waiver of the city's right to bring a civil action to enforce the provisions of this article, and to seek remedies as allowed by law, including, but not limited to the following:(A) Injunctive relief to prevent specific conduct that violates this article or to require specific conduct that is necessary for compliance with this article; and (B) A civil penalty up to one thousand dollars (\$1,000.00) a day (with each day constituting a separate offense and separate violation) when it is shown that the defendant was actually notified of the provisions of this article and after receiving notice committed acts in violation of this article or failed to take action necessary for compliance with this article; and (C) Other available relief. (4) Injunctive relief. Any person violating this article is subject to suit for injunction as well as prosecution for criminal violations. (Ordinance 07-09-18E, sec. 5.4, adopted 9/18/07)

3.03.015 Building inspection f) Noncompliance.

Should the building inspector determine that construction is not in compliance with building codes or is at variance with plans for the project, it shall be red tagged and construction must cease until the irregularity is corrected. Notice that a project is tagged shall include posting at the site and written notice to the permit holder. The permit holder may submit, in writing, its objection to the tagging to the city, and request a hearing before the council. If the issue is not resolved prior to the next scheduled meeting of the council, it shall be placed on the council's agenda for hearing. Following such hearing, the council may lift or continue the tagging. Any determination by the council shall be final.

(2) Criminal prosecution. Any person violating any provision of this article shall, upon conviction, be fined a sum not exceeding two thousand dollars (\$2,000.00). Each day that a provision of this article is violated shall constitute a separate offense. An offense under this article is a misdemeanor.(3) ***Civil remedies.*** Nothing in this article shall be construed as a waiver of the city's right to bring a civil action to enforce the provisions of this article, and to seek remedies as allowed by law, including, but not limited to the following:(A) Injunctive relief to prevent specific conduct that violates this article or to require specific conduct that is necessary for compliance with this article; and (B) A civil penalty up to one thousand dollars (\$1,000.00) a day (with each day constituting a separate offense and separate violation) when it is shown that the defendant was actually notified of the provisions of this article and after receiving notice committed acts in violation of this article or failed to take action necessary for compliance with this article; and (C) Other available relief. (4) Injunctive relief. Any person violating this article is subject to suit for injunction as well as prosecution for criminal violations. (Ordinance 07-09-18E, sec. 5.4, adopted 9/18/07)

FOR MORE INFORMATION, PLEASE CONTACT THE CITY OF HORSESHOE BAY DEVELOPMENT SERVICES DEPARTMENT AT 830-598-9959.

Respectfully,

Jeremy Jacobs
Code Enforcement Officer
City of Horseshoe Bay
830-598-8741 x278



PRIVACY NOTICE: *This e-mail and/or any attachment(s) may contain confidential and/or privileged information that is intended solely for the person or entity to which it is addressed. Any review, distribution, copying, printing, or unauthorized use of this e-mail by persons or entities other than the addressee is strictly prohibited. If you have received this e-mail in error, please contact the sender immediately and delete the material from your computer.*
Please note that this email can be subject to open records requests.



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
Thru: Jeff Koska, City Manager
From: John Byrum, Development Services Director
Re: Consideration and possible action on a request for a third building permit extension for the property located at 1407 Swallow / *Juan Rodriguez, Applicant*

Section 3.03.012, Permit Extensions, of the Code of Ordinance allows for the City's Building Official to extend a building permit up to two times if the project will not be completed within the permit term (or any permitted extension of the term). If a project requires more than two permit extensions, the applicant will need to request an extension in writing, and the extensions must be considered by city council based on the schedule of time and fee (chart shown below). For any project that is not completed within the times allotted, the building inspector shall red tag the site and any additional construction will require a permit extension and permit fee as prescribed.

The applicant, Juan Rodriguez, is requesting a third building extension for 60 days. If granted, the permit fee would be \$5,000. The first building permit extension expired on December 14, 2025. The second building permit extension expired on February 14, 2026. If granted, the third building extension permit would expire on April 15, 2026.

The chart on the second page shows the fees associated with each permit extension and the time of the permit extension. The highlighted section shows the associated fee for a third permit extension for 60 days.

Staff recommendation: Approval of the building permit extension request.

Potential motion: *I move to approve/deny the request by Juan Rodriguez for the project at 1407 Swallow for a third building permit extension for 60 days and a fee of \$5,000.*

Time	3rd	4th	5th	6th
30 days	N/A	\$7,500.00	\$10,000.00	\$15,000.00
45 days	N/A	\$8,750.00	\$12,500.00	\$17,500.00
60 days	\$5000	\$10,000.00	\$15,000.00	\$20,000.00
75 days	\$6,250.00	\$12,500.00	\$17,500.00	\$22,500.00
90 days	\$7,500.00	\$15,000.00	\$20,000.00	\$25,000.00
105 days	\$8,750.00	\$17,500.00	\$22,500.00	\$27,500.00
120 days	\$10,000.00	\$20,000.00	\$25,000.00	\$30,000.00
135 days	\$11,250.00	\$22,500.00	\$27,500.00	\$32,500.00
150 days	\$12,500.00	\$25,000.00	\$30,000.00	\$35,000.00
165 days	\$16,750.00	\$27,500.00	\$32,500.00	\$37,500.00
180 days	\$20,000.00	\$30,000.00	\$35,000.00	\$40,000.00

Enclosure: Extension Request Letter

Dear Ms. Carrillo,

Good afternoon.

I am writing to formally request an additional extension for the permit associated with the project located at 1407 Swallow. I respectfully request that this matter be placed on the February Council agenda for review and approval.

Due to the remaining scope of work, I am requesting an additional 5 weeks to complete the project. This additional time is necessary to ensure that all remaining work is completed in compliance with applicable codes and requirements.

Please let me know if any additional documentation or information is required to support this request. I appreciate your time and assistance and look forward to your guidance on the next steps.

Thank you for your consideration.

Sincerely,

Juan Rodriguez

8305963956



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
From: Jeff Koska, City Manager
Agenda: Resolution 2026-09: Donation of Property to the Mausoleum
Re: Resolution No. 2026-09 Approving And Authorizing The Conveyance Of Certain Real Property, Being A 3.1339 Acre Tract Of Land Located In Llano and Burnet Counties As Described In Attachment "A", To The Horseshoe Bay Memorial Association, Inc.

The City received a request from the HSB Memorial Association, a non-profit organization, seeking to extend its property to expand the existing Mausoleum area to accommodate future building and infrastructure for HSB memorial entombment projects. The 3.1339-acre property requested is a portion of a larger 12.702-acre tract that was provided to the City in 2013 by Mrs. Hurd as raw land in its natural state with no restrictions.

The City has a hiking trail across this property, but City has no future plans, other than keeping the existing defined Horseshoe Creek Trail System, for the tract 3.1339-acre tract. Staff believes this use of the property provides a unique opportunity for our City to provide much-desired use of this land by donating the property to the Memorial Association for use as a Community Memorial Park.

As part of this donation there is enclosed a multi-track public access easement document for the existing Horseshoe Creek Trail System that will be required for the Horseshoe Bay Memorial Association to sign to ensure the public accessway and future maintenance/upgrades for the exiting City trails located on both the City's property to be donated and the existing Mausoleum property prior to approval of the finalization of the City's donation. The easement document is attached as Exhibit C attached.

The City Manager has worked with the City Attorney to prepare a resolution, warranty deed and access easement to provide the Council with the option to donate this 3.1339-acre property to the Memorial Association for the purpose of a Community Memorial Park.

Staff recommendation is to approve the resolution as provided by Staff and authorize the Mayor to sign the warranty Deed transferring the property with required covenants and public access easement.

Recommended Motion: "I recommend the Council approve the attached resolution provided by Staff to donate the City's 3.16-acre tract identified as requested by the Memorial Association for the public purpose of expansion of the existing community Mausoleum expansion project and authorize the Mayor to sign the warranty Deed transferring the property with required covenants and public access easement".

**Enclosures: Letter from Vice Chairman Ron Mitchell
Resolution 2026-09**



HORSESHOE BAY RESORT.

Office of Ron Lynn Mitchell
Vice Chairman

Honorable Jeff Jones
Mayor City of Horseshoe Bay Texas

December 8, 2025

C.c. Jeff Koska, City Manager

Dear Mayor Jones,

Per the request of the City Staff please accept this letter on behalf of the Horseshoe Bay Memorial Association a 501 © organization dedicated to the development and maintenance of the Horseshoe Bay Memorial Park Mausoleum and Crypt development, fostering community well-being, promoting a final resting place for City residents and their families, promoting green spaces, I am writing to request the City of Horseshoe Bay consideration for the donation of a parcel of city-owned land located off of Mountain Dew and Mausoleum Drive, Parcel ID 16120 as noted on Exhibit A. for connectivity to the current mausoleum structure and future development tracts owned by the association.

Our mission is to expand upon the need for current and future interment facility as the City of Horseshoe Bay continues to grow. We have extended access to the Memorial Park to all residents within the city limits of Horseshoe Bay vs prior limitations as to only residents living in Horseshoe Bay and Horseshoe Bay West.

Currently the association is in the process of completion of a several hundred thousand Mausoleum II structure featuring additional interment crypts and niches, acquisition of additional ac. from prior land donations from the City and Horseshoe Bay Resort.

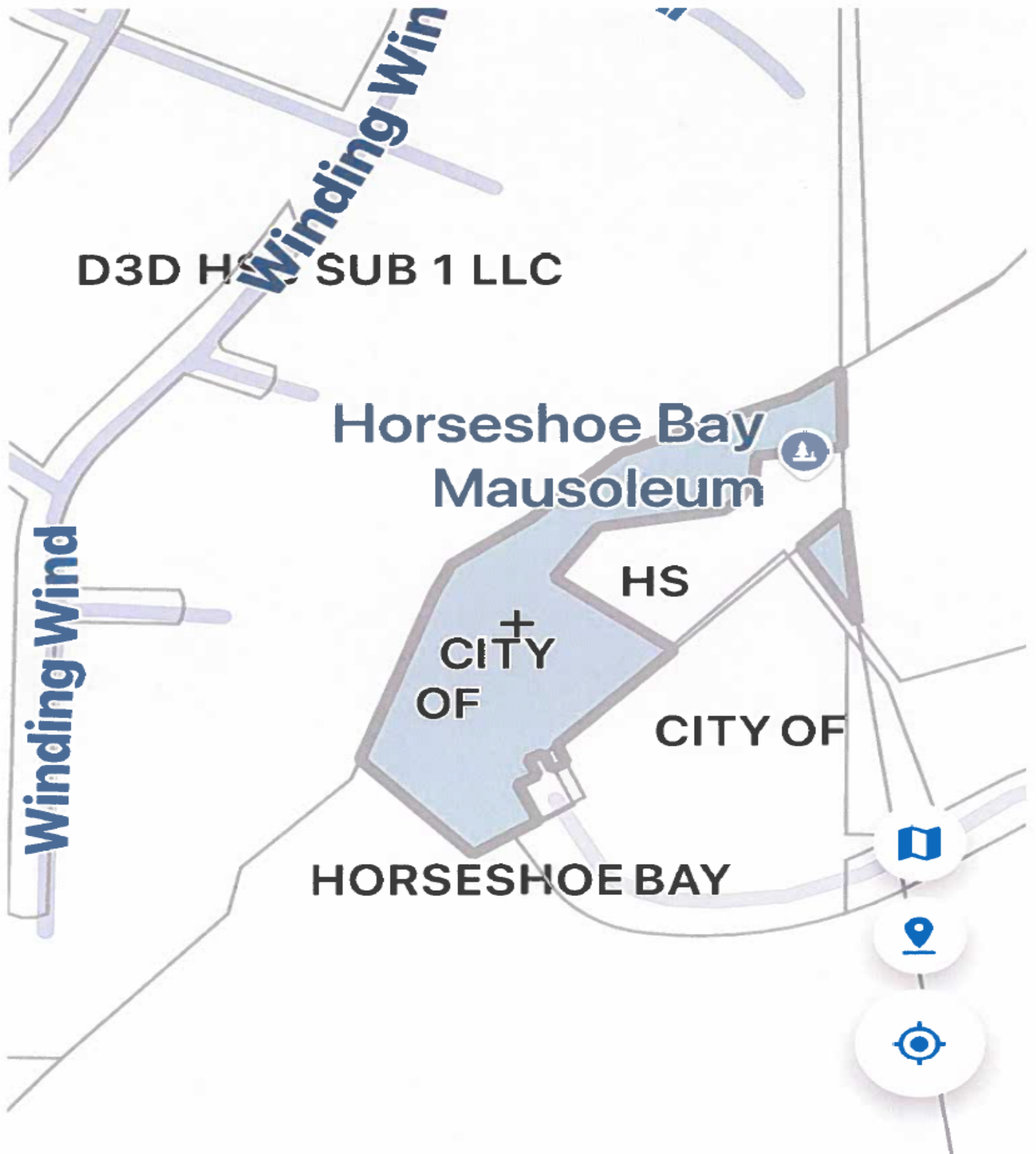
The Memorial Park is proposed to develop and maintain this land at no cost to the city. The master plan is currently being land planned to include additional mausoleums, private individual and family crypts, memorial park, walking trails potential chapel, restrooms, and additional parking as well as ac of native green areas.

We are eager to again partner with the City of Horseshoe Bay to bring this vision to life including a non-exclusive City easement to the City Nature Trail abutting Memorial Park. I am available for a meeting to discuss this opportunity and answer any questions you may have if needed.

Thank you for your time, consideration, and dedication to our community.

Sincerely,

Ron Lynn Mitchell, Memorial Association Member



CITY OF HORSESHOE BAY, TEXAS

RESOLUTION NO. 2026-09

A RESOLUTION OF THE CITY OF HORSESHOE BAY, TEXAS, APPROVING AND AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY, BEING A 3.1339 ACRE TRACT OF LAND LOCATED IN LLANO COUNTY AS DESCRIBED IN ATTACHMENT “A”, TO THE HORSESHOE BAY MEMORIAL ASSOCIATION, INC., FOR THE PUBLIC PURPOSES OF PROVIDING ADDITIONAL MEMORIAL PARK GROUNDS AND RECREATIONAL TRAILS; PROVIDING FOR FINDINGS OF FACT, SEVERABILITY, REPEALER, EFFECTIVE DATE, AND PUBLIC NOTICE AND MEETING.

WHEREAS, the City Council of the City of Horseshoe Bay, Texas (the “City”) seeks to provide for the health, safety, and welfare of its citizens; and

WHEREAS, the City accepted and received certain real property interests by donation in 2013, as described in Resolution No. RES 13-02-19A, including four tracts of land conveyed to the City by that certain Special Warranty Deed recorded as Document No. 201300612, Official Public records of Burnet County, Texas; and

WHEREAS, a portion out of said four tracts remains held by the City as undeveloped land, and is located adjacent to the existing Horseshoe Bay Mausoleum, such undeveloped land held by the City being that certain 3.1339 acre tract of land located in Llano and Burnet counties as described in Attachment “A” (the “Property”); and

WHEREAS, the City may convey land to a nonprofit entity to use to promote a public purpose, provided that if the nonprofit at any time fails to use the land in that manner, then the ownership of the land automatically reverts to the City, consistent with Texas Local Government Code Section 253.011; and

WHEREAS, the City desires to convey the Property to the Horseshoe Bay Memorial Association, Inc., a 501(c) nonprofit entity, for the public purposes of providing additional Memorial Park grounds and recreational trails for the benefit of the residents of the City and the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HORSESHOE BAY, TEXAS THAT:

1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Resolution by reference as findings of fact as if expressly set forth herein.

2. APPROVAL AND AUTHORIZATION OF CONVEYANCE

The City Council hereby approves and authorizes the conveyance of Property to the Horseshoe Bay Memorial Association, Inc., for the public purposes of providing additional Memorial Park grounds and recreational trails for the benefit of the residents of the City and the general public, and authorizes the Mayor and/or the City Manager to execute all necessary documents to carry out such conveyance, including the execution of a Special Warranty Deed substantially in the form as attached hereto as **Attachment “A”**, which is incorporated herein for all intents and purposes.

3. SEVERABILITY

It is the intention of the City Council of the City of Horseshoe Bay that if any phrase, sentence, section, or paragraph of this Resolution shall be declared unconstitutional or otherwise invalid by final judgement of a court of competent jurisdiction such unconstitutionality or invalidity shall not affect any of the remainder of this Resolution since the same would have been enacted by the City Council without incorporation of the unconstitutional or invalid phrase, sentence, section, or paragraph.

4. REPEALER

All prior resolutions or parts of other resolutions in force when the provisions of this Resolution become effective that are inconsistent or in conflict with the terms and provisions contained in this Resolution are hereby repealed only to the extent of any such conflict.

5. EFFECTIVE DATE

This Resolution shall take effect upon its passage by the City Council and publication as provided for by law.

6. PUBLIC NOTICE AND MEETING

It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public and that public notice of the time, date, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

ADOPTED AND APPROVED on this the 17th day of February 2026.

ATTEST:



CITY OF HORSESHOE BAY, TEXAS

Jeff Jones
Mayor

Susie Quinn
City Secretary

ATTACHMENT “A”

Special Warranty Deed

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
COUNTY OF BURNET §
AND COUNTY OF LLANO §

Grantor: **The City of Horseshoe Bay, Texas**, a home-rule municipality

Grantor's Address: P.O. Box 7765
 Horseshoe Bay, Texas 78657

Grantee: **The Horseshoe Bay Memorial Association, Inc.** a 501(c) nonprofit corporation

Grantee's Address: P.O. Box 4173
 540 Mausoleum Drive
 Horseshoe Bay, Texas 78657

Property: That certain 3.1339 acres of land, more or less, out of the John Darlin Survey Number 4, Abstract Number 248, in Burnet and Llano Counties, Texas, and being a portion of the land as conveyed to the City of Horseshoe Bay, Texas in Document Number 201300612 of the Official Public Records of Llano County, Texas, and being more specifically described by metes and bounds and survey plat in Exhibit A, which is attached hereto and incorporated herein.

Consideration: One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the Grantee's agreement, on behalf of Grantee, its successors and assigns, to be bound by the Restrictive Covenants attached hereto as Exhibit B and incorporated herein.

Conveyance: Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty (as defined below), grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns for as long as the Fee Simple Determinable Condition (as defined below) is satisfied, and if the Fee Simple Determinable Condition is not satisfied, the Property will automatically revert to and be owned by Grantor without the necessity of any further act on the part of Grantor, it being Grantor's intent to convey a fee simple determinable estate to Grantee.

Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

Fee Simple Determinable Condition: The Property is conveyed solely for the purpose of primarily promoting the public purposes of the City of Horseshoe Bay, Texas, as described in the Restrictive Covenants attached hereto as Exhibit B and incorporated herein. If the Grantee, its successors or assigns at any time fails to use the Property in compliance with the Restrictive Covenants, then the Property shall automatically revert to the Grantor.

Reservations from Conveyance: For Grantor and Grantor's successors and assigns there is hereby reserved a right of access to, over, on, and across the Property at all times for the purposes of Grantor to monitor, inspect, and take corrective actions if necessary to ensure that the covenants, conditions, and restrictions set forth in the Restrictive Covenants are complied with and that the public purposes set forth therein are achieved.

Exceptions to Conveyance and Warranty: Grantee accepts the Property subject to any and all validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing restrictions, reservations, covenants, conditions, oil and gas leases, mineral interests, and water interests, and other instruments that affect the Property; validly existing rights of adjoining owners in any walls and fences situated on a common boundary; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or overlapping of improvements; any and all standby fees, taxes, and assessments by any taxing authority for the current and subsequent years, which Grantee assumes and agrees to pay, including any subsequent assessments or taxes for prior years due to change in land usage, ownership, or both.

GRANTEE IS TAKING THE PROPERTY IN AN ARM'S-LENGTH AGREEMENT BETWEEN THE PARTIES. THE CONSIDERATION WAS BARGAINED ON THE BASIS OF AN "AS IS, WHERE IS" TRANSACTION AND REFLECTS THE AGREEMENT OF THE PARTIES THAT THERE ARE NO REPRESENTATIONS OR EXPRESS OR IMPLIED WARRANTIES AS TO THE CONDITION OF THE PROPERTY. GRANTEE HAS NOT RELIED ON ANY INFORMATION AS TO THE CONDITION OF THE PROPERTY OTHER THAN GRANTEE'S INSPECTION OF THE PROPERTY.

GRANTEE RELEASES GRANTOR FROM LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY, INCLUDING LIABILITY (1) UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA), THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA), THE TEXAS SOLID WASTE DISPOSAL ACT, AND THE TEXAS WATER CODE; OR (2) ARISING AS THE RESULT OF THEORIES OF PRODUCT LIABILITY AND STRICT LIABILITY, OR UNDER NEW LAWS OR CHANGES TO EXISTING LAWS ENACTED AFTER THE EFFECTIVE DATE OF THE PURCHASE CONTRACT THAT WOULD OTHERWISE IMPOSE ON GRANTORS IN THIS TYPE OF TRANSACTION NEW LIABILITIES FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY.

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

EXECUTED on the date(s) of acknowledgment indicated below.

GRANTOR: City of Horseshoe Bay, Texas

By _____

Name: Jeff Jones _____

Title: Mayor _____

Date: _____

STATE OF TEXAS §

§

COUNTY OF LLANO §

The foregoing instrument was acknowledged before me on _____, 2026,
by _____ *[Name]*, _____ *[Title]* of the City of
Horseshoe Bay, Texas, on behalf of said municipality.

Notary Public, State of Texas

GRANTEE: The Horseshoe Bay Memorial Association, Inc.

By: _____

Name: Steve Jordan

Title: President

Date: _____

STATE OF TEXAS §

§

COUNTY OF LLANO §

The foregoing instrument was acknowledged before me on _____, 2026,
by _____ *[Name]*, _____ *[Title]* of the
Horseshoe Bay Memorial Association, Inc., on behalf of said nonprofit corporation.

Notary Public, State of Texas

Return to the following after recording:

Grantee:
The Horseshoe Bay Memorial Association, Inc.
P.O. Box 4173
Horseshoe Bay, Texas 78657

EXHIBIT A

Legal Description of the Property

LEGAL DESCRIPTION:

TRACT 1:
BEING 0.0439 OF AN ACRE TRACT OF LAND, LOCATED IN THE JOHN DARLIN SURVEY NUMBER 4, ABSTRACT NUMBER 248, LLANO COUNTY, TEXAS, AND BEING OUT OF THE REMAINDER OF A CALLED 12.702 ACRE TRACT DESCRIBED TO THE CITY OF HORSESHOE BAY IN DOCUMENT NUMBER 201300612 OF THE OFFICIAL PUBLIC RECORDS OF LLANO COUNTY, TEXAS [O.P.R.L.C.T.]; SAID 0.0439 OF AN ACRE TRACT BEING FURTHER DESCRIBED BY THE ACCOMPANYING METES AND BOUNDS DESCRIPTION.

TRACT 2:
BEING A 3.09 ACRE TRACT OF LAND, LOCATED IN THE JOHN DARLIN SURVEY NUMBER 4, ABSTRACT NUMBER 248, LLANO COUNTY, TEXAS, AND BEING OUT OF THE REMAINDER OF A CALLED 12.702 ACRE TRACT DESCRIBED TO THE CITY OF HORSESHOE BAY IN DOCUMENT NUMBER 201300612 OF THE OFFICIAL PUBLIC RECORDS OF LLANO COUNTY, TEXAS [O.P.R.L.C.T.]; SAID 3.09 ACRE TRACT BEING FURTHER DESCRIBED BY THE ACCOMPANYING METES AND BOUNDS DESCRIPTION:

CONTROL NOTE:

BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM, TEXAS CENTRAL ZONE (4203), NORTH AMERICAN DATUM 1983 (NAD83), NAVD88, GEIOD18. ALL COORDINATE VALUES AND DISTANCES SHOWN ARE GRID. UNITS: US SURVEY FEET.
THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT. EASEMENTS OR OTHER MATTERS OF RECORD MAY EXIST WHERE NONE ARE SHOWN.

REMAINDER OF
A CALLED
D30 HSB SUB 1, LLC
DOC.# 22-09089

3.09 AC
(TRACT 2)

REMAINDER OF
12.702 AC
CITY OF
HORSESHOE BAY
DOC.#201300612

4.46 AC
CITY OF
HORSESHOE BAY
DOC.#201302186
2/18/2013

REMAINDER OF
TRACT MM-3
125.385 AC
VOL.8, PG.78
PLAT RECORDS
WAYNE & BLEN HURD
REVOCABLE TRUST
VOL.1200, PG.354

0.074 AC
HORSESHOE BAY MEMORIAL
ASSOCIATION, INC.
VOL.362, PG.913 &
VOL.1542, PG.1682

REMAINDER OF
0.982 AC
HORSESHOE BAY
MEMORIAL
ASSOCIATION
VOL.1556,
PG.2556

REMAINDER OF
12.702 AC
CITY OF
HORSESHOE BAY
DOC.#201300612

0.272 AC
HSB POA
VOL.1549, PG.3687

3.30 AC
HORSESHOE BAY
MEMORIAL
ASSOCIATION, INC.
DOC.#25-00209

LINE	BEARING	DISTANCE
L1	S 01°59'14" E	99.39'
L2	N 33°05'03" W	74.52'
L3	N 45°15'31" E	52.41'
L4	S 25°09'44" E	83.61'
L5	S 57°13'48" W	17.43'
L6	S 67°47'20" W	89.06'
L7	S 57°42'02" W	74.32'
L8	N 46°34'27" W	189.92'
L9	N 25°19'55" E	47.19'
L10	N 64°36'27" E	118.34'
L11	N 47°43'04" E	147.78'
L12	N 64°33'54" E	46.14'
L13	S 02°22'24" E	103.05'
L14	S 81°58'06" W	92.62'
L15	S 14°50'28" W	63.09'
L16	S 42°40'12" W	17.44'
L17	S 64°48'40" W	12.13'
L18	S 80°03'33" W	154.68'
L19	S 35°07'20" W	92.18'
L20	S 55°06'56" E	181.73'

LEGEND

SUBJECT BOUNDARY
ADJOINER BOUNDARY
DRILL HOLE FOUND
IRON ROD WITH CAP
(UNLESS OTHERWISE NOTED)
CALCULATED POINT
MAG NAIL
POINT OF BEGINNING
DOCUMENT NUMBER LLANO
COUNTY OFFICIAL PUBLIC RECORDS
VOLUME AND PAGE LLANO
COUNTY DEED RECORDS



DOC# 0 100 200
VOL., PG.

Date: 02/09/2026 GF No. N/A
Job# 0149-IN170A Scale: 1"=100' Size: 8.5X11
Address: MAUSOLEM RD Drawn By:
City: HORSESHOE BAY Zip: 78657 JWB

Rev: -
Rev: -
79 S. Wynnoak Cir, Spring, TX 77382
Mobile: 737-202-8333
Email: Garrett@mc surveytx.com
www.MCSurveyTX.com
TBIPLS FIRM # 10194678



SURVEYOR'S CERTIFICATE:

I, GARRETT CAVAIUOLO, REGISTERED PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFY THAT THIS PLAT AND ACCOMPANYING LEGAL DESCRIPTION OF EVEN DATE REPRESENT AN ACTUAL SURVEY PERFORMED ON THE GROUND UNDER MY SUPERVISION.

GARRETT CAVAIUOLO
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 6714



SHEET 1 OF 1



METES & BOUNDS DESCRIPTION

(TRACT 1)

BEING 0.0439 OF AN ACRE TRACT OF LAND, LOCATED IN THE JOHN DARLIN SURVEY NUMBER 4, ABSTRACT NUMBER 248, LLANO COUNTY, TEXAS, AND BEING OUT OF THE REMAINDER OF A CALLED 12.702 ACRE TRACT DESCRIBED TO THE CITY OF HORSESHOE BAY IN DOCUMENT NUMBER 201300612 OF THE OFFICIAL PUBLIC RECORDS OF LLANO COUNTY, TEXAS [O.P.R.L.C.T.]; SAID 0.0439 OF AN ACRE TRACT BEING FURTHER DESCRIBED BY THE FOLLOWING METES AND BOUNDS DESCRIPTION:

BEGINNING, AT A DRILL HOLE, FOUND FOR THE NORTH CORNER OF THE HEREIN DESCRIBED TRACT, SAME BEING ON AN INTERIOR LINE OF SAID 12.702 ACRE REMAINDER TRACT, SAME BEING THE SOUTHEAST LINE OF THE REMAINDER OF A CALLED 0.982 ACRE TRACT DESCRIBED TO HORSESHOE BAY MEMORIAL ASSOCIATION IN VOLUME 1556, PAGE 2556 [O.P.R.L.C.T.], AND SAME BEING THE EASTERLY SOUTHEAST CORNER OF A CALLED 0.272 OF AN ACRE TRACT, DESCRIBED TO HSB POA IN VOLUME 1549, PAGE 3687 [O.P.R.L.C.T.], THIS POINT ALSO BEING ON THE COUNTY LINE OF BURNET AND LLANO COUNTY;

THENCE, S 01°59'14" E, OVER AND ACROSS SAID 12.702 ACRE REMAINDER TRACT, ALONG SAID COUNTY LINE, FOR A DISTANCE OF 99.39 FEET TO A CALCULATED POINT, BEING ON A SOUTHWEST LINE OF SAID 12.702 ACRE REMAINDER TRACT, AND SAME BEING THE NORTHEAST LINE OF A CALLED 3.30 ACRE TRACT DESCRIBED TO HORSESHOE BAY MEMORIAL ASSOCIATION, INC. IN DOCUMENT NUMBER 25-00209 [O.P.R.L.C.T.];

THENCE, N 33°05'03" W, WITH THE COMMON LINE OF SAID 12.702 ACRE REMAINDER TRACT AND SAID 3.30 ACRE TRACT, FOR A DISTANCE OF 74.52 FEET TO A TWO-INCH STEEL FENCE POST, FOUND FOR THE NORTH CORNER OF SAID 3.30 ACRE TRACT, AND SAME BEING A POINT IN THE SOUTHEAST LINE OF SAID 0.272 OF AN ACRE TRACT;

THENCE, N 45°15'51" E, WITH THE COMMON LINE OF SAID 12.702 ACRE REMAINDER TRACT AND SAID 0.272 OF AN ACRE TRACT, FOR A DISTANCE OF 52.41 FEET, BACK TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT, CONTAINING 0.0439 OF AN ACRE, MORE OR LESS.

Basis of bearing is the Texas Coordinate System, Texas Central Zone [4203], NAD83. All distances (U.S. Survey Feet) are grid.

I, Garrett Cavauiolo, Registered Professional Land Surveyor, hereby certify that this property description and accompanying survey drawing of even date, represent an actual survey performed on the ground in the month of October 2024.



Garrett Cavauiolo - RPLS# 6714
Garrett@MCSurveyTX.com
TBPELS FIRM# 10194678
PRJ# 0149-LN170A





METES & BOUNDS DESCRIPTION

(TRACT 2)

BEING A 3.09 ACRE TRACT OF LAND, LOCATED IN THE JOHN DARLIN SURVEY NUMBER 4, ABSTRACT NUMBER 248, LLANO COUNTY, TEXAS, AND BEING OUT OF THE REMAINDER OF A CALLED 12.702 ACRE TRACT DESCRIBED TO THE CITY OF HORSESHOE BAY IN DOCUMENT NUMBER 201300612 OF THE OFFICIAL PUBLIC RECORDS OF LLANO COUNTY, TEXAS [O.P.R.L.C.T.]; SAID 3.09 ACRE TRACT BEING FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, AT AN IRON ROD WITH A PLASTIC CAP STAMPED "1877", FOUND FOR AN EXTERIOR SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, SAME BEING THE SOUTH CORNER OF THE REMAINDER OF A CALLED 0.982 OF AN ACRE TRACT DESCRIBED TO HORSESHOE BAY MEMORIAL ASSOCIATION IN VOLUME 1556, PAGE 2556 [O.P.R.L.C.T.], AND SAME BEING A POINT IN THE NORTHWEST LINE OF A CALLED 3.30 ACRE TRACT DESCRIBED TO HORSESHOE BAY MEMORIAL ASSOCIATION, INC. IN DOCUMENT NUMBER 25-00209 [O.P.R.L.C.T.];

THENCE, WITH THE COMMON LINE OF SAID 3.30 ACRES AND SAID 12.702 ACRE REMAINDER TRACT, THE FOLLOWING COURSES AND DISTANCES:

1. S 44°36'35" W, 201.36 FEET TO A FOUND 2 INCH STEEL FENCE POST,
2. S 25°09'44" E, 83.61 FEET TO A FOUND 2 INCH STEEL FENCE POST,
3. S 57°13'48" W, 17.43 FEET TO AN IRON ROD WITH A PLASTIC CAP STAMPED "1877", FOUND IN THE SOUTHERLY SOUTHEAST LINE OF SAID 12.702 ACRE REMAINDER TRACT, SAME BEING AN EXTERIOR SOUTHWEST CORNER OF SAID 3.30 ACRE TRACT, AND SAME BEING THE NORTHEAST CORNER OF THE WEST END OF A CALLED 4.46 ACRE TRACT DESCRIBED TO THE CITY OF HORSESHOE BAY IN DOCUMENT NUMBER 201302186 [O.P.R.L.C.T.];

THENCE, S 57°47'20" W, WITH THE COMMON LINE OF SAID 12.702 ACRE REMAINDER TRACT AND SAID 4.46 ACRE TRACT, FOR A DISTANCE OF 69.96 FEET TO AN IRON ROD WITH A PLASTIC CAP, FOUND FOR THE WEST CORNER OF SAID 4.46 ACRES, SAME BEING IN THE NORTH LINE OF THE REMAINDER OF TRACT MM-5 OF HORSESHOE BAY PLAT NO. 55.1, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED UNDER VOLUME 8, PAGE 78 OF THE PLAT RECORDS OF LLANO COUNTY, TEXAS;

THENCE, WITH THE COMMON LINE OF SAID 12.702 ACRE REMAINDER TRACT AND SAID TRACT MM-3, THE FOLLOWING COURSES AND DISTANCES:

1. S 57°42'02" W, 74.32 FEET TO A FOUND 1/2 INCH IRON ROD,
2. N 46°34'27" W, 189.92 FEET TO AN IRON ROD WITH A PLASTIC CAP STAMPED "WILLIS", FOUND FOR THE WESTERLY SOUTHWEST CORNER OF SAID 12.702 ACRE REMAINDER TRACT, SAME BEING AN EXTERIOR NORTH CORNER OF SAID TRACT MM-3, AND SAME BEING ON A SOUTHEAST LINE OF THE REMAINDER OF A CALLED 52.81 ACRE TRACT DESCRIBED TO D3D HSB SUB 1, LLC IN DOCUMENT NUMBER 22-09089 [O.P.R.L.C.T.];

THENCE, ALONG THE COMMON LINES OF SAID 12.702 ACRE REMAINDER TRACT AND SAID 52.81 ACRE REMAINDER TRACT, THE FOLLOWING COURSES AND DISTANCES:

1. N 18°15'14" E, 267.09 FEET TO A CALCULATED POINT,
2. N 25°19'56" E, 47.19 FEET TO A CALCULATED POINT,
3. N 54°35'27" E, 118.34 FEET TO A CALCULATED POINT,
4. N 47°43'04" E, 147.76 FEET TO A CALCULATED POINT,
5. N 68°02'14" E, 231.62 FEET TO A CALCULATED POINT,
6. N 54°33'54" E, 46.14 FEET TO A CALCULATED POINT ON THE BURNET-LLANO COUNTY LINE, BEING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;



THENCE, S 02°22'24" E, OVER AND ACROSS SAID 12.702 ACRE REMAINDER TRACT, ALONG SAID COUNTY LINE, FOR A DISTANCE OF 103.05 FEET TO A DRILL HOLE, FOUND FOR THE NORTHEAST CORNER OF A CALLED 0.272 OF AN ACRE TRACT DESCRIBED TO HSB POA IN VOLUME 1549, PAGE 3687 [O.P.R.L.C.T.];

THENCE, WITH THE COMMON LINE OF SAID 12.702 ACRE REMAINDER TRACT AND SAID 0.272 OF AN ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:


1. S 81°58'06" W, 92.52 FEET TO A CALCULATED POINT,
2. S 14°50'28" W, 63.09 FEET TO A MAG NAIL FOUND IN CONCRETE WALKWAY, SAME BEING AN ANGLE POINT IN A NORTHWEST LINE SAID 0.982 OF AN ACRE REMAINDER TRACT;

THENCE, WITH THE COMMON LINES OF SAID 12.702 ACRE REMAINDER TRACT AND SAID 0.982 OF AN ACRE REMAINDER TRACT, THE FOLLOWING COURSES AND DISTANCES:

1. S 42°40'12" W, 17.44 FEET TO AN IRON ROD FOUND WITH A PLASTIC CAP STAMPED "1877",
2. S 54°46'40" W, 12.13 FEET TO AN IRON ROD FOUND WITH A PLASTIC CAP STAMPED "1877",
3. S 80°03'33" W, 154.68 FEET TO AN IRON ROD FOUND WITH A PLASTIC CAP STAMPED "1877",
4. S 35°07'20" W, 92.18 FEET TO AN IRON ROD FOUND WITH A PLASTIC CAP STAMPED "1877",
5. S 55°06'56" E, 181.73 FEET BACK TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT, CONTAINING 3.09 ACRES OF LAND, MORE OR LESS.

Basis of bearing is the Texas Coordinate System, Texas Central Zone [4203], NAD83. All distances (U.S. Survey Feet) are grid.

I, Garrett Cavauiolo, Registered Professional Land Surveyor, hereby certify that this property description and accompanying survey drawing of even date, represent an actual survey performed on the ground in the month of October 2024.


Garrett Cavauiolo - RPLS# 6714
Garrett@MCSurveyTX.com
TBPELS FIRM# 10194678
PRJ# 0149-LN170A

2/6/2026



EXHIBIT B

Restrictive Covenants

Grantor, as the fee simple owner of the Property, establishes the following Restrictive Covenants as covenants, conditions, and restrictions on the use of the Property and the improvements placed on it. Grantor and Grantee stipulate that: (1) the Restrictive Covenants touch and concern the Property; (2) privity of estate exists by reason of the ownership of the Property; (3) notice is given by filing this instrument in the real property records of the counties in which the Property is situated; and (4) the Restrictive Covenants are reasonable, their purposes being for the benefit of Grantor, Grantee, and the public and consistent with Texas Local Government Code Section 253.011. The Restrictive Covenants run with the land making up the Property, are binding on Grantee and Grantee's successors and assigns forever, and inure to the benefit of Grantor and Grantor's successors and assigns forever. The conveyance of the Property is made by Grantor and accepted by Grantee subject to the following Restrictive Covenants:

1. The Property shall be used for the purpose of primarily promoting the public purposes of the City of Horseshoe Bay, Texas, to provide for:
 - a. expansion of Memorial Park grounds and recreational trails or pathways adjacent to the existing mausoleum and the existing Horseshoe Creek Trail system;
 - b. operation of a Memorial Park to provide mausoleums, graves, memorials, crypts, niches, columbarium, and other burial places for residents of the City of Horseshoe Bay, Texas and the general public;
 - c. construction, installation, maintenance, repair, and operation of improvements for such Memorial Park operations, including mausoleums, graves, memorials, crypts, niches, columbarium, other burial places, landscaping, walking and recreational trails or paths, benches, fences, walls, gates, lighting, and other associated improvements.
2. All Memorial Park operations on the Property shall comply with all applicable federal, state, and local laws, ordinances and regulations, including but not limited to the applicable provisions of Texas Health & Safety Code Chapters 711 through 716.
3. The Property shall be open and accessible to the public. Trails and pathways shall be open to the public for recreational use and shall connect to the City of Horseshoe Bay's Horseshoe Creek Trail system.
4. The City of Horseshoe Bay, Texas, shall have the right to enforce these Restrictive Covenants against Grantee and Grantee's successors and assigns. If the Grantee, its successors or assigns at any time fails to use the Property in compliance with the Restrictive Covenants, then the Property shall automatically revert to and be owned by the Grantor without the necessity of any further act on the part of Grantor.

Exhibit C – Public Access Easement for City’s Horseshoe Creek Trail System

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

TRAIL AND RECREATIONAL EASEMENT
WITH REQUIRED MAINTENANCE

THE STATE OF TEXAS §
COUNTY OF LLANO §

Date: February _____, 2026

Grantor: **The Horseshoe Bay Memorial Association, Inc.,** a 501(c)(3) nonprofit corporation

Grantor's Address: P.O. BOX 4173
540 Mausoleum Drive
Horseshoe Bay, Texas 78657

Grantee: **The City of Horseshoe Bay, Texas,** a home-rule municipality

Grantee's Address: 1 Community Drive
P.O. Box 7765
Horseshoe Bay, Texas 78657

Property: **TRACT 1** BEING ALL OF THE REMAINING PORTION OF A CALLED 0.982 ACRE TRACT OF LAND WITHIN LLANO COUNTY, TEXAS, LOCATED IN THE JOHN DARLIN SURVEY NUMBER 4, ABSTRACT NUMBER 248, DESCRIBED TO HORSESHOE BAY MEMORIAL ASSOCIATION IN VOLUME 1556, PAGE 2556 OF THE OFFICIAL PUBLIC RECORDS OF LLANO COUNTY, TEXAS [O.P.R.L.C.T]; SAVE AND EXCEPT THE REMAINING PORTION OF SAID 0.982 ACRE TRACT THAT LIES WITHIN BURNET COUNTY, TEXAS.

TRACT 2 BEING A 3.09 ACRE TRACT OF LAND, LOCATED IN THE JOHN DARLIN SURVEY NUMBER 4, ABSTRACT NUMBER 248, LLANO COUNTY, TEXAS, AND BEING OUT OF THE REMAINDER OF A CALLED 12.702 ACRE TRACT DESCRIBED TO THE CITY OF HORSESHOE BAY IN DOCUMENT NUMBER 201300612 OF THE OFFICIAL PUBLIC RECORDS OF LLANO COUNTY, TEXAS.

Easement Tract: All that parcel of land situated in Llano County, Texas, including the Easement Area and the Drive Aisle and Parking Area serving the Facilities

Easement Duration: Perpetual

Easement Purpose: To access, install, construct, operate, use, maintain, repair, modify, upgrade, monitor, inspect, replace, make connections with, and remove the Facilities, and allow for public use of the Facilities

Facilities: Walkways, multi-use trails, and promenade structures with all associated steps, stairs, ramps, tunnels, walls, together with all other appurtenances which provide public connectivity and an area with structures and associated appurtenances for public recreational and community gathering activities and providing public connectivity as determined by Grantee in its sole discretion. Facilities also include trailhead access improvements, including drive aisle(s) and parking area(s), together with related striping, signage, traffic control devices, curb or edge improvements, drainage features, and other appurtenances serving the Facilities.

Maintenance Obligations: Continuous maintenance of the Facilities to a good, functioning, and safe condition in compliance with all applicable laws and in accordance with the requirements of the Grantee as determined by the Grantee in its sole discretion.

Permitted Encumbrances: Any easements, liens, encumbrances, and other matters of record in the Official Public Records of the Texas county in which the Property and the Easement Tract are located as of the Date that are valid, existing, and affect the Property and/or the Easement Tract.

Non-Permitted Activity: Installation, construction, operation, use, maintenance, repair, modification, upgrade, relocation, or replacement within the Easement Tract of any structure, building, retaining wall, or fence, or any detention or water quality control improvement, rainwater harvesting system, or other similar improvement, that is not part of the Facilities or that interferes in any material way or is inconsistent with the rights granted to Grantee under this Easement as determined by Grantee in its sole discretion.

EASEMENT AREA: The easement area ("Easement Area") shall consist of a uniform-width pedestrian trail easement, being twenty (20) feet in width, centered on the as-built walking trail improvements, being ten (10) feet on each side of the centerline of the trail as constructed, as more particularly shown on Exhibit "A" attached hereto and incorporated herein. The Easement Area shall follow the final constructed alignment of the walking trail. Minor field adjustments shall not require amendment of this Easement, provided the trail remains within the intended corridor shown on Exhibit "A". In addition to the Easement Area, the Easement Tract includes the drive aisle and parking area serving the Facilities (the "Drive Aisle and Parking Area"), as depicted and/or described on Exhibit "A".

Grantor, for Ten and no/100 Dollars (\$10.00) and other good and valuable consideration paid to Grantor, the receipt and sufficiency of which are acknowledged by Grantor, grants, sells, and conveys to Grantee a non-exclusive easement in, over, under, on, and across the Easement Tract for the Easement Purpose as a dedication to Grantee for public trail and recreational purposes and as may be necessary or desirable

subject to the Permitted Encumbrances, together with (i) the right of pedestrian ingress and egress at all times over, on, and across the Easement Tract for use of the Easement Tract for the Easement Purpose, (ii) the right of vehicular ingress and egress over, on, and across the Drive Aisle and Parking Area for use of the Easement Tract for the Easement Purpose, including public access to and from the Facilities, and access by emergency responders and maintenance personnel, (iii) the right for Grantee and Grantee's employees, agents, consultants, contractors, and invitees to enter the Easement Tract with equipment and vehicles as reasonably necessary to access, install, construct, operate, use, maintain, repair, modify, upgrade, monitor, inspect, replace, make connections with, and remove the Facilities, (iv) the right to eliminate any encroachments or obstructions in the Easement Tract that interfere in any material way or are inconsistent with the rights granted Grantee under this instrument for the Easement Purpose as determined by Grantee in its sole discretion, and (v) any and all rights and appurtenances pertaining to use of the Easement Tract (collectively, the "Easement").

To have and to hold the Easement to Grantee and Grantee's successors and assigns for the Easement Duration and Easement Purpose; provided, however, Grantor reserves the right to enter upon and use any portion of the Easement Tract, but in no event shall Grantor enter upon or use any portion of the Easement Tract for any Non-Permitted Activity or in any other manner that interferes in any material way or is inconsistent with the rights granted to Grantee under this Easement as determined by Grantee in its sole discretion.

Grantor is obligated to perform the Maintenance Obligations, is jointly and severally liable to Grantee for the Maintenance Obligations, and in the event that Grantor does not perform the Maintenance Obligations, agrees: (i) that Grantee at its option may perform the Maintenance Obligations, (ii) to indemnify Grantee for all Grantee's costs necessary to perform the Maintenance Obligations, and (iii) that Grantee has a judicially enforceable lien on the Property to secure payment of all Grantee costs necessary to perform the Maintenance Obligations. Grantor may enter into an agreement with a third party regarding the maintenance obligations, but in no such event shall the agreement with the third party release Grantor from its obligations to Grantee under this Easement, which shall be a covenant running with the land. Grantee is only responsible for maintenance and construction of the defined City-owned hiking trails and not any paved pathway to the memorial park infrastructure.

Grantor binds Grantor and Grantor's heirs, successors, and assigns to **WARRANT AND FOREVER DEFEND** the title to the Easement, subject to the Permitted Encumbrances, to Grantee against every person whomsoever lawfully claiming or to claim the Easement Tract or any part of the Easement Tract. Grantor covenants that Grantor and Grantor's heirs, successors, and assigns shall not convey any other easement, license, or right to use the Easement Tract (or any portion thereof) for any Non-Permitted Activity or for any use that may interfere in any material way or may be inconsistent with the rights granted to Grantee under this Easement, as determined by the Grantee in its sole discretion.

Except where the context otherwise requires, *Grantor* includes *Grantor's heirs, successors, and assigns* and *Grantee* includes *Grantee's employees, agents, consultants, contractors, successors, and assigns*; and where the context requires, singular nouns and pronouns include the plural.

(The remainder of this page is intentionally blank)

Executed effective the Date first above stated.

The Horseshoe Bay Memorial Association, Inc.
a 501(c)(3) nonprofit corporation

By: _____

Name: Steve Jordan

Title: President

THE STATE OF TEXAS §
 §
COUNTY OF LLANO §

Before me, the undersigned notary, on this day personally appeared Steve Jordan, President of The Horseshoe Bay Memorial Association, Inc., a 501(c)(3) nonprofit corporation known to me through valid identification to be the person whose name is subscribed to the preceding instrument and acknowledged to me that the person executed the instrument in the person's official capacity for the purposes and consideration expressed in the instrument.

Given under my hand and seal of office on ____ of _____ 2026.

Notary Public, State of Texas

Approved as to Form:
City of Horseshoe Bay, Texas
City Attorney

Reviewed:
City of Horseshoe Bay, Texas
City Staff

By: _____

Name: Dottie Palumbo
Title: City Attorney

By: _____

Name: Jeffrey A. Koska
Title: City Manager



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
From: Jeff Koska, City Manager
Re: Approval of Summit Rock Public Improvement District (PID) Revised Payment Agreement

BACKGROUND

The City currently has an agreement with Summit Rock Public Improvement District (PID) that provides the City payment for city-provided utilities infrastructure, including components of the water distribution, water treatment, wastewater transmission, and wastewater treatment systems. The agreement predates the City's wet utilities impact fees but served the same purpose to compensate the City for costs of existing or city-built infrastructure, including a 750,000-gallon elevated storage water tank.

The original infrastructure expense related to the Summit Rock development was agreed by the City and Developer at \$7.4 million dollars. This amount was pledged by written agreement to be paid directly from the Summit Rock PID's initial payments from the \$2,800 annual collections for lots sold in the development.

This agreement also provided that the remainder of the agreed \$7.4 million not paid to the City through annual collections would incur interest at a rate of not less than 7% annually. The City received a \$2,000,000 payment at the time of the agreement to pay for the Summit Rock elevated storage tower construction, with the remaining payment calculated at \$5.4 million from the proceeds from annual collections, plus accumulated annual interest of 7%, remaining to be paid to the City until paid in full.

CURRENT STATUS

The City and Summit Rock PID, LLC have agreed that it is in the best interest of both parties to pay the remaining balance to the City and to establish that Summit Rock PID administration would be contracted to MuniCap, Inc. The work to complete the transaction and transfer of administration was performed by City staff, the City's Attorney, Summit Rock LLC, and MuniCap, Inc.

The payment agreement provides a true-up process to September 30, 2025, transaction date for proper dispersion of funds collected up to that date. After the effective date, all remaining assessment funds will be collected by Llano County Appraisal District (CAD), distributed through Regions Bank (Fund Trustee) to Summit Rock LLC.

FINANCIAL DETAILS

The remaining balance of the Summit Rock PID as of September 30, 2025, is as follows:

Principal Balance:	\$3,089,346.78
Unpaid Interest:	\$78,990.98
Credit from Utility Fund	\$19,499.72
Total Payment Due:	\$3,148,838.04

PREVIOUS COUNCIL ACTION

Three of four contracts required to complete the Summit Rock PID payoff have been previously approved by Council and all related parties. These include the Summit Rock Annual Service Plan Update, Summit Rock PID Custodial Agreement and the Summit Rock Administration Agreement with MuniCap, Inc. Additionally, Resolution 2026-03: Authorizing the transfer of Summit Rock PID assessments collected by Llano County to the trustee (Regions Bank) pursuant to the Summit Rock Public Improvement District Deposit Agreement (attached to this staff report for approval).

CURRENT ACTION REQUIRED

The Summit Rock Payment Agreement (Exhibit A) required several modifications to be acceptable to all parties involved. The enclosed revised version has been approved by all parties and is ready for Council to consider approval. The City Manager, Finance Director, and City Attorney have reviewed the agreement and approve of Council approval as presented. This will complete the City's required infrastructure funding for water and sewer that was agreed to be by the developer and the City. The remaining collected Summit Rock PID assessments will be directed to the Developer for reimbursement of streets, drainage and other infrastructure defined in the public improvement district document.

STAFF RECOMMENDATION

Staff recommends Council consider approval of the enclosed Summit Rock Payment Agreement (Exhibit A) as presented by staff and acceptance of the final payment of \$3,148,838.04 for the City's related Summit Rock PID-related infrastructure payoff.

POTENTIAL MOTION

I motion that the Council approve, and authorize the Mayor to sign, the enclosed Summit Rock Payment Agreement as presented by staff.

ENCLOSURES

Exhibit A: Summit Rock PID Payment Agreement (ready for approval)

**SUMMIT ROCK PUBLIC DISTRICT IMPROVEMENT
ASSIGNMENT OF PAYMENT AGREEMENT**

This Summit Rock District Improvement Payment Assignment of Payment Agreement (the “**Agreement**”) is executed between the City of Horseshoe Bay, Texas (the “**City**”) and Summit Rock PID, LLC, a Texas limited liability company (“**Developer**”).

RECITALS

WHEREAS, on March 20, 2007, the City Council of the City (the “**City Council**”) approved and adopted Resolution No. RES 07-03-20A, which authorized and created the Skywater Over Horseshoe Bay Public Improvement District No. 1, now known as Summit Rock Public Improvement District No. 1 (the “**District**”) covering the land more particularly described in the Resolution (the “**Property**”); and

WHEREAS, on December 11, 2007, the City Council approved and adopted Ordinance No. ORD 07-12-11D (the “**Assessment Ordinance**”), which, among other things: (i) approved a Service and Assessment Plan, and (ii) levied special assessments against property in the district to pay the cost of public improvements which were to be acquired, constructed, and dedicated to the City for the special benefit of the land within the District.

WHEREAS, the Assessment Ordinance authorizes the City to collect assessments from the Property within the District.

WHEREAS, Ordinance No. ORD 07-12-11D authorizes the City Manager of the City (the “**City Manager**”) to execute payment agreements in order to reimburse Developer for certain District Improvements; and

WHEREAS, on August 28, 2012, the City Council approved and adopted Ordinance No. ORD 12-08-28B (the “**Amendment Ordinance**”) which, among other things: (i) approved a supplemental Service and Assessment Plan, and (ii) levied supplemental special assessments against property in the district to pay the additional cost of public improvements which are to be acquired, constructed, and dedicated to the City for the special benefit of the land within the District.

WHEREAS, Summit Rock Public Improvement District No. 1 is as shown on Exhibit A attached to this Agreement; and

WHEREAS, Exhibit B attached to this Agreement lists the public improvements that have been completed by the City, that include a portion of the District’s infrastructure costs (which public improvements include the District-wide public improvements for the overall Development, such as arterial roads, sewer mains, and other overall improvements which shall benefit multiple phases, and were paid for by the City to be reimbursed by the Developer). These improvements (the “**City Improvements**”) cost the City **\$7,400,000**, of which the Developer has reimbursed the City **\$4,310,653.22**. With payment to the City, as specified in this Agreement, Developer will make a final reimbursement to the City for the City Improvements, in the amount of **\$3,089,346.78 principal and \$78,990.98 in accrued and unpaid interest**, and a credit of **\$19,499.72** from the Utility Fund; and

WHEREAS, on November 29, 2011, the City and Summit Rock Communities, LLC entered into an **Assignment and Pledge Reimbursement Agreement** that provides for the City’s duty to assign its rights of payment and to payment upon Developer’s payment in full of the note

NOW THEREFORE, FOR AND IN CONSIDERATION OF THE CITY UNDERTAKING THE CITY IMPROVEMENTS, THE MUTUAL OBLIGATIONS OF THE CITY AND DEVELOPER SET FORTH IN THIS AGREEMENT, AND OTHER GOOD AND VALUABLE CONSIDERATION THE RECEIPT OF WHICH IS ACKNOWLEDGED, THE CITY AND DEVELOPER AGREE AS FOLLOWS:

1. Recitals. The recitals set forth above are true and correct and form the basis upon which the City and Developer have negotiated and entered into this Agreement.
2. Developer's Land. The City and Developer acknowledge that the public improvements to serve Development have been completed, at a cost of **\$7,400,000** to the City. Pursuant to Section 3 of this Agreement, the Developer will make a final payment to the City in the amount **\$3,089,346.78 in principal and \$78,990.98 in accrued and unpaid interest**, a credit of **\$19,499.72** from the Utility Fund as full and final reimbursement for the City Improvements for the total due to the City of **3,148,838.04** as the Payment. The City and Developer acknowledge that the City Improvements have been completed in accordance with Ordinance No. ORD 12-06-19A, the Summit Rock Communities Planned Development (the “**PD Ordinance**”) and Horseshoe Bay City Code Subdivision Ordinance Article 3, Section 10.03.010 General design standards. The City and Developer acknowledge that the land within the District has received special benefit from the City Improvements.
3. Payment for City Improvements. The Developer shall pay **\$3,089,346.78 principal and \$78,990.98 in accrued and unpaid interest** to the City as full and final payment for the reimbursement of City Improvements, (“the Payment”) in accordance with the November 29, 2011 **Assignment and Pledge Reimbursement Agreement**. The payoff amount for the Payment is calculated based on assessments received by Llano County through September 30, 2025. Any additional assessment revenue received by the City’s Public Improvement District Administrator, currently MUNICAP, INC., after September 30, 2025 (the “**Subject Date**”) shall be collected by the City solely for the benefit of Developer and remitted to the Developer as set forth in Section 4 below. Conversely, if assessment revenues which are paid to Developer pursuant to the preceding sentence are adjusted downward or refunded, the Developer shall reimburse the City within 30 days of notification, along with supporting detail and explanation.
4. Assignment. Effective as of the Subject Date, upon receipt of the Payment, in accordance with the November 29, 2011 **Assignment and Pledge Reimbursement Agreement**, the City assigns to Developer all of its right, title and interest in and to rights of payment and payments, together with all other related rights, under and in connection with the District including, without limitation, in connection with: Texas Local Government Code Chapter 372 (the “**PID**”), Assessment Ordinance and Amendment Ordinance including without limitation, the administration and enforcement of the collection of the Payment, thereof. As part of such assignment, the City agrees that all funds collected by Llano County, Texas and/or the City in connection with the PID, the Assessment Ordinance and/or the Amendment Ordinance (collectively, the “**PID Funds**”) shall be delivered to Developer on a monthly basis such that all amounts received in the prior calendar month will be delivered by wire transfer (instructions to be provided by Developer) on or before the tenth (10th) day of the month following the month of receipt thereof by Regions Bank, (the “Custodial Agent”), with the exception of funds required to pay Administrative Expenses (the “**Administrative Expenses**”). All Administrative Expenses shall be paid prior to funds being delivered to the Developer. The parties hereto agree and acknowledge that the PID Funds include, without limitation, all assessments collected in connection with the PID, funds deposited with the Custodial Agent (in connection with that certain Summit Rock Public Improvement District Deposit Agreement, dated as of October 14, 2025) and funds collected or received by MuniCap, Inc., as the District Administrator for the City (in connection with that certain Agreement for Administrative Services entered into by and between the City and MuniCap, Inc. dated September 17, 2025) (and/or collected from any future administrator).
5. Verifications: Boycotts, Foreign Business Engagement
 - (a) Israel Boycotts. The Developer hereby verifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Amendment is a contract for goods or services, will not boycott Israel during the term of this Amendment. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for

ordinary business purposes. The Developer understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

(b) Foreign Business Engagements. The Developer represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet websites, below:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

or

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

(c) Firearm Entity Boycotts. To the extent this Amendment constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, “SB 19”), as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Amendment against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB The Developer understands “affiliate” to mean an entity that controls, is controlled by, is under common control with the Developer and exists to make a profit.

(d) Energy Company Boycotts. To the extent this Amendment constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Amendment. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

5. HB 1295 Compliance

Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must file with the Texas Ethics Commission

a conflict-of-interest form (“Disclosure of Interested Parties”) at the time you submit your signed Agreement to the City. For further information, please go to the Texas Ethics Commission website via the following link.

ethics.state.tx.us/filinginfo/1295/ The City has no obligation under this Agreement until such form is accurately completed and properly submitted to the Texas Ethics Commission with a copy to the City, and any City obligation is conditioned on such proper completion and submission.

IN WITNESS WHEREOF, the Parties have each executed this Agreement by each Party’s duly authorized representative. This Agreement shall be effective upon the execution and date subscribed by the City’s designated City Manager, (“***Effective Date***”).

[Signatures on the next page]

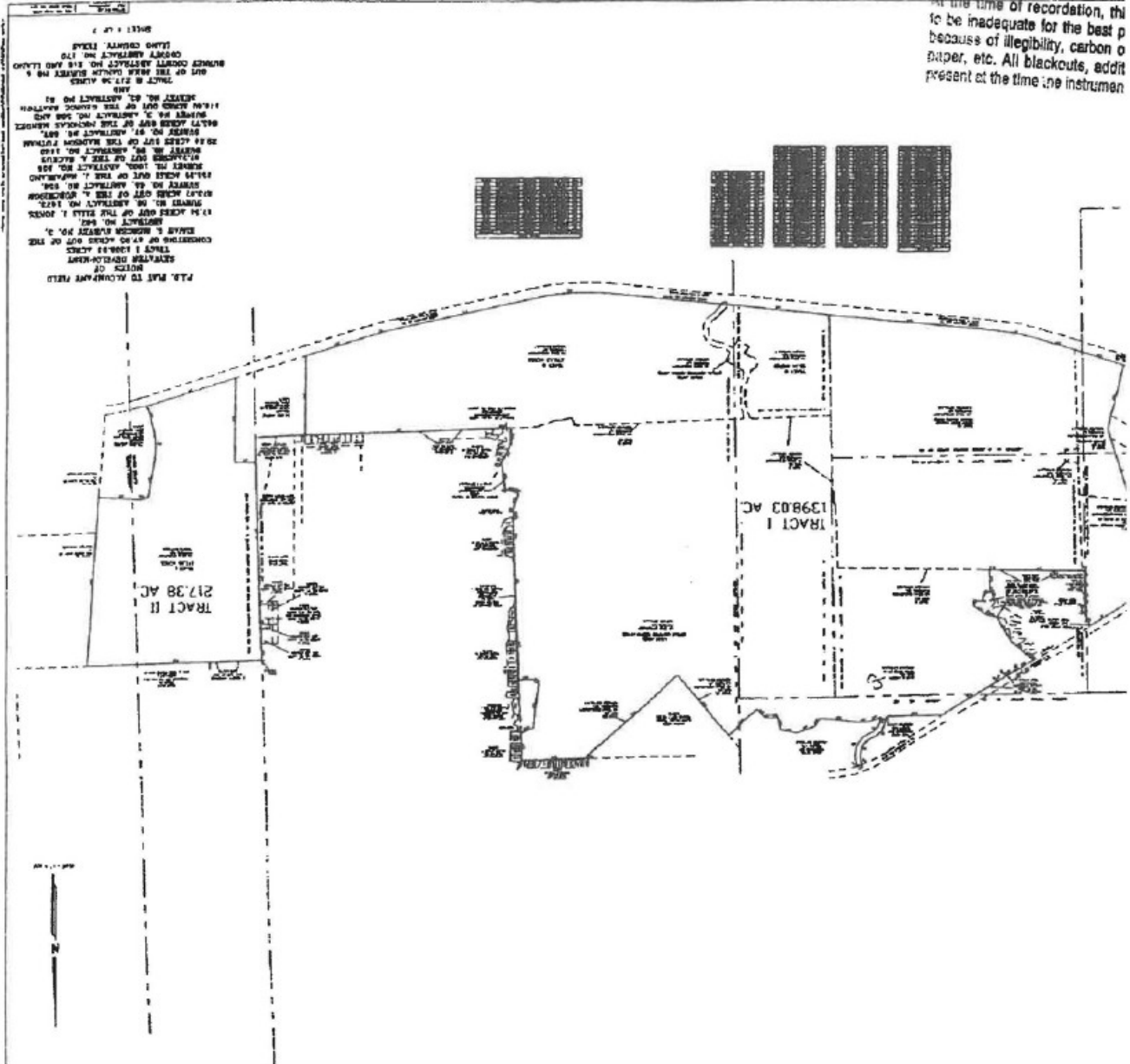
A Texas limited liability company

Page 195 of 356

EXHIBIT A

DISTRICT MAP

RECORDER'S ME
At the time of recordation, this to be inadequate for the best p because of illegibility, carbon o paper, etc. All blackouts, add present at the time the instrumen





SHEET 2 OF 7

STATE OF TEXAS:
COUNTY OF LLANO:

Field notes to accompany a P.I.D. Plat of Skywater Development being Tract I 1398.03 acres consisting of 47.95 acres out of the Elijah G. Mercer Survey No. 3, Abstract No. 562, 17.54 acres out of the Elias J. Jones Survey No. 86, Abstract No. 1473, 273.87 acres out of the A. Murchison Survey No. 85, Abstract No. 556, 151.55 acres out of the J. McFarland Survey No. 1005, Abstract No. 555, 57.71 acres out of the A. Backus Survey No. 99, Abstract No. 1125, 29.24 acres out of the Madison Putnam Survey No. 67, Abstract No. 587, 643.77 acres out of the Nicholas Mendez Survey No. 3, Abstract No. 506 and 176.40 acres out of the George Bratton Survey No. 83, Abstract No. 81.

Beginning at a point being the most westerly Northwest corner of 40.06 acres conveyed to HB Texas Development Partners L.P. recorded in Volume 1396, Page 388 of the Official Public Records of Llano County, Texas, the South right of way line of R.M. Highway No. 2147 and the Northeast corner of 20.00 acres conveyed to Rex A. & Patricia B. Nichols recorded in Volume 1314, Page 734 of the Official Public Records of Llano County, Texas.

Thence along the South right of way line of said R.M. Highway No. 2147 and the North line of said 40.06 acres the next 4 calls are as follows:

Thence along a curve to the left C1, with a radius of 2915.24', an arc length of 302.19', a delta angle of 05°56'21", and a bearing and distance of N43°50'25"E, 302.05' to a point for an angle point hereof;

Thence L1, N41°01'17"E, 351.41' to a point for an angle point hereof;

Thence along a curve to the right C2, with a radius of 1860.19', an arc length of 554.31', a delta angle of 17°04'24", and a bearing and distance of N49°30'53"E, 552.26';

Thence L2, N57°58'41"E, 455.51' to a point for an angle point being the Northeast corner hereof;

Thence along the East line of this 40.06 acres and the West line of Siena Creek Phase One recorded in Volume 14, Page 22 of the Llano County Plat Records the next 8 calls are as follows:

Thence L3, S25°10'31"E, 186.40' to a point for an angle point hereof;

Thence along a curve to the left C3, with a radius of 102.99', an arc length of 80.17', a delta angle of 44°35'59", and a bearing and distance of S47°25'38"E, 78.16' to a point for an angle point hereof;

Thence L4, S69°41'13"E, 18.53' to a point for an angle point hereof;

Thence L5, S32°11'12"W, 144.17' to a point for an angle point hereof;

Thence L6, S01°20'56"E, 59.31' to a point for an angle point hereof;

Thence L7, S01°25'45"E, 145.92' to a point for an angle point hereof;

Thence L8, S01°24'46"E, 170.64' to a point for an angle point hereof;

Thence L9, S01°54'18"E, 142.71' to a point for an angle point being the Southwest corner of Siena Creek Phase Two recorded in Volume 15, Page 73 of the Llano County Plat Records;

Thence along the South line of said Siena Creek Phase Two and the North line of this 40.06 acre tract L10, S89°28'47"E, 48.51' to a point for an angle point being the Northwest corner of 323.96 acres conveyed to HB Texas Development Partners L.P. recorded in Volume 1396, Page 388 of the Official Public Records of Llano County, Texas;

Thence along the North line of said 323.96 acres and the South line of said Siena Creek Phase Two the next 2 calls are as follows:

Thence L11, S89°28'47"E, 1324.01' to a point for an angle point hereof;

Thence L12, S88°37'33"E, 72.85' to a point for an angle point being the Southeast corner of said Siena Creek Phase Two and the Southwest corner of 678.00 acres conveyed to HB Texas Development Partners, L.P. recorded in Volume 1387, Page 551 of the Official Public Records of Llano County, Texas;

Thence along the West line of said 678.00 acres and the East line of said Siena Creek Phase Two the next 2 calls are as follows:

Thence L13, N01°29'16"W, 310.32' to a point for an angle point hereof;

Thence L14, N21°26'10"W, 34.40' to a point for an angle point hereof being the Southwest corner of a residue of 35.87 acres conveyed to JDS Mitchell Tract LP recorded in Volume 1199, Page 504 of the Official Public Records of Llano County, Texas;

Thence along the North line of this 678.00 acres and the South line of said residue the next 3 calls are as follows:



Thence L20, 194.33 S 39° W, 304.16 to a point for an angle point hereof;

Thence L21, N61°04'09"W, 67.78' to a point for an angle point hereof;

Thence L22, N42°24'32"W, 96.64' to a point for an angle point hereof being the Northeast corner of said Siena Creek Phase One, the Northeast corner of 678.00 acre tract and in the south right of way line of R.M. Highway No. 2147;

Thence along the South right of way of R.M. Highway No. 2147 and the North line of this 678.00 acre tract L23, N58°00'32"E, 341.19 to a point for an angle point hereof;

Thence along the North line of this 678.00 acres and the South line of a remnant of 755.794 acres conveyed to Lake LBJ Investment Corporation recorded in Volume 753, Page 1 of the Official Public Records of Llano County, Texas the next 4 calls are as follows:

Thence L24, S06°00'49"E, 11.12' to a point for an angle point hereof;

Thence L25, N58°00'32"E, 185.31' to a point for an angle point hereof;

Thence L26, N31°50'50"W, 10.00' to a point for an angle point hereof in the South right of way of R.M. Highway No. 2147;

Thence along the South right of way line of R.M. Highway No. 2147 and the North line of this 678.00 acres L27, N58°00'32"E, 80.00' to a point for an angle point hereof;

Thence along the North line of this 678.00 acres and the West line of said remnant of 755.794 acres L28, S31°50'50"E, 10.00' to a point for an angle point hereof;

Thence along the North line of this 678.00 acres and the South line of said remnant of 755.794 acres L29, N58°00'32"E, 1010.75' to a point for an angle point hereof in the South line of 8.57 acres conveyed to Horseshoe Bay Resort, Ltd. recorded in Volume 1363, Page 757 of the Official Public Records of Llano County, Texas;

Thence along the North line of this 678.00 acres and the South line of said 8.57 acres L30, N88°36'11"E, 858.49' to a point for an angle point being the Southeast corner of said 8.57 acres hereof;

Thence along the East line of said 8.57 acres and the West line of this 678.00 acres the next 4 calls are as follows:

Thence L31, N17°28'59"E, 132.61' to a point for an angle point hereof;

Thence along a curve to the right C5, with a radius of 305.00', an arc length of 290.27', a delta angle of 54°31'41", and a bearing and distance of N44°44'49"E, 279.44' to a point for an angle point hereof;

Thence along a curve to the left C6, with a radius of 271.30', an arc length of 426.16', a delta angle of 90°00'05", and a bearing and distance of N27°00'37"E, 383.68' to a point for an angle point hereof;

Thence L32, N17°58'43"W, 54.67' to a point for an angle point in the South right of way line of R.M. Highway No. 2147;

Thence along the South right of way line of R.M. Highway No. 2147 and the North line of this 678.00 acres L33, N72°00'35"E, 80.00' to a point for an angle point hereof being the Northwest corner of a 34.48 acre tract conveyed to Horseshoe Bay Resort, Ltd. Recorded in Volume 1363, Page 757 of the Official Public Records of Llano County, Texas;

Thence along the East line of said 678.00 acres and the West line of said 34.48 acres the next 4 calls are as follows:



SHEET 4 OF 7

Thence L34, S18°00'07"E, 54.67' to a point for an angle point hereof;

Thence along a curve to the right C7, with a radius of 351.30', an arc length of 551.83', a delta angle of 90°00'05", and a bearing and distance of S27°00'37"W, 496.82' to a point for an angle point hereof;

Thence along a curve to the left C8, with a radius of 225.00', an arc length of 214.13', a delta angle of 54°31'41", and a bearing and distance of S44°44'49"W, 206.14' to a point for an angle point hereof;

Thence L35, S17°28'59"W, 91.01' to a point for an angle point hereof being the Southwest corner of said 34.48 acres;

Thence along the North line of this 678.00 acres and the south line of said 34.48 acres the next 11 calls are as follows:

Thence L36, N72°34'01"E, 212.31' to a point for an angle point hereof;

Thence L37, N88°25'48"E, 178.95' to a point for an angle point hereof;

Thence L38, S84°21'08"E, 583.87' to a point for an angle point hereof;

Thence L39, N34°14'25"E, 150.00' to a point for an angle point hereof;

Thence L40, N70°19'47"E, 300.00' to a point for an angle point hereof;

Thence L41, S78°53'40"E, 270.00' to a point for an angle point hereof;

Thence L42, S12°37'43"E, 200.00' to a point for an angle point hereof;

Thence L43, N77°22'17"E, 90.00' to a point for an angle point hereof;

Thence L44, S83°54'17"E, 121.16' to a point for an angle point hereof;

Thence L45, S44°43'52"E, 162.58' to a point for an angle point hereof;

Thence L46, N48°12'46"E, 598.91' to a point for an angle point hereof in the South line of a 34.545 acre tract conveyed to Glean Salem, Trustee recorded in Volume 527, Page 321 of the Llano County Plat Records and the Northwest corner of Tract VII 0.36 acres conveyed to HB Texas Development Partners, LP. Recorded in Volume 1387, Page 551 of the Official Public Records of Llano County, Texas;

Thence along the North line of said Tract VII 0.36 acres and the South line of said 34.545 acre tract the next 3 calls are as follows:

Thence L93, S40°52'10"E, 1217.17' to a point for an angle point hereof;

Thence L94, N49°05'52"E, 1861.67' to a point for an angle point hereof;

Thence L95, N03°49'22"W, 363.7' to a point for an angle point being the Northwest corner hereof in the South line of Horseshoe Bay Plat No. 23.1 recorded in Volume 2, Page 68 of the Llano County Plat Records;

Thence along the North line of this 678.00 acre tract and the South line of said Horseshoe Bay Plat No. 23.1 L50, N88°33'14"E, 996.70' to a point for an angle point being the Northeast corner hereof in the West line of Horseshoe Bay Plat No. 24.1 recorded in Volume 2, Page 71 of the Llano County Plat Records;

Thence along the East line of this 678.00 acres and the East line of said Horseshoe Bay Plat No. 24.1 L51, S02°01'30"E, 400.20' to a point for an angle point hereof;

Thence along the East line of this 678.00 acres the next 4 calls are as follows:

Thence L52, S65°45'44"W, 210.63' to a point for an angle point hereof;

Thence L53, S06°52'46"W, 661.70' to a point for an angle point hereof;

Thence L54, S49°22'06"E, 120.10' to a point for an angle point hereof;

Thence L55, N87°36'33"E, 213.98' to a point for an angle point hereof in the West line 5' reserve conveyed to Horseshoe Bay Resort, Ltd. Recorded in Volume 197, Page 79 of the Llano County Deed Records;

Thence along the East line of this 678.00 acres and the West line of said 5' reserve the next 3 calls are as follows:

Thence L56, S02°23'27"E, 1137.60' to a point for an angle point hereof;



SHEET 5 OF 7

Thence L57, S01°49'45"E, 828.04' to a point for an angle point hereof;

Thence L58, S01°47'53"E, 592.73' to a point for an angle point hereof;

Thence along the East line of this 678.00 acres and the West line of a said remnant of 755.794 acres the next 11 calls are as follows:

Thence L59, S69°52'56"W, 5.26' to a point for an angle point hereof;

Thence L60, S01°47'56"E, 74.54' to a point for an angle point hereof;

Thence L61, S00°55'47"E, 42.51' to a point for an angle point hereof;

Thence L62, S17°35'48"W, 254.57' to a point for an angle point hereof;

Thence L63, S68°24'56"E, 46.70' to a point for an angle point hereof;

Thence L64, S73°37'01"E, 147.79' to a point for an angle point hereof;

Thence L65, S55°39'08"E, 16.41' to a point for an angle point hereof;

Thence L66, S08°09'25"E, 400.30' to a point for an angle point hereof;

Thence L67, S24°29'45"W, 337.05' to a point for an angle point hereof;

Thence L68, S00°42'08"E, 242.49' to a point for an angle point being the Southeast corner hereof;

Thence along the North line of 270.43 acres conveyed to HB Texas Partners, L.P. recorded in Volume 1390, Page 46 of the Official Public Records of Llano County, Texas and the South line of a 5' reserve Horseshoe Bay Plat No. 14.1 recorded in Volume 2, Page 40 of the Llano County Plat Records the next 2 calls are as follows:

Thence L70, N87°35'26"E, 263.72' to a point for an angle point hereof;

Thence L71, N87°55'05"E, 2982.69' to a point for an angle point hereof being the Northwest corner of a 31.82 acre remnant of 607.97 acres conveyed to Lake LBJ Investment, Corporation recorded in Volume 0898, Page 146 of the Llano County Deed Records;

Thence along the East line of this 270.43 acres and the West line of said 31.82 acres L72, S00°04'22"W, 1252.66' to a point being the Southeast corner hereof and the Southwest corner of said 31.82 acres and also being in the North right of way line of State Highway No. 71 recorded in Volume 81, Page 614 of the Llano County Deed Records;

Thence along the South line of this 270.43 acres and the North line of said State Highway No. 71 the next 5 calls are as follows:

Thence L73, S73°20'36"W, 1059.02' to a point for an angle point hereof;

Thence along a curve to the right C9, with a radius of 5638.72', an arc length of 442.50', a delta angle of 04°29'47", and a bearing and distance of S75°25'23"W, 442.39' to a point for an angle point hereof;

Thence L74, S77°50'01"W, 2208.68' to a point for an angle point hereof;

Thence along a curve to the right C10, with a radius of 3730.24', an arc length of 1138.28', a delta angle of 17°29'01", and a bearing and distance of S86°34'08"W, 1133.87' to a point for an angle point hereof;

Thence L96, N84°41'01"W, 1765.99' to a point for an angle point being the Southwest corner hereof and the Southeast corner of said 678.00 acres;

Thence along the South line of said 678.00 acres and the North right of way line of said State Highway No. 71 L97, N84°41'01"W, 80.00' to a point for an angle point hereof being the Southwest corner hereof and the Southeast corner of 55.34 acres conveyed to HB Texas Partners L.P. recorded in Volume 1390, Page 46 of the Official Public Records of Llano County, Texas.

Thence along the South line of said 55.34 acres and the North right of way line of said State Highway No. 71 L98, N84°41'01"W, 1610.30' to a point for an angle point being the Southwest corner hereof and the Southeast corner said 323.96 acres;

Thence along the South line of this 324.96 acres and the North line of the North right of way line of State Highway No. 71 the next 3 calls are as follows:

Thence L76, N84°41'01"W, 2548.42' to a point for an angle point hereof;

Thence along a curve to the right C11, with a radius of 3730.04', an arc length of 736.64', a delta angle of 11°18'55", and a bearing and distance of N79°02'36"W, 735.45' to a point for an angle point hereof;



SHEET 6 OF 7

Thence L77, N73°21'24"W, 551.61' to a point for an angle point being the Southwest corner hereof and the Southeast corner of 32.14 acres conveyed to HB Texas Partners, L.P. recorded in Volume 1396, Page 388 of the Official Public Records of Llano County, Texas;

Thence along the North right of way line of said State Highway No. 71 and the South line of said 32.14 acres L78, N73°21'24"W, 804.77' to a point for an angle point being the Southwest corner hereof and the Southeast corner of a remnant of 78.907 acres conveyed to James Crownover recorded in Volume 1080, Page 318 of the Official Public Records of Llano County, Texas;

Thence along the West line of this 32.14 acres and the East line of said 78.907 acre remnant and the West line of 15.7811 acres conveyed to Rex A. and Latrica B. Nichols recorded in Volume 1314, 758 of the Official Public Records of Llano County, Texas L79, N13°29'10"E, 1032.96' to a point for an angle point hereof;

Thence along the West line of this 32.14 acres and the East line of said 15.7811 acres, the East line of 14.974 acres conveyed to Rex A. and Latrica B. Nichols recorded in Volume 1314, 758 of the Official Public Records of Llano County, Texas, the East line of 20.0 acres conveyed to Rex A. and Latrica B. Nichols recorded in Volume 1314, 734 of the Official Public Records of Llano County, Texas and the West line of said 40.06 acres L80, N17°41'50"W, 1833.28' to a point for an angle point hereof;

Thence along the North line of said 20.00 acres and the South line of said 40.06 acres L81, N60°18'52"W, 1833.28' to the Place of Beginning containing 1398.69 acres of land save and except 0.66 acre tract described as follows.

(SAVE AND EXCEPT
0.66 ACRE TRACT)

STATE OF TEXAS:
COUNTY OF LLANO:

Field notes to accompany a survey plat of 0.66 acre tract out of the A. Murchison Survey No. 85, Abstract No. 556 of Llano County, Texas, and being a that certain 0.66 acres conveyed to Glenna Yates et al recorded in Volume 1078, Page 112 of the Official Public Records of Llano County, Texas. The basis of bearings of this survey is Texas Lambert Grid, Central Zone, NAD 83.

Beginning at a 1/2" steel stake found with plastic cap stamped R.P.L.S. 1877 being the Northeast corner of said 0.66 acre tract from which point a 6" cedar post found for the Northeast corner of the above described 678.66 acres which bears N79°05'29"E, 5613.87'.

Thence along the East line of this 0.66 acre tract S45°26'15"E, 197.99' to a 1/2" steel stake found with plastic cap stamped R.P.L.S. 1877 being the Southeast corner hereof;

Thence along the South line of this 0.66 acre tract in a curve to the left C22, with a radius of 193.0', an arc length of 82.15', a delta angle of 24°23'15", and a chord bearing and distance of S38°13'53"W, 81.53' to a 1/2" steel stake found with plastic cap stamped R.P.L.S. 1877 for an angle point hereof;

Thence along the South line of this 0.66 acres L79, S26°02'13"W, 11.45' to a 1/2" steel stake found with plastic cap stamped R.P.L.S. 1877 for an angle point hereof;

Thence along the South line of this 0.66 acres in a curve to the right C23, with a radius of 20.0', an arc length of 31.42', a delta angle of 90°00'00", and a chord bearing and distance of S71°02'13"W, 28.28' to a 1/2" steel stake found with plastic cap stamped R.P.L.S. 1877 for an angle point hereof;

Thence along the West line of this 0.66 acre tract L80, N63°57'47"W, 9.76' to a 1/2" steel stake found with plastic cap stamped R.P.L.S. 1877 for an angle point hereof;

Thence along the West line of this 0.66 acre tract in a curve to the right C24, with a radius of 290.11', an arc length of 211.50', a delta angle of 41°46'15", and a chord bearing and distance of N43°04'40"W, 206.85' to a 1/2" steel stake found with plastic cap stamped R.P.L.S. 1877 for an angle point hereof;

Thence along the West line of this 0.66 acres L81, N22°11'33"W, 27.67' to a 1/2" steel stake found with plastic cap stamped R.P.L.S. 1877 being the Northwest corner hereof;

Thence along the North line of this 0.66 acre tract L82, N67°48'27"E, 109.79' to the Place of Beginning.



SHEET 7 OF 7
TRACT II

STATE OF TEXAS:
COUNTY OF LLANO:
COUNTY OF BURNET:

Field notes to accompany a Annexation Plat of Tract II, 217.38 acres out of the John Darlin Survey No. 4 (Burnet County Abstract No. 248, Llano County Abstract No. 170) conveyed to HB Texas Partners, L.P. recorded in Volume 1390, Page 46 of the Official Public Records of Llano County, Texas and consisting of 38.93 acres out of Burnet County and 178.45 acres out of Llano County.

Beginning at a point being the Northwest corner of this 217.38 acres and the Southwest corner of Horseshoe Bay Plat No. 29.1 recorded in Volume 2, Page 78 of the Llano County Plat Records.

Thence along the North line of this 217.38 acre tract, the South line of said Horseshoe Bay Plat No. 29.1 and the South line of Tract MM-3 125.38 acres Horseshoe Bay Plat No. 55.1 recorded in Volume 8, Page 78 of the Llano County Plat Records and Cabinet 2, Slide 41A, B & C of the Burnet County Plat Records L82, N88°24'30"E, 2823.58' to a point being the Northeast corner hereof and the Northwest corner of 480.40 acres conveyed to Tom Brown Booth et al recorded in Volume 716, Page 237 of the Llano County Deed Records.

Thence along the East line of this 217.38 acres, the West line of said 480.40 acres and the West line of 85.00 acres conveyed to Tom Brown Booth et al recorded in Volume 716, Page 237 of the Llano County Deed Records L83, S03°39'14"W, 2651.01' to a point for an angle point hereof being the Northeast corner of a 25.00 acre remnant of 607.97 acres conveyed to Lake LBJ Investment Corporation recorded in Volume 0898, Page 146 of the Llano County Deed Records;

Thence along the South line of this 217.38 acres and the North line of said 25.00 acres L84, N86°20'46"W, 695.90' to a point for an angle point hereof;

Thence along the South line of this 217.38 acres and the North line of said 25.00 acres along a curve to the right C12, with a radius of 150.00', an arc length of 81.26', a delta angle of 31°02'24", and a bearing and distance of S65°13'42"W, 80.27' to a point for an angle point hereof;

Thence along the East line of this 217.38 acres and the West line of said 25.00 acres the next 3 calls are as follows:

Thence L85, S10°13'10"W, 559.91' to a point for an angle point hereof;

Thence along a curve to the left C13, with a radius of 1200.00', an arc length of 562.89', a delta angle of 26°52'34", and a bearing and distance of S03°13'07"E, 557.75' to a point for an angle point hereof;

Thence L86, S16°39'24"E, 351.33' to a point for an angle point being the Southeast corner hereof in the North right of way line of State Highway No. 71 recorded in Volume 81, Page 614 of the Official Public Records of Llano County, Texas;

Thence along the South line of this 217.38 acres and the North right of way line of said State Highway No.71 L87 S73°20'36"W, 1535.09' to a point for an angle point hereof being the Southeast corner of a 31.82 acre remnant of 607.97 acres conveyed to Lake LBJ Investment Corporation recorded in Volume 0898, Page 146 of the Llano County Deed Records;

Thence along the West line of this 217.38 acres and the East line of said 31.82 acres L88, N00°04'22"E, 1333.91' to a point for an angle point hereof;

Thence along the South line of this 217.38 acres and the North line of said 31.82 acres L89, N89°55'38"W, 345.43' to a point for an angle point hereof in the East line of a 5.19 acre tract conveyed to Lake LBJ Investment Corporation recorded in Volume 1007, Page 187 of the Llano County Deed Records;

Thence along the West line of this 217.38 acres and the East line of a portion of 72.47 acres conveyed to Lake LBJ Investment Corporation recorded in Volume 197, Page 79 of the Llano County Deed Records, Tract RR-2 recorded in Volume 12, Page 11 of the Llano County Plat Records L90, N01°36'22"W, 2163.14' to a point for an angle point hereof being the Southeast corner of Tract V 10,547 square feet conveyed to Austin Jet, Ltd. recorded in Volume 873, Page 231 of the Llano County Deed Records;

Thence along the West line of this 217.38 acres and the East line of said Tract V, Tract I 44,819 square feet Tract "RR-1" Horseshoe Bay Plat No. 59.2 Austin Jet Ltd. Recorded in Volume 836, Page 100 of the Llano County Deed Records, Tract III 10,720 square feet conveyed to Austin Jet, Ltd. Recorded in Volume 836, Page 100 of the Llano County Deed Records, and Tract IV, 44,806 square feet conveyed to Austin Jet, Ltd. Recorded in Volume 873, Page 275 of the Llano County Deed Records L91, N02°38'58"W, 660.59' to a point for an angle point hereof being the Northeast corner of Tract IV;

Thence along the West line of this 217.38 acres and the East line of said Tract "RR-2" L92, N02°40'04"W, 284.76' to the Place of Beginning.

TABLE 1: RESIDENTIAL AREA

PARCEL ID	NEIGHBORHOOD ID	PRODUCT CODE	ZONING CLASSIFICATION	ACREAGE
1	17 WATERHIDE	15	R-1 COTTAGE	6.97
2	GOLDEN BEAR	30 (44)	R-1 VILLA	14.60
3	VALLEY KNOLL AT JUNIPER CREEK	37 (24)	R-1 ESTATE	17.60
4	THE GROVE	32 (44)	R-1 ESTATE	20.70
5	THE OVERLOOK	14	R-1 COTTAGE	3.30
6	RIDGE AT SUMMIT HILL	39 (44)	R-1 ESTATE	2.79
7	THE LEGACY AT SUMMIT HILL	37 (44)	R-1 ESTATE	34.60
8	THE RIM AT STABLE ROCK	11	R-1 COTTAGE	21.00
9	FOOTHILLS AT STABLE ROCK	35	R-1 ESTATE	12.20
10	HOMESTEAD AT STABLE ROCK	29	R-1 ESTATE	22.57
11	RETREAT AT STABLE ROCK	3	R-1 ESTATE	3.13
12	CRESCENT PASS AT JUNIPER CREEK	4	R-1 FAMILY HOMESTEAD	24.09
13	CRESCENT PASS AT JUNIPER CREEK	4	R-1 CASH	20.11
14	CRESCENT PASS AT JUNIPER CREEK	4	R-1 CASH	2.20
15	HIGH POINT AT JUNIPER CREEK	16	R-1 CASH	28.59
16	HIGH POINT AT JUNIPER CREEK	10	R-1 ESTATE	0.58
17	KINGSTEEPER CANYON	14	R-1 COTTAGE	0.90
18	KINGSTEEPER CANYON	16	R-1 CASH	6.30
19	KINGSTEEPER CANYON	12	R-1 COTTAGE	4.90
TOTAL				345.80 ACRES

TABLE 2: COMMERCIAL TRACT INFO

PARCEL ID	NEIGHBORHOOD ID	PRODUCT CODE	ZONING	ACREAGE
A-1	STABLE ROCK PARK	1	C-2 COMMERCIAL	14.27
A-2	JUNIPER CREEK PARK	1	C-2 COMMERCIAL	8.57
A-3	COMMONS AT SUMMIT HILL	1	C-2 COMMERCIAL	12.91
A-4	CLUB AT SUMMIT HILL	1	C-2 COMMERCIAL	8.46
B		1	C-2 COMMERCIAL	12.90
C		1	C-2 COMMERCIAL	36.30
D		1	C-3 COMMERCIAL	60.60
E		1	C-3 COMMERCIAL	15.70
F		1	C-3 COMMERCIAL	150.30
G		1	C-3 COMMERCIAL	31.40
H		1	C-3 COMMERCIAL	25.20
TOTAL		11		376.85

TABLE 3: DEVELOPMENT RESERVE TRACT INFO

PARCEL ID	NEIGHBORHOOD ID	PRODUCT CODE	ZONING	ACREAGE
I		1	N/A	115.60
II		1	N/A	3.40
III		1	N/A	86.70
IV		1	N/A	89.90
TOTAL		4		295.60

DEVELOPMENT ACREAGE SUMMARY

AREA	ACREAGE
RESIDENTIAL DEVELOPMENTS (SEE TABLE 1)	345.80
COMMERCIAL DEVELOPMENTS (SEE TABLE 2)	376.85
DEVELOPMENT RESERVE (SEE TABLE 3)	295.60
GOLF COURSE AND MAINTENANCE FACILITIES	248.50
FISHING CATCH BASINS, NEIGHBORHOOD ENTRANCES	64.30
HIGHWAY 71 AND HIGHWAY 2147 ENTRY PORTALS	4.80
WATER TOWER AND LIFT STATION	3.40
EXISTING ROAD	33.60
APPROX. 29,300 LF (5.6 MI) AT 50' W	48.20
PROPOSED ROAD	
APPROX. 42,000 LF (7.9 MI) AT 50' W	163.05
GULCH BELT AREA	
TOTAL (ORIGINAL ACREAGE)	1584.10

*AREAS ARE APPROXIMATE AND FOR PRELIMINARY REFERENCE PURPOSES ONLY

COMMERCIAL AND DEVELOPMENT RESERVE TRACT

6	C-2 COMMERCIAL
5	C-3 COMMERCIAL
4	DEVELOPMENT RESERVE
15	TOTAL

SUMMIT ROCK COMMUNITIES
ZONE 12PRELIMINARY MASTER PLAN
EXHIBIT A MAP 2 - PARCEL IDENTIFICATION

JUNE 7, 2012

HORNBURG, TEXAS

**EXHIBIT B
PUBLIC IMPROVEMENTS**

ESTIMATED IMPROVEMENT COSTS

Collector road(s)	12,000 lf	\$ 1,000,000.00
Local street(s)	120,000 lf	\$ 8,000,000.00
Electrical system	120,000 lf	\$ 3,200,000.00
Sewer - Trunk Lines	20,000 lf	\$ 1,400,000.00
Sewer - 6" – 8" Purple Lines	120,000 lf	\$ 3,600,000.00
Sewer - 2" – 8" Sewer Lines	120,000 lf	\$ 4,000,000.00
Wastewater lift station	500,000 gal	\$ 100,000.00
Wastewater package plant		\$ 3,500,000.00
Holding/Irrigation Ponds		\$ 1,500,000.00
Water Lines - 12"	20,000 lf	\$ 1,400,000.00
Water Lines - 2" – 8"	120,000 lf	\$ 3,600,000.00
Water Storage Tank – Elevated	250,000 gal	\$ 1,300,000.00
Expansion of City water plant		\$ 500,000.00
Fire Hydrants	120	\$ 400,000.00
Total Estimated Public Improvements		\$ 33,500,000.00
Less amount not to be billed to the District by the Owner		\$ 13,500,000.00
Net estimated Public Improvements		\$ 20,000,000.00
Estimated maximum Administrative Costs (based on \$50,000.00 per year for 15 years)		\$ <u>750,000.00</u>
TOTAL ESTIMATED IMPROVEMENT COSTS		\$ <u>20,750,000.00</u>



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
Thru: Jeff Koska, City Manager
From: Molly Jester, Finance Director
RE: Approval of the Fiscal Year 2026 First Quarter Investment Report

The First Quarter Investment Report for Fiscal Year 2026 is provided for the council's approval. The investment earnings for the quarter are \$236,331. The average yield for all investments is 3.31% which is slightly less than the benchmark of 3.5%. Investments are held in the following manner, TexPool 88.66%, Texas Class 0.04%, and banks 11.30%. Staff is asking that Council approve the Quarterly Investment Report for the period ending December 31, 2025.

Motion: *I move to approve the Quarterly Investment Report for the period ending December 31, 2025.*

Enclosures: Signed First Quarter Investment Report ending 12/31/2025

City of Horseshoe Bay Quarterly Investment Report Ending December 31, 2025

Fund	Investment Type	Descript/Loc	Maturity	Beginning Balance Market Value and Book Value if Applicable 9/30/2025	Quarterly Activity	Interest	Ending Balance Market Value and Book Value if Applicable 12/31/2025	Avg Yield # of days = 92/365
11101 GF	Disbursement/GF Account	First United Bank	Open	1,329,369	(139,179)	1,101	1,191,290	0.35%
11101 UF	Utility Fund Operating	First United Bank	Open	1,498,329	284,189	1,650	1,764,168	0.40%
11101 CF	Capital Fund Operating	First United Bank	Open	1,335,173	(1,295,994)	400	39,579	0.23%
DS	Debt Service Operating	First United Bank	Open	5,120	-	5	5,125	0.40%
11317 GF	Friends of the Fuchs House	First United Bank	Open	13,396	-	-	13,396	0.00%
11308 PID	Escondido PID	First United Bank	Open	666	53,465	145	54,278	2.10%
Subtotal - First United Bank				4,182,054	(1,117,520)	3,302	3,067,836	0.36%
11433 UF	Utility Fund	TexPool	Open	6,710,663	(551,085)	64,782	6,224,360	3.97%
11421 GF	General Fund Operating	TexPool	Open	7,959,677	531,554	73,386	8,564,616	3.52%
11429 GF	General Fund Reserve	TexPool	Open	2,901,555	-	29,248	2,930,802	3.88%
11424 CF	Capital Projects	TexPool	Open	6,453,112	(2,482,433)	51,937	4,022,616	3.93%
11432 DS	Interest & Sinking	TexPool	Open	292,397	1,322,941	5,879	1,621,217	2.44%
11431 PID	Summit Rock PID	TexPool	Open	33,041	9,912	412	43,365	4.28%
Subtotal - TexPool				24,350,446	(1,169,112)	225,643	23,406,977	3.75%
11435 UF	Utility Fund Reserve	TexasClass	Open	10,910	-	114	11,024	4.12%
Subtotal - TexasClass				10,910	-	114	11,024	4.12%
TOTAL CITY ACCOUNTS				28,543,410	(2,286,631)	229,059	26,485,837	3.30%
PID	Escondido PID Trustee - 8082 Fund	Regions Bank/TexPool	Open	243,773	43,427	2,513	289,713	3.74%
PID	Escondido PID Trustee - 8083 Fund	Regions Bank/TexPool	Open	310,056	(286,260)	1,365	46,161	3.04%
PID	Escondido PID Trustee - 8084 Fund	Regions Bank/TexPool	Open	79,230	0	818	80,048	4.08%
PID	Escondido PID Trustee - 8085 Fund	Regions Bank/TexPool	Open	132,933	(0)	1,373	134,306	4.08%
PID	Escondido PID Trustee - 8086 Fund	Regions Bank/TexPool	Open	12	-	-	12	0.00%
PID	Escondido PID Trustee - 8088 Fund	Regions Bank/TexPool	Open	120,602	(8,060)	1,203	115,744	4.04%
Subtotal - Regions Bank				886,605	(227,893)	7,272	665,984	3.72%
TOTAL AGENCY ACCOUNTS				886,605	(227,893)	7,272	665,984	
GRAND TOTAL ALL INVESTMENTS				29,430,016	(2,514,525)	236,331	27,161,821	3.31%

Performance Measures:

	Benchmark	Actual
Avg Yield		3.31%
Benchmark=6 Month T-Bill - 12.31.25 at Close	3.50%	
WAM (weighted avg maturity) of overall portfolio	Max 365/6 months	1 day
Diversification:	Max 100%	
TexPool		88.66%
TexasClass		0.04%
Banks		11.30%

Collateral Adequacy - All funds are fully collateralized and/or insured.

Statement of Compliance - All investment transactions of the City meet the requirements set forth in Chapter 2256, Texas Govt. Code, as amended and are in compliance with the City's Investment Policy.

Jeff Koska, City Manager

Molly Jester, Finance Director

Date



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
From: Susie Quinn, City Secretary
Re: Approval of City Council Workshop Meeting Minutes – January 20, 2026

The January 20, 2026, City Council Workshop minutes are compiled with the assistance of AI technology and are not just action minutes, but they are summarized based upon a transcript that was prepared from the meeting's audio recording. It is new technology, but the advantage is providing a history for staff and Council who follow us and don't have time to review audio or videos. The written word is searchable quickly and reliably from archive systems. Horseshoe Bay uses Laserfiche for its archives and it is one of the best systems in place. It has updated over the years and should be around for several more decades.

If you see a correction that is necessary, there are three suggested motions to approach the matter since minutes are on the consent agenda. The first method is to read the minutes prior to the Council meeting and let me know if you have suggested changes prior to the beginning of the meeting. If they are simply Scribner errors (spelling and/or small grammatical errors), please notify me before the meeting and I can make those changes to the minutes and bring new copies to the meeting for Council approval of the minutes using the following motion:

I move that we approve the consent agenda as presented with the correction of Scribner's error(s) to the January 20, 2026, Workshop Meeting Minutes.

If however, it is an incorrect name for the person making a motion or the motion is incorrect, any major correction, please remove the minutes from the consent agenda and make the following motion:

I move that we approve the January 20, 2026, minutes with the following corrections: (list the corrections that are necessary).

Or make a motion to not approve the minutes until the corrections are made and presented at another meeting. That motion would be: *I move that we not approve the minutes at this meeting but the corrections be completed and the minutes presented at the next Council meeting.*

Enclosure: January 20, 2026, City Council Workshop Meeting Minutes.



January 20, 2026 at 9:00 AM

City Council Work Shop Meeting Minutes

A City of Horseshoe Bay City Council Work Shop Meeting was held at City Hall, 1 Community Drive, Horseshoe Bay, TX 78657.

1. Call the Meeting to Order and Establish a Quorum

Mayor Jeff Jones – Presided
Mayor Pro Tern Larry Morgan – Present
Council Member Ruben Fechner – Present
Council Member Frank Hosea – Present
Council Member Elaine Waddill – Present
Council Member Buck Weatherby – Present

Mayor Jeff Jones called the meeting to order at 9:03 AM. City Manager Jeff Koska opened the meeting with a prayer, asking for guidance as they discuss planning for the community.

2. Public Comment

Mayor Jones called for public comments. There were no public comments.

3. Strategic Planning

The following Strategic Planning items are to be discussed without formal action but provide clarity and direction to staff by consensus:

A. Comprehensive Plan Discussion

City Manager Jeff Koska presented the comprehensive plan update, noting that there are 77 slides prepared but some would be covered quickly. He described how the plan would incorporate the city's vision and 11 comprehensive initiatives. The plan aims to address how to maintain Horseshoe Bay as a small city while planning for the next 15-50 years.

Koska explained that each initiative would include goals, objectives, action plans, and key performance measures. He requested Council assistance and suggested having one or two Council liaisons work with him weekly on the plan. Council Member Ruben Fechner was mentioned as a potential liaison due to his role as chair of the Land Use Committee.

Council Member Frank Hosea raised concerns about regulating density in new developments. Koska and Development Services Director John Byrum explained they would need to carefully word this in the plan without using the term "density" directly. They discussed using infrastructure requirements, land use designations, and the future land use map as tools to control development patterns.

The Council discussed how the comprehensive plan would incorporate community character preservation, environmental considerations, and infrastructure planning. Koska noted the plan would include regular reviews and updates, with a mechanism for adapting to changing conditions while maintaining core values.

Koska emphasized the importance of community engagement, stating that transparency is vital. The Council discussed ways to better communicate with residents, including reaching people where they gather, such as at the golf course.

B. Drainage Plan Update

City Manager Koska and Public Works Director Tim Foran presented an update on the drainage plan. They explained that the city had previously completed a drainage basin study but now needed to address areas between the major drainage basins.

The plan involves inventorying about 20 different areas within the city with existing flood issues and developing an operations and maintenance plan. Foran described specific issues at Sun Ray as one of the priority areas. The plan will also address bar ditches throughout the city that are inconsistent in size and maintenance.

Council Member Hosea emphasized the importance of prioritizing drainage projects and having clear criteria to explain to residents why certain areas are addressed first. Council agreed that criteria should include factors such as number of homes affected, safety concerns, and water volume.

Council discussed implementing a storm water utility fee to fund these improvements. Koska indicated they would likely present a proposed fee during the July budget discussions, accompanied by a communications campaign explaining the purpose.

C. Transportation Planning - Round-A-Bout Project/Street Upgrade Policy

City Manager Koska provided an update on the roundabout project. He reported that TxDOT had completed their Intersection Control Evaluation (ICE) document which showed roundabouts to be favorable options for the intersections. The estimated cost for two intersections would be approximately \$5 million.

The next phase will be 30% design drawings to determine land needs and utility conflicts. Koska indicated he would bring this proposal to Council in February. The Bay West Boulevard intersection was identified as the priority due to having the most current issues.

D. Future Building Location

City Manager Koska, Police Chief Jason Graham, and Public Works Director Tim Foran presented potential plans for a future maintenance facility, fire station, utility yard, and police substation near the airport. Koska showed concept drawings of the proposed facility based on a similar building in Fredericksburg.

The City Manager indicated he had discussed the location with Jordan Jaffe from the resort, who was receptive to the idea. The facility would likely be included in the FY2027 budget planning, with some preliminary planning possibly funded in the current year's budget.

Council Member Hosea expressed interest in exploring another entrance to Highway 71 from Horseshoe Bay in conjunction with this development, noting it would help reduce traffic on Highway 2147.

4. 2026 Goals and Priorities

The following 2026 Goals and Priorities items are to be discussed without formal action but provide clarity and direction to staff by consensus:

A. City Council Priorities

Mayor Jones asked Council Members to share their priorities.

Council Member Hosea identified the subdivision plan as his top priority to avoid situations like Richter Ranch. His second priority was establishing clear criteria for addressing drainage issues.

Council Member Elaine Waddill expressed concern about density and the quality of construction to maintain the character of the community.

Council Member Buck Weatherby emphasized the importance of communication with residents, giving the example of the recycling center hours during the holidays.

Mayor Jones prioritized completing the shared use path, noting strong community interest. The Council discussed options for moving forward with a crushed granite path in the interim if state funding isn't secured for the tunnel under Highway 2147.

Council Member Ruben Fechner suggested creating a citizen committee to engage with the state legislature on issues affecting cities, similar to Georgetown's model.

B. City Staff Initiatives - New City Center Operations / Future Ops Building Site

City Manager Koska noted that the new City Center would impact the budget through new operating costs for electricity, lawn maintenance, and other expenses. These will be detailed in April during budget discussions.

C. FY 2027 Preliminary Budget – Personnel (Public Works, Finance, Internal Inspections) Human Resources Director Rachel Hearne presented proposed personnel changes:

For mid-year adjustments:

- Public Works Operator - Implementation delayed until building renovations are complete
- IT Technician - To support Jules Martin and provide redundancy
- Building Inspector - Rick Williams explained this would replace contracted services at a potential 50% savings

For FY2027:

- Finance Supervisor and part-time Court Administrator - Splitting a current hybrid position
- Utility Field Operator - Ray Garcia explained this position would support valve maintenance and asset management

D. CIP Planning

The Capital Improvement Projects (CIP) was discussed and City Manager Koska noted that the city is shifting from a broad "basin-level" view to a more granular, lot-level analysis. While previous reports identified major capital projects related to roadways and crossings, the city is now targeting the "areas in between"—neighborhoods where topography is causing localized flooding.

E. Water Rate Study

Koska noted that a water rate study would cost approximately \$36,000. The study would analyze the cost of service, review the tiered rate structure, and consider moving to a zero-usage base fee model.

F. Bonds

Finance Director Molly Jester presented an analysis of the city's outstanding debt. The city has approximately \$48.7 million in outstanding bonds, with about 66% in the debt service fund (funded by property taxes) and 34% in the utility fund (funded by fees).

Jester explained that property tax debt per resident was approximately \$6,300, which was considered moderate. Debt as a percentage of taxable assessed value was 0.8%, which Kuentz described as "extremely conservative." About 27.4% of the city's tax rate goes toward debt service.

Council Member Byrum requested information on how future bond issuances would affect this percentage to ensure operational needs remain adequately funded.

G. Flood Insurance

Finance Director Jester presented information on flood insurance for city facilities. The cost would be approximately \$54,000 annually for \$5 million in coverage with a \$25,000 deductible. She noted that nearby cities had experienced significant flood damage without insurance.

After discussion of which city facilities might be at risk, the Council agreed to proceed with purchasing the insurance.

H. FY25 Budget Amendments

Finance Director Jester presented four budget amendments for FY25:

- Land purchase for the shared use path - \$104,000
- Donated land for Fox Hollow Park - \$135,300 (offset by donation revenue)
- Water and sewer - \$18,400
- Insurance reimbursement for lightning strike - \$26,000

I. FY26 Budget Amendments

Finance Director Jester presented several budget amendments for FY26, including:

- Police donation expenditure - \$2,000
- GIS department reclassifications - Net zero impact
- Debt service fund corrections - Net zero impact
- Leak detection funding - \$5,570
- Fire hydrant flow testing and painting - \$63,000

- Engineering fees for development design standards and subdivision regulations - \$145,000
- Water rate study - \$36,000
- Street maintenance reclassification - Net zero impact
- Insurance for new City Center and Fire Station #2 - \$21,900
- Flood insurance - \$54,000

5. Adjourn

Mayor Jones adjourned the meeting at 2:38 PM

CITY OF HORSESHOE BAY

Jeff Jones, Mayor

ATTEST:

Susie Quinn, City Secretary



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
From: Susie Quinn, City Secretary
Re: Approval of City Council Regular Meeting Minutes – January 20, 2026

The January 20, 2026, City Council Regular minutes are compiled with the assistance of AI technology and are not just action minutes, but they are summarized based upon a transcript that was prepared from the meeting's video. It is new technology, but the advantage is providing a history for staff and Council who follow us and don't have time to review audio or videos. The written word is searchable quickly and reliably from archive systems. Horseshoe Bay uses Laserfiche for its archives and it is one of the best systems in place. It has updated over the years and should be around for several more decades.

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Or make a motion to not approve the minutes until the corrections are made and presented at another meeting. That motion would be: *I move that we not approve the minutes at this meeting but the corrections be completed and the minutes presented at the next Council meeting.*

Enclosure: January 20, 2026, City Council Regular Meeting Minutes.



City Council Meeting Minutes

January 20, 2026 – 3:00 PM

A City of Horseshoe Bay City Council meeting was held on January 20, 2026, beginning at 3:00 PM at City Hall, 1 Community Drive, Horseshoe Bay, TX 78657.

1. Call the Meeting to Order and Establish a Quorum

Mayor Jeff Jones - Presiding

Mayor Pro Tern Larry Morgan – Present

Council Member Ruben Fechner – Present

Council Member Frank Hosea – Present

Council Member Elaine Waddill – Present

Council Member Buck Weatherby – Present

Mayor Jeff Jones called the meeting to order at 3:00 PM and noted that a full quorum was present with all council members in attendance.

2. Invocation

Reverend Gene Glaeser of Lake Church provided the invocation.

3. Pledges to the Flags

The pledges to the American and Texas flags were led by Mayor Jeff Jones.

4. Announcements and Staff Recognition

Mayor Jones announced that this would likely be the last City Council meeting held in the current building, as future meetings beginning in February would take place at the new city hall. He mentioned plans for a soft opening prior to the February council meeting.

A. Steve Boyd - 10-year Anniversary (Police - CID Commander/Captain)

Police Chief Jason Graham recognized Captain Steve Boyd for his 10 years of service to the city of Horseshoe Bay. Chief Graham highlighted Captain Boyd's impressive 38-year career as a Texas peace officer, including 9 years as a Texas Highway Patrol trooper, 15 years as a Texas Ranger, and service as Santa Barbara County Sheriff. Captain Boyd oversees the investigative division and communications operations and assists with patrol division oversight.

B. Beth Kuentz- Texas Court Clerks Association's Distinguished Service Award

Finance Director Molly Jester announced that Beth Kuentz had received the Distinguished Service Award from the Texas Court Clerks Association on November 4, 2025. The award recognized Beth's leadership as Chair of the Internal Audit Committee during the association's transition from a chapter-based to a regional structure. Molly described Beth's leadership as steady, capable, mission-focused, and grounded in service.

C. Introduction of New City Team Members:
John Byrum - Development Services Director

John Byrum was introduced as the new Development Services Director. Mr. Byrum brings over 10 years of experience in development services with an emphasis on planning, most recently working with the city of Hutto for more than three years.

Jarron Sims - Firefighter
Asa Oliver - Fire Department (from Part-time to Full-time)

Fire Chief Doug Fowler introduced two new members of the fire department. Asa Oliver, previously a part-time firefighter with the department for three years, has transitioned to a full-time position. Asa has 16 years of experience as a Texas certified firefighter. Jaren Sims joins the department with one year of service from the Killeen Fire Department and was inspired to pursue a firefighting career by his father's service in Nacogdoches.

Chief Fowler also took the opportunity to alert citizens about the approaching cold weather, reminding everyone to remember the "four P's": people, pets, pipes, and plants.

5. Public Comment

Cynthia Clinesmith spoke about the new City Center Walking Trail, complimenting the landscaping plan being implemented. She announced that she had written a grant to secure 300 milkweed plugs that would be planted along the trail by community volunteers in late February/early March to create a feeding ground for monarch butterflies. She expressed hope that this effort would help restore the monarch butterfly population that previously used the area as a pathway.

Wayne Brascom discussed preserving Horseshoe Bay's heritage. He requested that an original concrete sign that was removed from Pecan Creek crossing be preserved and placed somewhere on the new walking path, possibly with a plaque, to honor Mr. Hurd who had placed the original sign.

Gene Glaeser invited the council and community to a groundbreaking ceremony for his church on February 1st at noon. He mentioned there would be lunch, construction equipment for the ceremonial groundbreaking, and a photo opportunity.

6. Public Hearing Items

Public Hearing and possible action regarding:

- A. Public Hearing, discussion, consideration, and take action on a request for approval of **Ordinance No. 2026-07**, an Ordinance Rezoning 0.1363 acres out of Greenbelt Lot 3 of Skywater Over Horseshoe Bay Plat No. 1.1, locally known as 700 Paintbrush from A-1 Recreational to R-1 Single Family Estate in Zone 12 Summit Rock/ *Modern Homestead*, Applicant

Mayor Jones opened the public hearing at 3:18 PM.

Development Services Director John Byrum presented the rezoning case for a 0.1363-acre parcel in Zone 12 Summit Rock. The request was to change zoning from A-1 (Recreational) to R-1 (Single Family Residential). Upon rezoning, the applicant would replat the parcel with the adjacent lot to the north (Lot 69) to create a lot just under half an acre. Mr. Byrum presented maps showing the current A-1 zoning and surrounding R-1 properties, as well as a concept plan for the potential single-family residence. He noted that all public notice requirements were satisfied, no opposition was received, and the Planning and Zoning Commission had unanimously recommended approval.

The applicant, Rick Towns, was present but did not make additional comments. With no public comments, Mayor Jones closed the public hearing at 3:22 PM.

ACTION: Motion to approve Ordinance 2026-07, rezoning 0.1363 acres located at 700 Paintbrush in Zone 12 Summit Rock from A-1 recreational to R-1 single family residential was made by Council Member Morgan, seconded by Council Member Weatherby. The motion passed unanimously (5-0).

- B. Public hearing, discussion, consideration and action on a request for a variance in accordance with Section 10.03.462 of the subdivision regulations for relief from the general design standards referenced in Section 10.03.010 that limits cut and fill to not exceed four feet of depth for a subdivision to be known as Cap Rock Thundercloud, a 4.47-acre development consisting of 10 garden home residential lots, located off Bay West Boulevard in Zone 3, Horseshoe Bay West, in Horseshoe Bay./*Horseshoe Bay Resort Destinations, LLC, Applicant*

Mayor Jones opened the public hearing at 3:24 PM regarding a variance request for relief from general design standards for a 4.47-acre development consisting of 10 garden homes by Horseshoe Bay Resort Destinations LLC.

John Byrum, Development Services Director, explained that staff did not have adequate information to make a recommendation to the council at this time. He noted they were awaiting comments from their third-party engineering team, expected the following day.

Brianne Kelsey with Replay Destinations (the applicant) acknowledged the need for additional time to complete the review process and stated their intention to return in February for a full presentation.

Several citizens offered comments on the proposal:

Kay Colapret expressed concerns about the 19-foot cut and fill, including potential noise, drainage, environmental impact, and rock type. She referenced past issues with improper containment of fill during construction on Diamond Hill that impacted her property. She also raised concerns about mass development of cookie-cutter homes and suggested the council consider limiting spec home building.

Richard Gray identified safety and logistical concerns regarding the intersection of Bay West and Thunder Cloud, which he described as a blind intersection. He suggested installing warning signs on Bay West Boulevard before reaching Thunder Cloud. He also raised concerns about potential damage to curbs and brickwork from construction traffic and ongoing parking issues for golf tournaments, with vehicles sometimes blocking fire access and damaging residents' sprinkler systems.

Randy Lloyd expressed concerns about the potential development of the adjacent "Rudd House" property, particularly the possible removal of a retaining wall and excavation of concrete that could damage his property's foundation. He also questioned the appropriateness of flat-roofed homes or condos in the Horseshoe Bay West area.

Mayor Jones announced that the hearing would be continued until the February 17th meeting when staff would have a full opportunity to review all necessary information. Council Member Hosea emphasized the need for complete engineering plans to be made public before the next meeting, including details about the types of homes, traffic flow, parking for construction workers, and entrance locations. He also stressed the importance of addressing the Lloyds' concerns about potential property damage.

ACTION: Motion to continue the public hearing was made by Council Member Hosea, seconded by Council Member Fechner. The motion passed unanimously (5-0).

- C. Public hearing, discussion, consideration and action on a request for a variance in accordance with Section 10.03.462 of the subdivision regulations for relief from the general design standards referenced in Section 10.03.010 that limits cut and fill to not exceed four feet of depth for a subdivision to be known as Cap Rock Thundercloud, a 1.0-acre development consisting of 2 garden home residential lots, located off Bay West Boulevard in Zone 3, Horseshoe Bay West, in Horseshoe Bay./*Horseshoe Bay Resort Destinations, LLC, Applicant*

Mayor Jones opened a public hearing at 3:41 PM regarding a second variance request for the same development involving two garden residential lots.

For the same reasons as the previous item, John Byrum, Development Services Director, clarified that these were two separate variances for the same development on two parcels.

ACTION: Motion to continue the public hearing was made by Council Member Hosea, seconded by Council Member Fechner. The motion passed unanimously (5-0).

7. Business

Discuss, Consider, and Possibly Take Action Regarding:

A. Appointing Members to the Capital Improvements (Impact Fees) Advisory Committee

Utilities Director Ray Garcia explained that recent changes in state law altered how the city may conduct impact fee studies. One significant change was that the Planning and Zoning Commission could no longer serve as the Impact Fee Advisory Committee. The law now requires at least half of committee members to be employed in development-centered occupations.

Garcia presented applications from Gilbert Blount, Mark Bloschock, Lesli Akers, Joe Frazier, and Robyn Walsh for the committee. He acknowledged City Assistant Manager Rick Williams for his assistance in recruiting committee members, noting it had been challenging to explain the committee's purpose to potential volunteers.

Mayor Jones explained to the public that this volunteer committee would assess appropriate impact fees for new developments to ensure costs are fairly allocated to those creating new demands on city resources.

ACTION: Motion to approve the appointment of the members suggested by staff to serve on the Impact Fee Advisory Committee was made by Council Member Fechner, seconded by Council Member Weatherby. The motion passed unanimously (5-0).

B. Approval of **Resolution 2026-07** Council Nomination of Aaron Waldrop as a Director to the Llano County Central Appraisal District for the Year 2026-27

Jeff Jones explained that Llano County had contacted the city about a month ago requesting a nominee to replace Buddy Bullock, who did not wish to return to the position. Aaron Waldrop had expressed interest in serving on the board, which would involve a two-year term providing oversight and voting on budgets and policies for the district.

Mayor Jones added that he had spoken at length with Mr. Waldrop, describing him as a delightful man with years of construction experience in infrastructure projects in North and West Texas who had resettled in Horseshoe Bay and wanted to serve his community.

ACTION: Motion to appoint Mr. Aaron Waldrop as the City of Horseshoe Bay's representative board member for the Llano County Appraisal District was made by Council Member Morgan, seconded by Council Member Waddill. The motion passed unanimously (5-0).

C. Approval of **Ordinance 2026-08**: Adopting and Approving an Amendment to the Budgeted Funds for the Fiscal Year Beginning October 1, 2024, and Ending September 30, 2025

Finance Director Molly Jester presented the budget amendments for the fiscal year 2025 (October 1, 2024 to September 30, 2025). She referred to Exhibit A in the council packet, which detailed amendments for land, donated land, land improvements, and insurance proceeds that had been discussed during the morning workshop.

ACTION: Motion to approve Ordinance 2026-08 approving and adopting the amendment to the budgeted funds for the fiscal year beginning October 1, 2024, and ending September 30, 2025, as detailed in Exhibit A was made by Council Member Weatherby, seconded by Council Member Fechner. The motion passed unanimously (5-0).

D. Approval of **Ordinance 2026-09:** Adopting and Approving an Amendment to the Budgeted Funds for the Fiscal Year Beginning October 1, 2025, and Ending September 30, 2026

Molly Jester presented budget amendments for fiscal year 2026 (October 1, 2025, to September 30, 2026) affecting the utility fund, general fund, and debt service fund. The amendments included reclasses, debt service, a water rate study, and insurance provisions. Mayor Jones noted that the insurance adjustments were specifically to ensure adequate flood and earthquake coverage for city property.

ACTION: Motion to approve Ordinance 2026-09 approving and adopting the amendment to the budgeted funds for the fiscal year beginning October 1, 2025, and ending September 30, 2026, as detailed in Exhibit A was made by Council Member Fechner, seconded by Council Member Morgan. The motion passed unanimously (5-0).

8. Consent Agenda

All consent items are considered to be routine and will be enacted by one motion and vote.

- A. Approval of City Council Special Meeting Minutes - November 3, 2025
- B. Approval of City Council Special Meeting Minutes - November 14, 2025
- C. Approval of City Council Regular Meeting Minutes - December 9, 2025

ACTION: Motion to approve the Consent Agenda including approval of City Council Special Meeting Minutes from November 3, 2025, City Council Special Meeting Minutes from November 14, 2025, and City Council Regular Meeting Minutes from December 9, 2025, was made by Council Member Morgan, seconded by Council Member Weatherby. The motion passed unanimously (5-0).

9. Monthly Reports

Informational reports only; no action to be taken.

- A. Finance, Legislative Services, Police, Fire, Development Services, Public Works, Utilities, Human Resources, Technology Services, Communications

Jeff Jones announced that furniture would be moved into the new city center the following day. He discussed the development timeline of the city center project, which began with design work initiated by Cynthia Clinesmith four years ago, followed by architect and contractor selection, a design phase lasting about a year and a half, and construction that started in October 2024. He proudly noted that the project was completed on time, with only a two-week extension, and appeared to be on budget. He also mentioned that Fire Station 2 was in similar shape, slightly behind the city center project. Future work would include TxDOT adding shoulders and a center line to the road in front of the new city hall.

Public Works Director Tim Foran provided an update on road paving projects, noting that paving had occurred the previous day and that day, with completion expected the following day. He mentioned that work on the change order approved by the council had already begun, and that a bid opening had recently taken place for connecting Mountain Dew back toward Bowie Knife.

Utilities Director Ray Garcia reported that the high zone transmission project was about 90% complete. He described ongoing remediation work on Clayton Nolan and High Mesa, including ribbon curbing

installation and preparations for hydro seeding. He noted that weather-dependent asphalt repairs would begin once temperatures consistently remained above 45 degrees, while temporary repairs were already being made to address potholes and other issues.

Garcia also discussed the sound attenuation project at the wastewater plant, which involved creating an earth berm to address noise concerns raised when a portable blower had been temporarily installed. He highlighted that the materials for the berm were coming from other city projects at no additional cost, creating significant savings. Once complete, the berm would be seeded with Texas mix and plants that could reach up to 14 feet in height.

Police Chief Jason Graham noted that the monthly police statistics might appear lower than usual because Marble Falls' server, which houses the department's reporting system, had crashed, resulting in the loss of almost a month of data. He reassured the council that the data had been recovered and would be incorporated into future reports.

B. Planning and Zoning Commission, Board of Adjustment, Building Regulations Advisory Committee, Historic Preservation Advisory Committee, Transportation Advisory Committee

No reports were received from the various Boards, Commissions or Committees.

10. Executive Session

A. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the Legislative Services Director/City Secretary. (Personnel Matters TGC 551.074)

Mayor Jones opened the Executive Session at 4:01 PM.

11. Reconvene into Regular Session

A. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the Legislative Services Director/City Secretary. (Personnel Matters TGC551.074)

Mayor Jones reconvened into Regular Session at 4:19 PM.

ACTION: Motion to appoint Susie Quinn as the City Secretary/Legislative Services Director, was made by Council Member Fechner, seconded by Council Member Hosea. The motion passed unanimously (5-0).

12. Adjourn

ACTION: Motion to adjourn at 4:20 PM was made by Council Member Weatherby, seconded by Mayor Pro Tem Morgan. The motion passed unanimously (5-0).

CITY OF HORSESHOE BAY

Jeff Jones, Mayor

ATTEST:



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and City Council
Thru: Jeffrey A. Koska, City Manager
From: Ray Garcia, Utilities Director
Re: Approval of the Appointment of a Water Rate Study Consultant

On January 20th, 2026, Council approved a budget amendment in the amount of thirty-six thousand dollars to hire an independent firm for a water rate study.

Staff received three proposals for a water rate study and staff is requesting Council approval to appoint “**Nelisa Heddin Consulting, LLC**,” as the FY26 Water Rate Study Consultant based on a review of best value of services and experience for the city as presented.

Proposed motion: “I move to award the FY26 Water Rate Study contract to “**Nelisa Heddin Consulting, LLC**,” as presented in the amount of \$36,000.00.

Enclosures: (Three Proposals), Freese and Nichols, Inc, HDR Inc, Nelisa Heddin Consulting, LLC.

January 16, 2026

Ray Garcia
PO Box 7765
Horseshoe Bay, TX 78657-7765
Re: Water Rate Study Update

Dear Mr. Garcia,

Freese and Nichols, Inc. (FNI) is pleased to submit this proposal to provide professional services to City of Horseshoe Bay.

PROJECT UNDERSTANDING

Freese and Nichols understands the City of Horseshoe Bay (City) desires a review and evaluation of the sufficiency and appropriateness of existing user rates and charges associated with the City's system.

This study includes updating the costs associated with the operations and maintenance of the water system, as well as necessary capital improvements required to address growth and support the rehabilitation and replacement of aging infrastructure. Additionally, this study will update customer usage characteristics based on readily available billing data.

SCOPE OF SERVICES

Freese and Nichols, Inc. (FNI) will render the following professional services in connection with the development of the Project, please reference Attachment SC – Scope of Services.

PROJECT SCHEDULE

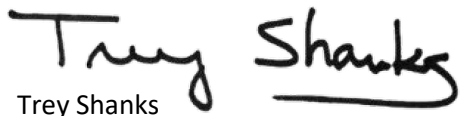
FNI anticipates completion of the scope of services within 120 days from Notice to Proceed, excluding the presentation to Council. Any delays in the availability of data necessary for the study will necessitate additional time.

COMPENSATION

FNI will perform the services outlines herein for a not-to-exceed fee of \$33,000. The City will be invoiced for effort and expenses actually incurred in the execution of the scope of services. In the event FNI anticipates additional effort will be required to complete the tasks in this scope of services, FNI will notify the City and obtain written authorization in advance of conducting additional effort.

We appreciate this opportunity to submit this proposal. If additional information or clarification is desired, please do not hesitate to contact us. If you agree with the services described above and wish for us to proceed with this assignment, please initiate contract proceedings.

Sincerely,
FREESE AND NICHOLS, INC.

A handwritten signature in black ink that reads "Trey Shanks". The signature is written in a cursive, flowing style. The first name "Trey" is written with a large, looped 'T' and a cursive 'r'. The last name "Shanks" is written with a large, looped 'S' and a cursive 'h'. The signature is positioned above the printed name and title.

Trey Shanks
Principal/Vice President

ATTACHMENT SC
SCOPE OF SERVICES AND RESPONSIBILITIES OF CLIENT

Project Understanding:

Freese and Nichols, Inc. (FNI) will develop a comprehensive water rate study for the City of Horseshoe Bay (City). All FNI methodology will be based on accepted industry standards and practices, specifically AWWA Manual 1 “Principles of Water Rates, Fees, and Charges”. At the conclusion of this study, the City will be provided with the following:

- **Multi-year revenue requirements and accompanying scenarios** for water rates designed to meet the City’s overall goals, including providing sufficient revenue to implement any needed capital improvements.
- **A water rate study report** documenting the findings and results of the rate study and the recommended utility rates.

BASIC SERVICES: FNI shall render the following professional services in connection with the development of the Project:

TASK A: DATA COLLECTION AND KICKOFF MEETING

A1. Data Request Memorandum

Prior to the Kickoff Meeting, the FNI team will submit a data request memorandum to identify data needs for the project. This data will include but is not limited to historical and projected populations, water use, income, expenses, bond rating and debt service information, and other operating, financial, management, policy, and ordinance data.

A2. Project Kickoff Meeting (Virtual)

FNI will conduct a virtual project kickoff meeting with City staff to review project scope, goals, project team members and schedule. City staff can discuss the goals and expectations of the study with FNI. FNI will review the data request memorandum with the City and discuss any additional information that should be included in the rate study. The meeting will include discussion of the rate study and any questions from City staff, including:

- Public perception of current rates and rate adjustments;
- Capital/Operational demand changes anticipated over the study’s forecasted period;
- Current bond rating and debt service assumptions; and
- Initial rate objectives.

A3. Develop Water Rate Model

FNI will utilize the information received in the data request and well as subsequent information detailed in Tasks B through D to develop a spreadsheet rate model.

TASK B: PROJECT OPERATING EXPENSES AND INCOME

B1. Analyze Historical Expenses and Income

FNI will analyze historical trends of expenses and income considering historical data including number of connections and customers, metered water sales, historical water rates, etc.

B2. Project Expenses and Income

FNI will develop projections for future growth in population and water connections. Utilizing these projections, the FNI team will develop future operating expenditures and income for the water fund at current rates over the next five fiscal years.

B3. Progress Meeting No. 1 (Virtual) - Review Expense and Income Projections

FNI will provide the projected operating expenses and income at current rates to City staff for review. FNI will conduct a meeting with City staff to discuss the projections and resulting expense and income calculations. Projections will be revised based on staff comments.

TASK C: DEVELOP REVENUE REQUIREMENTS

C1. Determine Test Year Revenue Requirements

FNI will develop test year revenue requirements for the water utility using the cash needs approach.

C2. Develop Estimated Revenue Requirements

FNI will develop a five-year revenue requirement forecast. Identified water capital improvements will be incorporated into the rate models. FNI will work closely with City staff to examine the City's planned method of financing (e.g. cash, debt, grants) future capital improvements and the financing methods' impact on retail rates, operating and capital reserve targets, and debt coverage requirements, as well as examine anticipated operational and/or staffing changes over the five-year forecast. The five-year revenue requirement will serve as the basis for the development of the financing plan to meet projected capital improvement expenditures.

C3. Progress Meeting No. 2 (Virtual) - Review Revenue Requirements

FNI will review the capital improvement costs and other information leading to the five-year revenue requirement estimates with the City. If necessary, the meeting will include discussion of alternatives to modify rate increases, including reduced operating expenses, changes in timing of capital improvements, other financing sources, and other adjustments.

TASK D: DEVELOP COST OF SERVICE

D1. Cost of Service Analysis

Considering the projected expenses for the water utility, FNI will develop a cost-of-service assessment, including customers outside the City limits. This cost of service will consider the demand on the utility in terms of daily operations, peak day demands, and peak hour demands. The analysis will allocate costs between base fee and volume fees.

TASK E: RATE COMPARISONS AND RECOMMENDATIONS

E1. Analyze Current Rate Structure

FNI will review the effectiveness of the current rate design and make recommendations, if necessary to meet the City's pricing goals and objectives. The analysis will also consider the current SRF fee to determine if the fee should be updated, eliminated, or revised. The rate structures will be reflective of industry accepted practices and procedures and rate regulations within the State of Texas and which balance the recovery of revenue between fixed and variable rates on an equitable basis.

E2. Benchmark Water Rates

FNI will obtain data on water rates of nearby communities and compare them with existing and proposed City of Horseshoe Bay rates.

E3. Progress Meeting No. 3 (Virtual) – Discuss Rate Recommendations

FNI will meet virtually with City staff to review rate study recommendations. FNI will revise the report if necessary, based on input from City staff.

TASK F: RATE STUDY REPORT AND PRESENTATION

F1. Prepare Draft Rate Study Report

FNI will prepare a draft rate study report and provide an electronic PDF copy to City staff for review. The draft report will discuss the rate study process and summarize findings and rate structure alternatives for water and wastewater rates.

F2. City Council Presentation

FNI will prepare a presentation on the results of the rate study, including recommended rates, and present to City Council. Prior to the council presentation, FNI will provide the draft presentation to City staff for review and incorporate any staff comments.

F3. Submit Final Rate Study Report

FNI will incorporate the City's comments on the draft rate study report into the Final Rate Study Report and submit an electronic PDF copy.

Additional Services (for Additional Fee)

TASK G: RATE MODEL DELIVERY AND TRAINING

G1. Rate Model Delivery and Training

FNI will adapt the spreadsheet model developed throughout the project into a user-friendly program for use by City staff. The FNI team will deliver the water rate model to the City and conduct a training session, discussing the worksheets within the model and demonstrating their functionality.

The rate model will be built to be compatible with Microsoft Excel. The City's model will allow staff to run "what-if" scenarios including, but not limited to, changes in operating and capital costs, customer and volume growth or decline, debt service structure, source costs, inflation, capital project financing, and funding sources. The models will allow the user to assess the impact various scenarios will have on an existing typical monthly bill.

Summary of Fee for Professional Services

COMPENSATION: FNI will perform the services outlines herein for an amount not to exceed \$33,000.

Schedule for Water/Wastewater Rate Study

- Draft Rate Study Report – 120 Days after Notice to Proceed
- Final Rate Study Report – 10 Days after receiving City comments on Draft Rate Study Report
- Rate Model Delivery and Training – 10 Days after finalizing Rate Study Report



January 6, 2026

Mr. Ray Garcia
Utilities Director
City of Horseshoe Bay
1 Community Drive
Horseshoe Bay, Texas 78657

Re: Agreement for Water and Sewer Rate Study

Dear Mr. Garcia:

HDR is pleased to submit, for your consideration, this agreement for the development of a water and wastewater utility financial planning and rate model. HDR will provide technical and coordination support for the development of the model and rate updates.

Scope, schedule and fee are included as Attachment A. HDR's standard terms and conditions that will apply to this contract are included as Attachment B.

Should you find this agreeable, please counter-sign below and return a completed contract package to HDR. If you have any questions, please call me at 512-214-6154.

Sincerely,
HDR Engineering, Inc.

Grady Reed
Project Manager

Agreed:

Cory Shockley, PE
Vice President

Authorized Representative
City of Horseshoe Bay, TX

Date

Attachment A
Scope, Schedule and Fee

Scope of Services

Task 1: Initial Project Meeting

This meeting will allow both parties to discuss the overall goals and objectives for this study, while at the same time discussing issues and concerns either party may have. This meeting will be held in person.

Task 2: Data Collection

HDR will provide a written data request prior to the initial project meeting so that it can be discussed at the meeting and problem areas resolved. The data and information requested for this study will be, for the most part, readily available information (e.g., financial, statistical, customer, etc.). For example, we would collect relevant information such as past cost of service studies and current rate ordinance. Some data, particularly related to customer consumption and usage patterns may require more effort (e.g., determining consumption by block sizes). Where the data is not readily available or will require significant effort to collect, our team and City staff will determine the “sensitivity” or “importance” of the data required and whether alternative data sources are available.

Task 3: Revenue Requirement Analysis

In this task, we will begin to develop the revenue requirement analyses for each utility, which is the first major analytical portion of the comprehensive rate study process. This portion of the study will entail reviewing, for each utility, the various sources of funds (revenues) and comparing them to the applications of funds (expenses) for the utility. This task considers funding for O&M and capital expenditures for each utility and determines the need for rate adjustments over the time-period selected. A more detailed discussion of the various steps involved in developing the City’s revenue requirements for each utility is provided below.

Step 1: Selection of a Test Period

A “test period” refers to a time frame of reference for the accumulation of revenues, expenses, and consumption data. In this case, a 5-year projected time-period is proposed. By reviewing costs over this extended time frame, the City can determine if steps are needed today to help reduce future impacts (e.g., rate adjustment transition, accumulation of capital reserves, etc.).

Step 2: Accumulation of Revenues and Expenses

Once we determine the test period, we will develop the test period revenue requirements for each utility. These will be developed in conjunction with the City management and staff.

Revenue requirements are composed of two major types of costs: operational and capital expenses. In projecting revenues, the City’s historical billing records (sales and

revenues) are used as a starting point, and a projection of future sales (e.g., demands and flows) is developed. We will work closely with the City to develop a revenue forecast for each utility for the projected test period.

The operational costs are generally projected from historical or budgeted costs, using assumed escalation factors, and adjusted for known changes in operations (e.g., additional personnel, growth/ expansion, etc.). While the projection of the operational costs is fairly straightforward, the capital cost projections are generally the focus of the analysis and require more thought and planning.

Within this study, the starting point for projecting capital costs (expenditures) will be the City's capital improvements plans for each utility, or other relevant capital planning and capital budgeting documents. In the financial planning process, consideration must be given to maximizing capital improvements (expenditures) for the system, while minimizing rates to its customers. This is accomplished in a variety of ways. The important aspect of this discussion is that there are multiple methods of financing capital expenditures, and it is through this process that rates can be minimized. HDR will work with City staff to determine likely funding sources for each project included in the capital improvement plan.

Step 3: Review of Policies and Financial Indicators

During the development of the revenue requirement, our team will review existing financial policies and practices and will recommend adjustments for meeting industry standard practices, such as meeting recommended debt service coverage levels, reserve balances, use of one-time revenues, and funding of capital from rates. For example, a utility's debt service coverage (DSC) ratio is an important financial measure or indication of the utility's ability to repay debt. Maintaining at least the minimum DSC is often a rate (legal) covenant associated with the issuance of debt. During this financial planning process, we will confirm that each utility is projected to be able to maintain targeted minimum reserve levels over the course of the multi-year time-period. If reserves fall below the recommended minimum levels, our team will bring this to the City's attention and provide alternatives to meeting certain reserve levels.

Step 4: Review of Initial Results

During the development of the revenue requirement, we will have an internal meeting to review the draft analysis, confirm the data inputs and assumptions with the City, and discuss the preliminary draft results. A key objective of this review process is to help City management and staff clearly understand the approach and methodology used by our team to develop the analysis and key assumptions.

Task 4: Cost of Service Analysis

Given the results of the revenue requirements, the City's utility costs will be allocated to the various customer classes of service using an average embedded cost of service methodology. We will use 2026 as the test year. A cost-of-service study attempts to equitably allocate the revenue requirements of each utility between the various customer classes of service (e.g., residential, commercial, etc.). A brief discussion of the key steps associated with a cost of service analysis is provided below.

Step 1: Selection of the Methodology for Accumulating Cost

There are two generally accepted methods for accumulating costs – the “cash basis” and the “utility basis.” Similar to the development of the revenue requirements, the cost of service will utilize the “cash basis” methodology.

Step 2: Functionalization and Classification of Expenses

Functionalization refers to the arrangement of cost data into its basic cost categories (e.g., for the water utility, source of supply, treatment, transmission, distribution, etc.). Given functionalized costs, the costs are then classified into their various cost components. For example, for a water utility, classification involves determining whether each specific cost or account item was incurred to meet a customer's capacity, commodity, fire protection, or customer-related need. For the sewer utility, there are volume, strength and customer-related costs. A thorough review of the various types of costs that the City incurs for each utility will be undertaken, and specific cost classifiers developed. As part of this task, all water utility costs will be allocated to the water utility and all sewer costs to the sewer utility.

Step 3: Determining of Classes of Service

The process of establishing classes of service is to group customers into similar groups (e.g., residential, commercial, etc.). We will review the classes of service that are currently used by the utilities and recommended changes needed.

Step 4: Allocation of Expenses

Once the classes of service have been determined, the process of developing allocation factors is undertaken. In developing the allocation factors, we will develop factors that are “fair and equitable” to customers and rely upon utility specific data where available. Where utility-specific data is not available, we will use various methods to establish reasonable surrogates.

Step 5: Summary of the Cost of Service

Given the development of the allocation factors, the final task allocates the expenses to each class of service. From this process, a summary page of the cost-of-service study to

each utility is provided. The summary page for the cost-of-service study compares the difference between the current level of rate revenues received from each class of service, and the allocated cost of service for each class. Draft results will be reviewed with City staff to confirm HDR's assumptions in cost allocations and distribution of costs. The final cost of service results will incorporate input from the City.

The cost of service will provide average unit costs, or cost-based rates, which are important to the development of final rate designs. Finally, the HDR team will work with the City to examine and identify if there are cost differences in serving inside-city customers versus outside-city customers.

Task 5: Rate Design Analysis

From the initial project meeting, HDR will understand the rate design goals and objectives of the City. As a part of this task, the City's existing rate designs for each utility will be reviewed to verify that they conform to contemporary rate-setting goals and objectives. For each rate design developed, a bill comparison and graph will be provided that shows a comparison between the present bill and the proposed bill at various levels of usage and for various customer classes. Bill comparisons are useful in assessing the potential impacts on a wide variety of customers.

A comparison of current and recommended utility rates and average residential and commercial bills will be developed with other like-sized municipal utilities in the surrounding area.

Task 6: Meetings, Workshops, and Public Presentations

It is anticipated that there will be two meetings with the City Council to review and discuss the rate study results. One of these meetings will be in a workshop format and the final presentation will be a City Council meeting. The Project Manager, Grady Reed, will provide the presentations.

Throughout this study, we will schedule, as appropriate, project meetings with City staff to keep them abreast of the progress of the study and to make sure the key assumptions and methodology used within the study are consistent with the City's thinking.

Task 7: Computer Models and Training

Financial, cost-of-service, and rate design models developed as a part of this study will be provided at the end of the study. Models will be developed in Microsoft Excel. During the development of the rate model, HDR walks City staff through the model so they have an understanding of how the model works and how the model needs to be updated. Our team can provide additional training on the rate model if needed.

Project Schedule

Activity	Month 1				Month 2				Month 3				Month 4			
Water/Wastewater Rate Model Update																
Task 1 - Initial Project Meeting																
Task 2 - Data Collection and Review																
Task 3 - Revenue Requirement Analysis																
Task 4 - Cost of Service Analysis																
Task 5 - Rate Design Analysis																
Task 6 - Council/Public Presentations																
Task 7 - Computer Model																

Project Fee

The fee shown below is on a time and materials basis and will not be exceeded without advanced written approval from the City. Billing will be made monthly based on the level of effort incurred. Labor costs will be billed based on a raw labor rates times a 3.4 multiplier. All expenses will be billed at cost with no markup. The City will be billed monthly for services performed with payment expected 45 days from the date of the invoice.

Task	Total Hours	Total Fee (including expenses)
Initial Project Meeting	5	\$ 1,445
Data Collection and Review	8	\$ 2,173
Revenue Requirement Analysis	24	\$ 4,959
Cost of Service Analysis	9	\$ 2,531
Rate Design Analysis	17	\$ 4,492
Public Presentations	18	\$ 4,851
Computer Model	19	\$ 4,997
Total Hours/Fee	100	\$ 25,447

Attachment B
Standard Terms and Conditions

HDR Engineering, Inc. Terms and Conditions for Consulting Services

1. STANDARD OF PERFORMANCE

The standard of care for all professional engineering, consulting and related services performed or furnished by CONSULTANT and its employees under this Agreement will be the care and skill ordinarily used by members of CONSULTANT's profession practicing under the same or similar circumstances at the same time and in the same locality. CONSULTANT makes no warranties, express or implied, under this Agreement or otherwise, in connection with CONSULTANT's services.

2. INSURANCE/INDEMNITY

CONSULTANT agrees to procure and maintain, at its expense, Workers' Compensation insurance as required by statute; Employer's Liability of \$250,000; Automobile Liability insurance of \$1,000,000 combined single limit for bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of \$1,000,000 combined single limit for personal injury and property damage; and Professional Liability insurance of \$1,000,000 per claim for protection against claims arising out of the performance of services under this Agreement caused by negligent acts, errors, or omissions for which CONSULTANT is legally liable. OWNER shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the OWNER. CONSULTANT agrees to indemnify OWNER for third party personal injury and property damage claims to the extent caused by CONSULTANT's negligent acts, errors or omissions. However, neither Party to this Agreement shall be liable to the other Party for any special, incidental, indirect, or consequential damages (including but not limited to loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; and/or fines or penalties), loss of profits or revenue arising out of, resulting from, or in any way related to the Project or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, errors or omissions, strict liability or breach of contract.

3. ESTIMATES

Any estimates of project cost, value or savings provided by CONSULTANT are intended to allow a comparative evaluation between alternatives and do not constitute a detailed evaluation or prediction of actual project costs, value or savings. Any such estimates are made on the basis of information available to CONSULTANT and on the basis of CONSULTANT's experience and qualifications, and represents its judgment as an experienced and qualified professional engineer. However, since CONSULTANT has no control over the impact of various factors that impact the actual project cost, value or savings, CONSULTANT does not guarantee that the actual project cost, value or savings will not vary from CONSULTANT's estimates.

4. CONTROLLING LAW

This Agreement is to be governed by the law of the state where CONSULTANT's services are performed.

5. SUCCESSORS, ASSIGNS AND BENEFICIARIES

OWNER and CONSULTANT, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither OWNER nor CONSULTANT will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other. No third party beneficiaries are intended under this Agreement.

6. SERVICES AND INFORMATION

OWNER will provide all criteria and information pertaining to OWNER's requirements for the project, including design

objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations. OWNER will also provide copies of any OWNER-furnished Standard Details, Standard Specifications, or Standard Bidding Documents which are to be incorporated into the project.

OWNER will furnish the services of soils/geotechnical engineers or other consultants that include reports and appropriate professional recommendations when such services are deemed necessary by CONSULTANT. The OWNER agrees to bear full responsibility for the technical accuracy and content of OWNER-furnished documents and services.

In performing professional engineering, consulting and related services hereunder, it is understood by OWNER that CONSULTANT is not engaged in rendering any type of legal, insurance or accounting services, opinions or advice. Further, it is the OWNER's sole responsibility to obtain the advice of an attorney, insurance counselor or accountant to protect the OWNER's legal and financial interests. To that end, the OWNER agrees that OWNER or the OWNER's representative will examine all studies, reports, sketches, drawings, specifications, proposals and other documents, opinions or advice prepared or provided by CONSULTANT, and will obtain the advice of an attorney, insurance counselor or other consultant as the OWNER deems necessary to protect the OWNER's interests before OWNER takes action or forebears to take action based upon or relying upon the services provided by CONSULTANT.

7. RE-USE OF DOCUMENTS

All documents, including all reports, drawings, specifications, computer software or other items prepared or furnished by CONSULTANT pursuant to this Agreement, are instruments of service with respect to the project. CONSULTANT retains ownership of all such documents. OWNER may retain copies of the documents for its information and reference in connection with the project; however, none of the documents are intended or represented to be suitable for reuse by OWNER or others on extensions of the project or on any other project. Any reuse without written verification or adaptation by CONSULTANT for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to CONSULTANT, and OWNER will defend, indemnify and hold harmless CONSULTANT from all claims, damages, losses and expenses, including attorney's fees, arising or resulting therefrom. Any such verification or adaptation will entitle CONSULTANT to further compensation at rates to be agreed upon by OWNER and CONSULTANT.

8. TERMINATION OF AGREEMENT

OWNER or CONSULTANT may terminate the Agreement, in whole or in part, by giving seven (7) days written notice to the other party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all services and expenses associated with the project up to the effective date of termination. An equitable adjustment shall also be made to provide for termination settlement costs CONSULTANT incurs as a result of commitments that had become firm before termination, and for a reasonable profit for services performed.

9. SEVERABILITY

If any provision of this agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

10. CONTROLLING AGREEMENT

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document.

11. INVOICES

CONSULTANT will submit monthly invoices for services rendered and OWNER will make payments to CONSULTANT within thirty (30) days of OWNER's receipt of CONSULTANT's invoice.

CONSULTANT will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by OWNER's auditors upon request.

If OWNER disputes any items in CONSULTANT's invoice for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER will promptly notify CONSULTANT of the dispute and request clarification and/or correction. After any dispute has been settled, CONSULTANT will include the disputed item on a subsequent, regularly scheduled invoice, or on a special invoice for the disputed item only.

OWNER recognizes that late payment of invoices results in extra expenses for CONSULTANT. CONSULTANT retains the right to assess OWNER interest at the rate of one percent (1%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date OWNER receives CONSULTANT's invoice. In the event undisputed portions of CONSULTANT's invoices are not paid when due, CONSULTANT also reserves the right, after seven (7) days prior written notice, to suspend the performance of its services under this Agreement until all past due amounts have been paid in full.

12. CHANGES

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. Any proposed fees by CONSULTANT are estimates to perform the services required to complete the project as CONSULTANT understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. CONSULTANT will inform OWNER of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional services, or suspension of services results in an increase or decrease in the cost of or time required for performance of the services, an equitable adjustment shall be made, and the Agreement modified accordingly.

13. EQUAL EMPLOYMENT AND NONDISCRIMINATION

In connection with the services under this Agreement, CONSULTANT agrees to comply with the applicable provisions of federal and state Equal Employment Opportunity for individuals based on color, religion, sex, or national origin, or disabled veteran, recently separated veteran, other protected veteran and armed forces service medal veteran status, disabilities under provisions of executive order 11246, and other

employment, statutes and regulations, as stated in Title 41 Part 60 of the Code of Federal Regulations § 60-1.4 (a-f), § 60-300.5 (a-e), § 60-741 (a-e).

14. EXECUTION

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between CONSULTANT and OWNER, supersedes and controls over all prior written or oral understandings. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

15. ALLOCATION OF RISK

OWNER AND CONSULTANT HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING CONSULTANT'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS, SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF CONSULTANT (AND ITS RELATED CORPORATIONS, SUBCONSULTANTS AND EMPLOYEES) TO OWNER AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE LESSER OF \$1,000,000 OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF CONSULTANT'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY.

16. LITIGATION SUPPORT

In the event CONSULTANT is required to respond to a subpoena, government inquiry or other legal process related to the services in connection with a legal or dispute resolution proceeding to which CONSULTANT is not a party, OWNER shall reimburse CONSULTANT for reasonable costs in responding and compensate CONSULTANT at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearings, and trial.

17. NO THIRD PARTY BENEFICIARIES

This Agreement gives no rights or benefits to anyone other than the OWNER and CONSULTANT and has no third-party beneficiaries. All work product will be prepared for the sole and exclusive use of the OWNER and is not for the benefit of any third party and may not be distributed to, disclosed in any form to, used by, or relied upon by, any third party without the prior written consent of CONSULTANT, which consent may be withheld in its sole discretion. OWNER agrees to indemnify CONSULTANT and its officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including but not limited to litigation expenses and attorney's fees arising out of or related to the unauthorized disclosure, change, or alteration of such work product.

Use of any report or any information contained therein by any party other than OWNER shall be at the sole risk of such party and shall constitute a release and agreement by such party to defend and indemnify CONSULTANT and its affiliates, officers, employees and subcontractors from and against any liability for direct, indirect, incidental, consequential or special loss or damage or other liability of any nature arising from said party's use of such report or reliance upon any of its content. To the maximum extent permitted by law, such release from and indemnification against liability shall apply in contract, tort (including negligence), strict liability, or any other theory of liability.

18. DISCLAIMER

In preparing reports, CONSULTANT relies, in whole or in part, on data and information provided by the OWNER and third parties, which information has not been independently verified by CONSULTANT and which CONSULTANT has assumed to be accurate, complete, reliable, and current. Therefore, while CONSULTANT has utilized the customary professional standard of care in preparing this report, CONSULTANT does not warrant or guarantee the conclusions set forth in reports which are dependent or based upon data, information or statements supplied by third parties or the OWNER.

19. OPERATIONAL TECHNOLOGY SYSTEMS

OWNER agrees that the effectiveness of operational technology systems and features designed, recommended or assessed by CONSULTANT (collectively "OT Systems") are dependent upon OWNER's continued operation and maintenance of the OT Systems in accordance with all standards, best practices, laws, and regulations that govern the operation and maintenance of the OT Systems. OWNER shall be solely responsible for operating and maintaining the OT Systems in accordance with applicable laws, regulations, and industry standards (e.g. ISA, NIST, etc.) and best practices, which generally include but are not limited to, cyber security policies and procedures, documentation and training requirements, continuous monitoring of assets for tampering and intrusion, periodic evaluation for asset vulnerabilities, implementation and update of appropriate technical, physical, and operational standards, and offline testing of all software/firmware patches/updates prior to placing updates into production. Additionally, OWNER recognizes and agrees that OT Systems are subject to internal and external breach, compromise, and similar incidents. Security features designed, recommended or assessed by CONSULTANT are intended to reduce the likelihood that OT Systems will be compromised by such incidents. However, CONSULTANT does not guarantee that OWNER's OT Systems are impenetrable and OWNER agrees to waive any claims against CONSULTANT resulting from any such incidents that relate to or affect OWNER's OT Systems.

20. FORCE MAJEURE

CONSULTANT shall not be responsible for delays caused by factors beyond CONSULTANT's reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, government ordered industry shutdowns, power or server outages, acts of nature, widespread infectious disease outbreaks (including, but not limited to epidemics and pandemics), failure of any governmental or other regulatory authority to act in a timely manner, failure of the OWNER to furnish timely information or approve or disapprove of CONSULTANT's services or work product, or delays caused by faulty performance by the OWNER's or by contractors of any level or any other events or circumstances not within the reasonable control of the party affected, whether similar or dissimilar to any of the foregoing. When such delays beyond CONSULTANT's reasonable control occur, the OWNER agrees that CONSULTANT shall not be responsible for damages, nor shall CONSULTANT be deemed in default of this Agreement, and the parties will negotiate an equitable adjustment to CONSULTANT's schedule and/or compensation if impacted by the force majeure event or condition.

21. EMPLOYEE IMMUNITY

The parties to this Agreement acknowledge that an individual employee or agent may not be held individually liable for negligence with regard to services provided under this Agreement. To the maximum extent permitted by law, the parties intend i) that this limitation on the liability of employees and agents shall include directors, officers, employees, agents

and representatives of each party and of any entity for whom a party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a party. Specifically, in the event that all or a portion of the services is performed in the State of Florida, the following provision shall be applicable:

THE PARTIES ACKNOWLEDGE THAT PURSUANT TO APPLICABLE FLORIDA STATUTES AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE WITH REGARD TO SERVICES PROVIDED UNDER THIS AGREEMENT. To the maximum extent permitted by law, the Parties intend i) that this limitation on the liability of employees and agents shall include directors, officers, employees, agents and representatives of each Party and of any entity for whom a Party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a Party. The Parties further acknowledge that the Florida statutes referred to above include but are not limited to: §558.0035(1)(a)-(e); §471.023(3)(an engineer is personally liable for negligence except as provided in § 558.0035); §472.021(3) (surveyor and mapper); §481.219(11)(architect and interior designer); §481.319(6) (landscape architect); and §492.111(4) (geologist).

Professional Proposal

City of Horseshoe Bay, Texas

**Water & Wastewater Utility
Cost of Service and Rate Design Study Proposal**

December 18, 2025

Nelisa Heddin Consulting, LLC
P.O. Box 341855
Lakeway, TX 78734
(512) 589-1028
nheddin@nelisaheddinconsulting.com

EXECUTIVE SUMMARY

Nelisa Heddin Consulting, LLC (NH Consulting) is pleased to provide the City of Horseshoe Bay (“City”) with a proposal for Water and Wastewater Utility Rate Consulting Services. NH Consulting will work with the City to develop rate recommendations which will assure adequate revenues for operations and capital improvements on a self-sustaining basis, while considering the economic impact on the Utility’s customers, taking into consideration the cost of providing the services. ***NH Consulting offers the City of Iowa Colony unparalleled expertise in the performance of cost of service and rate design analysis.***

NH Consulting is a financial and management consulting firm specializing in meeting the needs of municipal utilities.

NH Consulting intends to provide the City with a comprehensive package of services intended to enable the City to more efficiently manage its utilities and fully evaluate the City’s utility rate structure.

The following proposal identifies the project team’s qualifications and outlines our approach to the project.

The project team believes that the successful completion of this project will be dependent on the following requirements:

- A project manager who clearly understands the City’s operating environment including long-term and short-term goals and is committed to helping the City identify strategies to achieving those goals
- A project manager who is committed to providing value-added services to the City that go beyond simply the performance of a rate study, but assisting the City in planning for the future of its Utilities
- A project manager who is experienced in the performance of and specializing in cost of service and rate design studies for numerous entities throughout the U.S and is a recognized expert in the industry having testified before the State Office of Administrative Hearings and the State Legislature
- Responsiveness and constant communication with the City

As outlined in this proposal, NH Consulting is uniquely qualified to meet each of these requirements.

NELISA HEDDIN CONSULTING, LLC PROFILE

NH Consulting is a management consulting firm specializing in the financial planning and management of municipal utilities. NH Consulting works closely with each client to develop strategic, individualized solutions. We provide a full range of services to meet our clients' complex needs including cost of service and rate design studies, impact fee analysis, and budgeting assistance.

NH Consulting works closely with each client to thoroughly understand their unique needs, goals, issues and challenges and develops strategic solutions customized to address the individualized needs of each client.

Services provided by NH Consulting include:

- Cost of Service and Rate Design Studies
- Comprehensive Fee Analysis
- Indirect Cost Allocation Studies
- Impact Fee Analysis
- Pro Forma Analysis
- Bond Issuance Support
- Annual and Long Term Operational Budgeting
- Cost Benefit Analysis
- Comparative Benchmarking Analysis
- Financial Planning and Modeling
- Financial Planning and Modeling
- Financial Planning and Budgeting for CIP Programs
- Public Education Programs
- Service Area Valuations
- Feasibility Analysis
- Regionalization Planning and Implementation
- Expert Witness Testimony
- Legislative Support
- Billing System Reviews and Implementation

Strategic – Innovative - Excellence

Nelisa Heddin, president of NH Consulting, is Past Chair of the Texas AWWA Rates and Charges Sub-Committee, and is still actively involved in this professional organization. Ms. Heddin brings the most innovative solutions in the industry to each of her clients – allowing her to develop customized strategies to meet each of her clients needs.

PROJECT TEAM PROFILE

NELISA HEDDIN, PROJECT MANAGER

Ms. Heddin will serve as the project manager for this engagement, bringing over 25 years in utility rate design to this engagement. Ms. Heddin will be performing the financial analysis and will responsible for the overall quality control for this engagement.

Ms. Heddin is an industry expert in financial planning and management for municipal utilities, specializing in cost of service and rate design studies, impact fee analysis, cost benefit analysis, and annual and long-term budgeting. Ms. Heddin has over 25 years experience in providing consulting services to utilities of all sizes throughout the Southwest. She is a Past-Chair of the Texas AWWA Rates and Charges Sub-committee and has been invited to speak at numerous industry functions regarding cost of service issues, rate design, water loss and capital financing.

Expertise You Can Rely On – Quality You Can Trust

NH Consulting assigns a single project manager who services as project manager and analyst for each engagement – this ensures continuity throughout each engagement. Nelisa Heddin, the proposed project manager for this engagement, is a leading expert in cost of service and rate design studies, having worked for entities across the United States such as the Cities of Dallas, Phoenix, Tucson, Little Rock, Webster, Pflugerville, and Georgetown.

Nelisa Heddin

President

Professional Background

Nelisa Heddin is an industry expert in financial planning and management for water and wastewater utilities; specializing in cost of service and rate design studies, impact fee analysis, cost benefit analysis, and annual and long-term budgeting. Ms. Heddin has over 25 years experience in providing consulting services to utilities of all sizes throughout the Southwest. Ms. Heddin has a Masters of Business Administration with a specialty in Finance. She is a Past-Chair of the Texas AWWA Rates and Charges Subcommittee and has been invited to speak at numerous industry functions regarding water and wastewater rates, rate design, water loss, and capital financing.

Education

B.S., Biology, New Mexico State University, 1996
MBA, Finance, New Mexico State University, 1999

Professional Affiliations

American Water Works Association
Past Chairman Texas AWWA Rates and Charges Subcommittee
Texas Municipal League
Texas Government Financial Officers Association

Sample of Relevant Project Experience

Cost of Service and Rate Design Projects

Bistone Municipal WSC	City of Murphy, Texas
City of Alamo Heights, Texas	City of New Madrid, Missouri
City of Bastrop, Texas	City of North Lake, Texas
City of Bonham, Texas	City of Pecos, Texas
City of Burnet, Texas	City of Pflugerville, Texas
City of Cameron, Texas	City of Phoenix, Arizona
City of Copperas Cove, Texas	City of Richmond, Texas
City of Corinth, Texas	City of Selma, Texas
City of Cuero, Texas	City of Southside Place, Texas
City of Del Rio, Texas	City of Sweet Water, Texas
City of Friendswood, Texas	City of Webster, Texas
City of Garland, Texas	City of Wortham, Texas
City of Gladewater, Texas	Eldorado Area WSD
City of Idabel, Oklahoma	Fair Management, LC
City of Krum, Texas	Gorforth SUD
City of Lago Vista, Texas	La Ventana Utilities
City of Leon Valley, Texas	MB Wastewater Services, LLC
City of Little Rock, Arkansas	Quail Valley Utility District
City of Lindale, Texas	Southern Crossing Utilities
City of Mexia, Texas	Travis County WCID #17
City of Midland, Texas	West Travis County Public Utility Agency
City of Missouri City, Texas	Whiterock Water Supply Corporation
City of Moulton, Texas	

Impact Fee Studies

West Travis County Public Utility Agency	City of Burnet, Texas
City of Southside Place, Texas	City of Corinth, Texas
City of Cuero, Texas	City of Missouri City, Texas
City of Bastrop, Texas	

Valuation Analysis

Central Texas UDC	U.S. Navy	Green Valley SUD
West Travis County Public Utility Agency	City of Dallas, Texas	City of Fort Worth, Texas

Operations and Management Reviews

Quail Valley Utility District	City of Bastrop, Texas	City of Gladewater, Texas
City of Waco, Texas	City of Uvalde, Texas	City of Galveston, Texas

Other Projects

Central Texas UDC - Facilities Acquisition Negotiations	City of Bee Cave - Litigation Support and Expert Witness Testimony
City of Georgetown/ Chisholm Trail SUD - Regionalization Feasibility	La Ventana - Litigation Support and Expert Witness Testimony
City of Georgetown - Contract Assignment Consents	White Bluff Rate Payers - Litigation Support and Expert Witness Testimony
City of Lakeway – Review of Utility Rates of Lakeway MUD	Canyon Lake Rate Payers – Litigation Support and Expert Witness Testimony

Publications and Presentations

Texas H2O, November/December 2004, “Finding the Water: How to Cope with HB3338”
Office of Rural Community Affairs, 2004 – Water Related Training for Local Leaders
Texas Water, 2004 – Professional Paper - Water Audits, Water Loss and HB3338
Texas Rural Water Association Annual Conference 2002– Presentation – Encroachment Issues
Incode Education Forum, 2007 – Selling Utility Rate Studies
Texas Water, 2006 – Water Loss Determination
Munis Education Forum, 2006 – Utility Rate Analysis
Incode Education Forum, 2006 – Utility Rate Analysis
TAWWA Rate Seminar, 2010 - Utility Rate Analysis
GFOAT, 2005 – Capital Financing Seminar
GFOAT Gulf-Coast Chapter, 2005 – Presentation – The GFO’s Water Challenges

PROJECT APPROACH

Analysis of Water Fund Finances and Water Rates

“Inflation and resulting cost impacts on water utility customers, as well as increased public awareness of the need for conservation and more effective use of natural resources, together with the need to provide proper price signals, have challenged utility managers to continue providing high-quality service to water utility customers on an equitable and fair cost basis.”¹ There are many State and Federal regulations surrounding water and wastewater rates. Chapter 13 of the Texas Water Code states, “rates shall not be unreasonably preferential, prejudicial, or discriminatory but shall be sufficient, equitable, and consistent in application to each class of consumers.” Special care must be taken during the development of water and wastewater rates to ensure that the rates developed are in accordance with this statute.

NH Consulting utilizes a cost of service rate design methodology, called the base-extra capacity method, which is endorsed by the American Water Works Association (AWWA). “The AWWA Rates and Charges Subcommittee does not endorse any substantial departure from cost-of-service based rates to achieve social objectives.”¹ The AWWA emphasizes the importance of using sound cost-of-service principles while setting rates.

The development of water rates utilizing the base-extra capacity method involves four primary steps:

1) Determination of Annual Revenue Requirements for the Study Period

It is particularly important that all costs associated with providing service are included in the revenue requirement. This includes direct costs such as those required to pump and treat water, as well as indirect costs such as allocations for administrative overhead incurred by other City departments. It is imperative that the costs included in the revenue requirements are within the confines of State and Federal regulations.

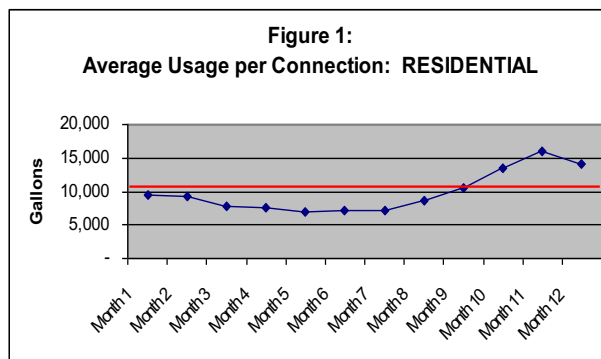
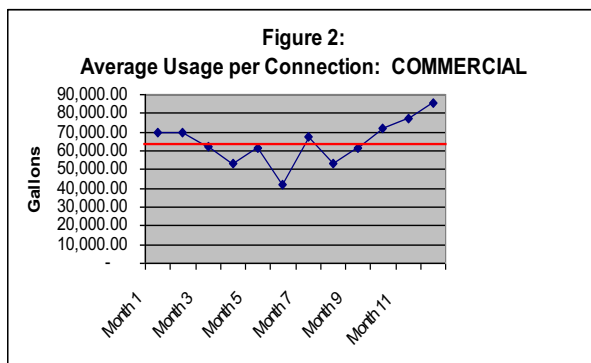
There are two primary approaches to the development of revenue requirements, the “cash-needs” approach, and the “utility” approach. The “cash-needs” approach ensures that the revenues generated by the utility cover the cash needs of the utility, including debt obligations, as they come due, whereas the “utility” basis does not consider debt obligations. The primary difference is that the “utility” basis considers depreciation rather than debt. NH Consulting will work closely with City staff to determine the approach which is most appropriate in meeting the City’s needs.

2) Functionalize Revenue Requirements into Cost Components

Chapter 290 of the Texas Administrative Code outlines strict guidelines that the water utility must abide by while providing retail water services. These guidelines outline specific requirements for items such as minimal system capacities. Thus, the City must maintain the infrastructure to meet these requirements. Infrastructure capacity requirements are determined by the number of connections that the system serves, and the size of each connection as well as the usage patterns of those customers. Water utilities are designed to handle times of peak usage, such as summer months when residents are irrigating heavily.

¹ American Water Works Association M1 Manual, Water Rates, Fourth Edition, 1991.

Even though the utility may have average usage at a certain level, it must have the capacity to serve customers at a level that is much greater, in order to meet peaking demands. Figures 1 and 2 demonstrate different usage patterns of residential and commercial customers that may occur on a water utility.



According to the AWWA, “a water utility is required to supply water in total amounts and at such rates of use desired by the customer. A utility incurs costs in relationship to the various expenditure requirements caused by meeting those customer needs. Since the needs for total volume of supply and peak rates of use vary among customers, the costs to the utility of providing service also vary among customers or classes of customers.”² In other words, there are significant cost implications to the ability a utility system must have to meet peaking patterns. Therefore, one must have an in-depth understanding of the Utility’s expenses in order to allocate them properly into functional cost components.

NH Consulting uses a base-extra capacity methodology to functionalize costs into the following components, as defined by the AWWA in the M1 Manual:

- **Base Costs** – costs that tend to vary with the total quantity of water used plus those O&M expenses and capital costs associated with service to customers under average load conditions, without the elements of cost incurred to meet water use variations and resulting peaks in demand.
- **Extra Capacity Costs** – costs associated with meeting rate-of-use requirements in excess of average and include O&M expenses and capital costs for system capacity beyond that required for average rate of use.
- **Customer Costs** – those costs associated with serving customers, irrespective of the amount or rate of water use.
- **Direct Fire Protection Costs** – those costs that are applicable solely to the fire-protection function.

3) Allocation of Cost Components into Customer Classes

Special care must be taken in the selection of customer classifications. In setting customer classes, one must consider service characteristics, demand patterns, and whether service is provided both inside and outside city limits. Customers grouped in the same classification must utilize water for similar purposes and in similar patterns.

The utilization of the base-extra capacity methodology requires an in-depth analysis of customer usage patterns in order to gain a thorough understanding of the demand factors imposed by each customer classification. While setting appropriate customer classifications, the customer’s average and peak usage must be examined.

The ultimate goal of the customer usage analysis is to distribute cost components (base costs, extra-capacity costs, customer costs, and direct fire protection costs) to customer classes based on their specific usage patterns.

² American Water Works Association M1 Manual, Water Rates, Fourth Edition, 1991.

4) Design Water Rates

Water rate design is often a daunting and complex task. The primary consideration is to recover from each customer class, within practical limits, the cost to serve that customer class. However, special care must be taken to ensure that rates are equitable among customer classes, and that customers do not experience “rate shock” because of the new rate structure. In addition, it is important to realize that there are many political and policy influences on the rates charged by a water utility. Water rates must also send appropriate pricing signals to the utility’s customers. Many rate options exist, including: Minimum bill by meter size; Minimum bill by customer class; Volumetric rate by meter size; Volumetric rate by customer class; Conservation rates; Inclining block rates; Declining block rates; Uniform block pricing; Conservation incentives; Marginal cost rates; Unmetered rates; Direct fire-protection rates. The goals of the individual utility must be taken into consideration while evaluating each water rate option.

Analysis of Wastewater Fund Finances and Wastewater Rates

The determination of wastewater rates is accomplished through a similar approach. The four primary steps that are required in wastewater rate analysis are as follows:

1) Determination of Annual Revenue Requirements for the Study Period

The determination of wastewater revenue requirements is accomplished in the same manner as the water revenue requirements. NH Consulting will use the “cash-needs” basis for determination and will project costs into the five-year study period accounting for known and measurable changes and inflationary influences.

2) Functionalize Revenue Requirements into Functional Cost Components

Just as the water costs that the utility incurs are related to the demand the customers put on the water system, wastewater costs are related to the flow and strength of the wastewater returned to the system. The wastewater treatment process is dependent on both the strength of the wastewater and the volume of the wastewater treated. Thus, costs are related to these factors. Wastewater revenue requirements must be functionalized based on:

- **Flow Costs**– Costs incurred by the wastewater utility that can be directly related to the volume of wastewater treated. These costs include pumping costs and wastewater treatment plant capacity.
- **Strength** – Costs incurred by the utility that can be related to the strength of the wastewater treated, such as chemical costs. Strength costs can be further functionalized in terms of BOD, TSS, and NH₃, depending on the facility’s specific permit treatment parameters.
- **Customer Costs** – those costs associated with serving customers, irrespective of the amount or rate of wastewater treated.

3) Allocation of Cost Components into Customer Classes

The functionalized wastewater costs are then allocated to customer classes based on projected flow, and, in the case of surcharge design, strength.

4) Design Wastewater Rates

The design of wastewater rates is a complex task. This is due to the fact that most utilities do not meter wastewater, as they do water. Thus, best estimates must be made during the determination of billing units. This is a particularly sensitive task. It is imperative that a utility normalize the historical data to ensure they do not over-estimate billing units. Additionally, the City must adopt a policy for the determination of wastewater billing. Options include winter averaging and maximum fee capping. Another consideration in setting wastewater rates is the option of wastewater surcharges for industrial customers.

WORK PLAN

The Project Team has put together a work plan that accomplishes the four steps of rate design and accomplishes the goals/objectives outlined by the City. NH Consulting's general approach to rate design is to first thoroughly understand the goals of the Utility and design rates which meet those goals. The Project Team will discuss rate design options and project goals with the City in a kick-off meeting, which will set the tone and direction of the project.

Task Number	Task Name	Description	Deliverable (if any)
1	Revenue Requirement Determination	Development of Revenue Requirements for the base-year utilizing historical actual costs, City budgets, debt service schedules, capital improvement plans and information/input from City staff.	Detailed schedule outlining the base-year revenue requirement and the basis of development, assumptions, and adjustments will be provided to and reviewed with City staff in a work-paper document. Base year revenue requirements will be relied upon to develop five-year revenue requirements.
2	Allocation of Revenue Requirements Between Utilities	Base-year Revenue Requirements will then be allocated between the utilities based upon a variety of cost-causation factors. NH Consulting will rely upon input from City staff to ensure appropriate allocations have been made.	A detailed schedule which allocates the Revenue Requirements between the three utilities and the allocation factors utilized for each line-item will be identified and provided to City staff in a work-paper document. The project team will seek approval of the allocations. The results of this analysis will be incorporated into the five-year Revenue Requirement projections for each utility.
3	Development of Five-Year Revenue Requirement Forecast	Once the base year revenue requirements for the test year have been developed, NH Consulting will work with City staff to develop a five-year projection of revenue requirements for each utility. Known and measurable changes such as capital improvements, future debt issues and process changes, will be taken into account. The project team will work closely with City staff project these costs into the five-year planning period considering elements including, but not limited to, inflation, personnel changes, growth impacts, etc. Existing costs will be determined as well as the costs for the proposed CIP. O&M reserves repair and replacement reserves and debt service reserves will be established to	Detailed schedules outlining the five-year projection and the basic assumptions used to make those projections. These schedules will likely be included in the final report of the study.

4	Functionalization of Revenue Requirements	coincide with the City's financial policies.	
		Once revenue requirements have been determined and projected for the five-year study period, NH Consulting will functionalize each cost component into functional categories, based on that cost. Cost components for the water utility will be further functionalized into base, extra-capacity, and customer cost categories. Wastewater components will be functionalized into flow, treatment, and customer cost categories.	Cost functionalization work-paper schedules will be reviewed with City staff and will be relied upon for the allocation of costs to customer classes.
5	Customer Demand Analysis	NH Consulting will next examine the historical usage patterns of the City's current customer classes and will evaluate possible new customer classifications.	Historical customer demands, average use, and peaking patterns will be provided to City staff in detailed work-papers for review and incorporation into the customer cost allocations and future use projections.
		NH Consulting will examine the usage patterns of the customer classes to determine their average and peak usage. The customer demand analysis is not only useful in cost allocations, it also enables the utility to make future revenue projections, as well as serve as a tool in water resource planning. In addition, NH Consulting will use this analysis to review the City's current customer classifications as to appropriateness.	
6	Customer Count and Demand Projections	The next step in the analysis is to project future customer growth. NH Consulting will examine historical growth patterns, and discuss future growth with the City's utility and planning departments to make this projection. In addition, NH Consulting will analyze historical usage patterns and customer growth projections to project usage for the five-year study period.	Future projections of customer count and demands will be reviewed with City staff. The final report will summarize these projections and the basic assumptions utilized in making these projections.
7	Allocation of Cost Components to Customer Classes	Once NH Consulting has accurately functionalized costs into cost components and has analyzed customer demands, NH Consulting will be able to allocate costs to customer classes based on their usage patterns, and thus relative demands they place on utilities.	Detailed work-papers allocating costs to customer classes will be reviewed with City staff. The final report will summarize the results of the cost allocation analysis.

8	Rate Design	The previous steps have allocated costs to customer classes based on their system demands and have projected customer demands, and thus billing units, into the future. The final step of the analysis is to design rates for the utilities. NH Consulting will first determine cost-of-service based rates for each customer class. Additionally, NH Consulting will provide alternative rate design options if deemed necessary. The ultimate rates recommended by the project team will be fair and equitable among customers; fully recover the costs associated with providing services; and will meet the goals of the City as defined in the project kick-off meeting.	The final rate design work papers will be reviewed with City staff. The recommended rate design will be incorporated into the final report.
9	Preliminary Draft Report	NH Consulting will prepare a preliminary draft report for the City that discusses the methodology used during the analyses, the critical assumptions made by the project team, and findings and recommendations. The project team will present the draft report to City staff for comment.	A draft report will be provided to City staff for comment/edits. Unless otherwise requested by the City, the draft report will be provided in an electronic, PDF format.
10	Issuance of Final Report	NH Consulting will incorporate the City's comments into the draft report, and will issue a final report to the City. This report would include an executive summary, which documents the findings and recommendations in a clear and concise manner.	The project team will provide the City with the final report.
11	Presentation of Findings	NH Consulting will present findings in up to two regularly scheduled or special called meetings/workshops or public hearings. The project team will educate the Council and/or the public on the methodology, findings, and recommendations of the project.	NH Consulting typically presents findings with a Power-Point presentation, or similar format as deemed appropriate.

Proposed Fees

NH Consulting proposes to perform the services described herein for a guaranteed-not-to exceed fee of \$35,870, plus out of pocket expenses. The City would be billed monthly based upon percentage of completion, with the final payment to be due upon delivery of final report and presentation of findings. The project budget and scope of services presented herein reflect the project team's understanding of the City's specific needs. ***The project team is willing to negotiate price based on an adjusted scope of services to meet the City's specific needs and budgetary limitations if deemed necessary.***



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and Council
Thru: Jeff Koska, City Manager
From: Tim Foran, Director of Public Works
RE: Contract award for street upgrade engineering

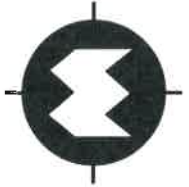
The remaining funds left over from the approved FY 2025 road improvement budget enabled Public Works to reach out to issue a contract for a section of Mountain Dew, from Bowie Knife back to Dew Drop. This section of road falls into the classification of roads that are heavily traveled but do not qualify for an upgrade under the current policy. As discussed last year, the Mayor and Council agreed to allow these types of connector roads to be upgraded to facilitate safer and uniform travel throughout the city. This contract is for the engineering and preconstruction services for this area including design, solicitation, bid opening, site visits, and any revisions required during the project.

Staff Recommendations: Approval of the award of the contract to Willis Engineering

Proposed Motion: *“I move to approve the city manager/mayor to enter into a contract with Willis engineering to provide the services as presented by staff”*

Enclosures: Street Upgrade Schedule of Values
Bid Sheet
Contract

240707 PHASE SIX-2 UPGRADE STREET IMPROVEMENTS SCHEDULE OF VALUES					
				Aaron Concrete Contractors, LP	
ITEM	DESCRIPTION	UNIT	CONTRACT QUANTITY	UNIT PRICE	TOTAL
1	Mobilization –	LS	1	\$76,000.00	\$76,000.00
2	Traffic Safety/Control	LS	1	\$5,500.00	\$5,500.00
3	Performance and Payment Bonds	LS	1	\$11,850.00	\$11,850.00
4	Flexible road base with the FDR process to establish grade (compacted CY)	CY	1,509	\$85.00	\$128,265.00
5	Material haul off (Trip no longer than five miles one way)	BANK YD	218	\$15.00	\$3,270.00
6	Seeding	SY	3,168	\$1.00	\$3,168.00
7	Full depth reclamation of existing street – 8" deep - (24')	SY	2,949	\$4.50	\$13,270.50
8	Full depth reclamation of existing street – 8" deep - (26')	SY	4,563	\$5.50	\$25,096.50
10	6" Subgrade Preparation	SY	6,947	\$3.50	\$24,314.50
11	3" HMA paving with tack coat	SY	6,094	\$25.00	\$152,350.00
12	1" HMA Overlay paving with tack coat	SY	529	\$18.00	\$9,522.00
13	18" Ribbon curb	LF	5,969	\$16.50	\$98,488.50
16	Remove, reset, add concrete around existing utility valve covers in street	EA	6	\$650.00	\$3,900.00
17	Silt Fence or Rolled Sediment Control Device \ Rock Berm	LF	704	\$5.25	\$3,696.00
18	Backfill behind Curb to Existing Grade Approx. Four Feet Behind Curb line	LF	5,969	\$2.50	\$14,922.50
19	Remove Existing Headwalls and Haul off Concrete	EA	8	\$1,250.00	\$10,000.00
20	Regrade Bar Ditch	LF	2,158	\$6.80	\$14,674.40
21	Remove Existing 18"/24" Culvert Pipes	LF	194	\$61.00	\$11,834.00
24	2' Saw-Cut Exist. Pavement Tie-In to Exist. Pavement	SY	19	\$46.00	\$874.00
25	Place/Relocate Standard Street, Stop and Warning Signs	EA	6	\$600.00	\$3,600.00
26	Concrete Driveway 4"	SF	403	\$9.50	\$3,828.50
27	Install New Rip Rap	SY	265	\$70.00	\$18,550.00
28	Safety End Treatment (S.E.T.) for 18" RCP	EA	5	\$1,920.00	\$9,600.00
29	18" Equiv Arch RCP	LF	94	\$220.00	\$20,680.00
30	18" Reinforced Concrete Pipe	LF	68	\$125.00	\$8,500.00
31	24" Reinforced Concrete Pipe	LF	108	\$146.00	\$15,768.00
32	30" Reinforced Concrete Pipe	LF	103	\$175.00	\$18,025.00
33	Concrete Headwalls for 24" RCP	EA	2	\$11,900.00	\$23,800.00
34	Concrete Headwalls for 30" RCP	EA	4	\$10,500.00	\$42,000.00
39	Remove Tree	EA	1	\$2,200.00	\$2,200.00
40	Remove Existing Riprap	SY	37	\$95.00	\$3,515.00
41	Gravel Driveway 6"	SF	767	\$14.00	\$10,738.00
				Aaron Concrete	\$791,800.40



Willis Environmental Engineering, Inc.

310 main • marble falls, texas • 78654

[830] 693-3566 • fax (830) 693-5362

email: tplumlee@willis-engineering.com

Reg. No. F-2782

**CITY OF HORSESHOE BAY, TEXAS
PHASE SIX-2 STREET IMPROVEMENTS
WEE PROJECT NO 240707**

BID OPENING

at the City of Horseshoe Bay, Texas City Meeting Room
January 8 at 10:00 A.M.

COMPANY	BASE BID	Number of Days	Substantial Completion
AARON CONCRETE	\$ 791,800.40	120	150
BENNETT PAVING OF TEXAS	No Show		

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the Controlling Law.

SHORT FORM OF AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES

Prepared by

ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

and

Issued and Published Jointly by

PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE
a practice division of the
NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

AMERICAN COUNCIL OF ENGINEERING COMPANIES



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1015 15th Street N.W., Washington, DC 20005

American Society of Civil Engineers
1801 Alexander Bell Drive, Reston, VA 20191-4400

SHORT FORM OF AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES

THIS IS AN AGREEMENT effective as of _____ (“Effective Date”) between

City of Horseshoe Bay, Texas _____ (“Owner”)

and Willis Environmental Engineering Inc. _____ (“Engineer”)

Engineer agrees to provide the services described below to Owner for Phase Six-2 Street Rehabilitation Project (“Project”).

Description of Engineer’s Services: Willis Environmental Engineering, Inc. will prepare design and specification Documents for the reconstruction of the remaining street infrastructure estimated to be approximately 2710 Linear feet of streets. Willis Environmental Engineering, Inc. will also provide an analysis of the existing drainage crossing and prepare design and Specification documents for those drainage issues as well. Willis Environmental Engineering will assist the City of Horseshoe Bay, Texas in bidding and making recommendations for bid award. During construction WEE will oversee the construction and review contractor applications for payment. Willis Environmental Engineering shall also provide oversight of the surveying and geotechnical testing requirements under its contract. The Exhibit A further defines the Engineer’s Scope of services.

Owner and Engineer further agree as follows:

1.01 Basic Agreement

A. Engineer shall provide, or cause to be provided, the services set forth in this Agreement, and Owner shall pay Engineer for such Services as set forth in Paragraph 9.01.

2.01 Payment Procedures

A. *Preparation of Invoices.* Engineer will prepare a monthly invoice in accordance with Engineer’s standard invoicing practices and submit the invoice to Owner As further defined in the Addendum.

B. *Payment of Invoices.* Invoices are due and payable within 30 days of receipt. If Owner fails to make any payment due Engineer for services and expenses within 30 days after receipt of Engineer’s invoice, the amounts due Engineer may be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, Engineer may, without liability, after giving seven days written notice to Owner, suspend services under this Agreement until Engineer has been paid in full all amounts due for services, expenses, and

other related charges. Payments will be credited first to interest and then to principal.

3.01 Additional Services

A. If authorized by Owner, in writing, Engineer shall furnish services in addition to those set forth above.

B. Owner shall pay Engineer for such additional services as follows: For additional services of Engineer’s employees engaged directly on the Project an amount equal to the cumulative hours charged to the Project by each class of Engineer’s employees times standard hourly rates for each applicable billing class; plus reimbursable expenses and Engineer’s consultants’ charges, if any.

4.01 Termination

A. The obligation to provide further services under this Agreement may be terminated:

1. For cause,

a. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the Agreement's terms through no fault of the terminating party.

b. By Engineer:

1) upon seven days written notice if Engineer believes that Engineer is being requested by Owner to furnish or perform services contrary to Engineer's responsibilities as a licensed professional; or

2) upon seven days written notice if the Engineer's services for the Project are delayed or suspended for more than 90 days for reasons beyond Engineer's control.

3) Engineer shall have no liability to Owner on account of such termination.

c. Notwithstanding the foregoing, this Agreement will not terminate as a result of a substantial failure under paragraph 4.01.A.1.a if the party receiving such notice begins, within seven days of receipt of such notice, to correct its failure and proceeds diligently to cure such failure within no more than 30 days of receipt of notice; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein shall extend up to, but in no case more than, 60 days after the date of receipt of the notice.

2. For convenience, by Owner effective upon the receipt of notice by Engineer.

B. The terminating party under paragraphs 4.01.A.1 or 4.01.A.2 may set the effective date of termination at a time up to 30 days later than otherwise provided to allow Engineer to demobilize personnel and equipment from the Project site, to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble Project materials in orderly files.

5.01 Controlling Law

A. This Agreement is to be governed by the law of the state in which the Project is located.

6.01 Successors, Assigns, and Beneficiaries

A. Owner and Engineer each is hereby bound and the partners, successors, executors, administrators, and legal representatives of Owner and Engineer (and to the extent permitted by paragraph 6.01.B the assigns of Owner and Engineer) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.

B. Neither Owner nor Engineer may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

7.01 General Considerations

A. The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with Engineer's services. Engineer and its consultants may use or rely upon the design services of others, including, but not limited to, contractors, manufacturers, and suppliers.

B. Engineer shall not at any time supervise, direct, or have control over any contractor's work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, for safety precautions and programs incident to a contractor's work progress, nor for any failure of any contractor to comply with laws and regulations applicable to contractor's work.

C. Engineer neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract between Owner and such contractor.

D. Engineer shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any contractor's agents or employees or any other persons (except Engineer's own employees) at the Project site or otherwise furnishing or performing any of construction work; or for any decision made on interpretations or clarifications of the construction contract given by Owner without consultation and advice of Engineer.

E. The general conditions for any construction contract documents prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by the Engineers Joint Contract Documents Committee (No. C-700, 2002 Edition).

F. All design documents prepared or furnished by Engineer are instruments of service, and Engineer retains an ownership and property interest (including the copyright and the right of reuse) in such documents, whether or not the Project is completed.

G. To the fullest extent permitted by law, Owner and Engineer (1) waive against each other, and the other's employees, officers, directors, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project, and (2) agree that Engineer's total liability to Owner under this Agreement shall be limited to \$50,000 or the total amount of compensation received by Engineer, whichever is greater.

H. The parties acknowledge that Engineer's scope of services does not include any services related to a Hazardous Environmental Condition (the presence of asbestos, PCBs, petroleum, hazardous substances or waste, and radioactive materials). If Engineer or any other party encounters a Hazardous Environmental Condition, Engineer may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the Project affected thereby until Owner: (i) retains appropriate specialist consultants or contractors to identify and, as appropriate, abate, remediate, or remove the Hazardous Environmental Condition; and (ii) warrants that the Site is in full compliance with applicable Laws and Regulations.

7.02 Dispute Resolution

A. Exhibit A, attached to and made a part of this Agreement shall govern all Disputes as defined in Exhibit A.

7.03 Addendum

A. The Addendum, Referred to in this Agreement is attached and shall be made a part of this Agreement.8.01 Total Agreement

A. This Agreement (consisting of pages 1 to 5 inclusive together with any expressly incorporated Exhibits, Addendums and ,appendix), constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

Exhibit A Scope of Work
Exhibit B Hourly rate
Exhibit C Owners Responsibility
Exhibit D Dispute resolution
Exhibit E List of Street Names

INSTRUCTIONS TO USERS FOR COMPLETION OF AGREEMENT:

1. Select and retain as Page 4 of 4 one of the four method of payment pages that follow.
2. Remove and discard this page and the three unused method of payment pages.

Instruction Page – Remove and Discard

EJCDC E-520 Short Form of Agreement Between Owner and Engineer for Professional Services
Copyright © 2002 National Society of Professional Engineers for EJCDC. All rights reserved.

9.01 Payment (Percentage of Construction Cost)

A Using the procedures set forth in paragraph 2.01 & in the Addendum .Owner shall pay Engineer as follows:

1 An amount equal to 8 Percent of the cost to construct the work designed or specified by the Engineer ("Construction Cost"). This amount includes compensation for Engineer's Services and services of Engineer's consultants, and sub-contractors if any. The percentage of Construction Cost noted herein accounts for labor, overhead, profit, and reimbursable expenses.

2 As a basis for payment to Engineer, Construction Cost will be based on one or more of the following determinations with precedence in the order listed:

- a For work designed or specified by Engineer and incorporated in the completed Project, the actual final cost of the work performed by Contractor.
- b For work designed or specified by Engineer but not constructed, the lowest bona fide bid received from a qualified bidder for such work; or, if the work is not bid, the lowest bona fide negotiated proposal or contractor's estimate for such work.
- c For work designed or specified but not constructed, upon which no bid, proposal, or estimate is received, Engineer's most recent opinion of probable Construction Cost.

B The Engineer's compensation is conditioned on the time to complete construction not exceeding 8 months Barring reasonable delays and the Engineer agrees to Complete the design and bid process no later than June 1, 2015 subject to the Activity Compensation Schedule.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

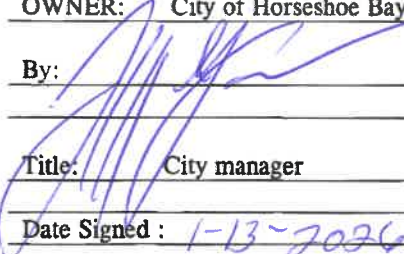

OWNER: City of Horseshoe Bay, Texas	ENGINEER Willis Environmental Engineering Inc.
By: 	By:  William A Plumlee P.E
Title: City manager	Title: President
Date Signed : 1-13-2026	Date Signed: 1/8/2026
	License or Certificate No. and State 89777 Texas
Address for giving Notice	Address for giving Notice
P.O.Box 7765, Horseshoe Bay , Tx 78657	310 Main Street Marble Falls ,Texas 78654

Exhibit A

I. Engineering Services shall also include the following:

1. Willis Environmental Engineering (WEE) will take the survey information provided by the City of Horseshoe Bay, Texas, which is being performed by Willis and Associates Surveying for the location of all driveways, drainage culvert and street Right of Way locations to identify the location of the proposed rehabilitated streets for the next street. This service shall be paid by the city of Horseshoe Bay separate from engineering contract .
2. From this information WEE will define the center line of the street alignment and fit the newly rehabilitated street locations to the best possible alignment to minimize existing conditions and set elevations effectively to drain the street and driveways.
3. WEE will establish new drainage channels, center line alignments, elevations and design for the new streets to be 22 feet for residential and 24 feet back of curb to back of curb for collector streets .Ribbon curb will be used and any new street drainage crossings and bar-ditches designed.
4. Willis Environmental Engineering will assist the City of Horseshoe Bay, Texas in posting notice in the local newspaper about the project, as well as the local trade distributors ie; American General Contractors, Dodge Room and others.
5. Willis Environmental Engineering will assist the City of Horseshoe Bay, Texas in receiving bids on the project, review those bids and make recommendations as to the most qualified responsive bidder.
6. Willis Environmental Engineering will prepare the construction contracts and documents for the contractor and the City of Horseshoe Bay, Texas to sign.
7. Willis Environmental Engineering will work closely with Holt Engineering a geotechnical testing company from Austin, Texas to evaluate the construction quality as well as the construction materials installed on the project to assure that the project meets the Engineering Specification. Holt Engineering will contract directly with City of Horseshoe Bay, Texas.
8. Any Major drainage calculations Hydrologic and hydraulic that is required for the sizing of drainage culverts crossing under the street which is over 10 Acres. **This work shall be performed on an hourly rate basis.**
9. Willis Environmental Engineering will perform weekly inspections or as needed to review the contractor's work and performance and shall make weekly inspection reports and provide those reports to the Owner within two working days after the inspection. **This work shall be performed on an hourly rate basis.**

10. Willis Environmental Engineering will make monthly inspections with the contractor to go over the monthly pay request and approve the contractor's quantities for payment.

This work shall be performed on an hourly rate basis.

11. Willis Environmental Engineering will review have a final meeting with the contractor to develop a work and performance punch list prior to the contractor receiving final payment.

12. Willis Environmental Engineering will review and approve the final pay request along with all release of lien's from the contractor and his subcontractors for final payment.

II Preparation of Invoice

A.

Engineer will be compensated on the basis on a 8 % fee of the cost of construction for Engineering Services. This fee is for the preparation of the design documents, bidding and assisting in the award of the contract for the street rehabilitation and drainage program. All weekly inspections, pay request by contractor, and final review of the project shall be performed on an hourly rate basis. Note Rate Schedule attached.

Invoice amounts shall be based upon the amount of engineering work accomplished to the date of the invoice, less the amount of previous invoices billed as in the agreement with the percentage of Activity Compensation Schedule.

ACTIVITY COMPENSATION SCHEDULE

The Owner shall reimburse the Firm for basic engineering services provided upon completion of the following project milestones per the following percentages of the Basic Services Fee amount:

1. Approval of Preliminary Engineering Plans and specifications by Owner	65 %
2. Approval of Plans and Specifications by Regulatory Agency(ies)(RA)	20 %
3. Completion and submittal of Construction Plans to Owner	10 %
4. Completion of final inspection and acceptance by Owner	5 %

Invoices are due and payable at 310 Main Street, Marble Falls, Texas 78654

Clients with (undisputed) accounts unpaid after 90 days will be responsible for all collection cost.

If the Owner objects to any portion of an invoice, the Owner shall notify Willis Environmental Engineering, Inc. within 14 calendar days of the invoice date, identify the cause of disagreement and pay that portion of the invoice not in dispute.

EXHIBIT B
RATES FOR ENGINEERING SERVICES
January 2026

Engineering, Principal-	\$ 230.00 Per Hour
Engineering Professional V-	\$ 215.00 Per Hour
Engineering Professional IV-	\$200.00 Per Hour
Engineering Professional III	\$ 185.00 Per Hour
Engineering Professional II	\$ 160.00 Per Hour
Project Manager	\$ 100.00 Per Hour
Engineering Technician II	\$ 135.00 Per Hour
Engineering Technician I-	\$ 115.00 Per Hour
Resident Project Inspector	\$ 85.00 Per Hour
CAD Terminal Charge	\$ 10.00 Per Hour
Clerk, Word Processor	\$ 40.00 Per Hour

Reimbursable expenses such as reproduction, printing, fax and long distance telephone work will be invoiced to you at our cost.

Travel to and from job site: \$.655 Cents Per Mile

Services of authorized specialized consultants or technicians will be invoiced to you at our cost plus 10%.

Rates subject to change at the beginning of each Calendar Year.

EXHIBIT C
OWNER'S RESPONSIBILITIES
Consisting of 2 pages

Owner's Responsibilities

Article 2 of the Agreement is amended and supplemented to include the following agreement of the parties.

B2.01 In addition to other responsibilities of Owner as set forth in this Agreement, Owner shall at its expense:

A. Provide Engineer with all criteria and full information as to Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which Owner will require to be included in the Drawings and Specifications; and furnish copies of Owner's standard forms, conditions, and related documents for Engineer to include in the Bidding Documents, when applicable.

B. Furnish to Engineer any other available information pertinent to the Project including reports and data relative to previous designs, or investigation at or adjacent to the Site.

C. Following Engineer's assessment of initially-available Project information and data and upon Engineer's request, furnish or otherwise make available such additional Project related information and data as is reasonably required to enable Engineer to complete its Basic and Additional Services. Such additional information or data would generally include the following:

1. Property descriptions.
2. Zoning, deed, and other land use restrictions.
3. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.
4. Explorations and tests of subsurface conditions at or contiguous to the Site, drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site, or hydrographic surveys, with appropriate professional interpretation thereof.
5. Environmental assessments, audits, investigations, and impact statements, and other relevant environmental or cultural studies as to the Project, the Site, and adjacent areas.
6. Data or consultations as required for the Project but not otherwise identified in the Agreement or the Exhibits thereto.

D. Give prompt written notice to Engineer whenever Owner observes or otherwise becomes aware of the presence at the Site of any Constituent of Concern, or of any other development that affects the scope or time of performance of Engineer's services, or any defect or nonconformance in Engineer's services, the Work, or in the performance of any Contractor.

E. Authorize Engineer to provide Additional Services as set forth in Part 2 of Exhibit A of the Agreement as required.

F. Arrange for safe access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services under the Agreement.

G. Examine all alternate solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents presented by Engineer (including obtaining advice of an attorney, insurance counselor, and other advisors or consultants as Owner deems appropriate with respect to such examination) and render in writing timely decisions pertaining thereto.

H. Provide reviews, approvals, and permits from all governmental authorities having jurisdiction to approve all phases of the Project designed or specified by Engineer and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project.

I. Provide, as required for the Project:

1. Accounting, bond and financial advisory, independent cost estimating, and insurance counseling services.
2. Legal services with regard to issues pertaining to the Project as Owner requires, Contractor raises, or Engineer reasonably requests.
3. Such auditing services as Owner requires to ascertain how or for what purpose Contractor has used the moneys paid.
4. Placement and payment for advertisement for Bids in appropriate publications.

J. Advise Engineer of the identity and scope of services of any independent consultants employed by Owner to perform or furnish services in regard to the Project, including, but not limited to, cost estimating, project peer review, value engineering, and constructability review.

K. Furnish to Engineer data as to Owner's anticipated costs for services to be provided by others (including, but not limited to, accounting, bond and financial, independent cost estimating, insurance counseling, and legal advice) for Owner so that Engineer may assist Owner in collating the various cost categories which comprise Total Project Costs.

L. If Owner designates a construction manager or an individual or entity other than, or in addition to, Engineer to represent Owner at the Site, define and set forth as an attachment to this Exhibit B the duties, responsibilities, and limitations of authority of such other party and the relation thereof to the duties, responsibilities, and authority of Engineer.

M. If more than one prime contract is to be awarded for the Work designed or specified by Engineer, designate a person or entity to have authority and responsibility for coordinating the activities among the various prime Contractors, and define and set forth the duties, responsibilities, and limitations of authority of such individual or entity and the relation thereof to the duties, responsibilities, and authority of Engineer as an attachment to this Exhibit B that is to be mutually agreed upon and made a part of this Agreement before such services begin.

N. Attend the pre-bid conference, bid opening, pre-construction conferences, construction progress and other job related meetings, and Substantial Completion and final payment inspections.

O. Provide the services of an independent testing laboratory to perform all inspections, tests, and approvals of Samples, materials, and equipment required by the Contract Documents, or to evaluate the performance of materials, equipment, and facilities of Owner, prior to their incorporation into the Work with appropriate professional interpretation thereof.

P. Provide Engineer with the findings and reports generated by the entities providing services to Owner pursuant to this paragraph.

Q. Perform or provide the following additional services: N/A.

This is **EXHIBIT D**, consisting of 1 page, referred to in and part of the **Agreement between OWNER and ENGINEER for Professional Services**, dated Effective **DECEMBER, 2023**

Initial:

OWNER _____

**DISPUTE
RESOLUTION**

ENGINEER _____

A. All unsettled claims, counterclaims, disputes and other matters in question between OWNER and ENGINEER arising out of or related to performance of this Agreement or the breach thereof ("Disputes") shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association effective at the Effective Date of the Agreement, subject to the limitations and restrictions stated in paragraphs 1 through 4 below. This agreement to arbitrate and any other agreement or consent to arbitrate entered into in accordance herewith as provided in this paragraph A will be specifically enforceable under prevailing law of any court having jurisdiction.

1. Notice of the demand for arbitration must be filed in writing with the other party to the Agreement and with the American Arbitration Association. The demand must be made within a reasonable time after the Dispute has arisen. In no event may the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such Dispute would be barred by the applicable statute of limitations.

2. All demands for arbitration and all answering statements thereto which include any monetary claims must contain a statement that the total sum or value in controversy as alleged by the party making such demand or answering statement is not more than \$ 20,000 (exclusive of interest and costs). The arbitrators will not have jurisdiction, power or authority to consider, or make findings (except in denial of their own jurisdiction) concerning any Dispute where the amount in controversy of any such Dispute is more than \$ 20,000 (exclusive of interest and costs), or to render a monetary award in response thereto against any party which totals more than \$ 50,000 (exclusive of interest and costs). All such controversies will be resolved through mediation on proceeding in a court of competent jurisdiction.

3. The award rendered by the arbitrators will be final and judgment may be entered upon it in any court having jurisdiction thereof.

4. If a Dispute between OWNER and ENGINEER involves the work of Engineer, Contractor, subcontractor, or consultants to the OWNER, Engineer or ENGINEER (each, a "Joinable Party"), either OWNER or ENGINEER may join each Joinable Party as a party to the arbitration between OWNER and ENGINEER hereunder, and ENGINEER or OWNER, as appropriate, shall include in each contract with each such Joinable Party a specific provision whereby such Joinable Party consents to being joined in an arbitration between OWNER and ENGINEER involving the work of such Joinable Party. Nothing in this paragraph 4 nor in the provision of such contract consenting to joinder shall create any claim, right or cause of action in favor of the Joinable Party and against OWNER or ENGINEER that does not otherwise exist.



Willis Environmental Engineering, Inc.

310 main • marble falls, texas • 78654

(830) 693-3566 • fax (830) 693-5362

email: tplumlee@willis-engineering.com

Reg. No. F-2782

EXHIBIT E

CITY OF HORSESHOE BAY PHASE SIX-2 STREETS

NEW STREET FOR 2025-2026

1. Mountain Dew	1420
2. Stage Coach	435
3. Colonneh	385
4. Swallow	<u>470</u>
	2710'



CITY OF HORSESHOE BAY

FEBRUARY 17, 2026

To: Mayor and Council
Thru: Jeff Koska, City Manager
From: Tim Foran, Director of Public Works
Agenda: Award Contract for Upgrades to Mountain Dew
RE: Contract award for Mountain Dew Street Improvements

Invitations were sent to qualified contractors to bid and submit proposals for the street improvement project. They were advertised and mailed out by Willis Engineering. The sealed bids were opened January 8, 2026.

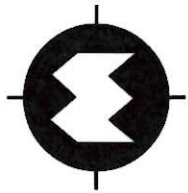
The sole submitted bid was \$791,800.40, presented by Aaron Concrete. The scope for the project includes providing all labor, material, equipment, and services necessary for the complete construction of the project as shown on the Drawings and Specifications in accordance with the Contract Documents.

After the bid opening Willis Engineering and Tim Foran, Public Works Director, reviewed and examined the bid for completion and accuracy, which they found to be adequate.

Based on the bid provided it is my recommendation to award the contract to Aaron Concrete. We have a history working with Aaron Concrete in several areas including Horseshoe Bay West, Pecan Creek, Highlands and Clayton Nolen area projects. They have provided us with professional workmanship in the past with an outstanding working relationship with our residents and city staff.

Suggested Motion: *I move to award the street upgrade contract to Aaron Concrete in the amount of \$791,800.40 for all labor, material, equipment and services needed to complete this project per Drawings and Specifications of the engineer.*

Enclosures: Bid Sheets
Letter from Willis Engineering



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email: tplumlee@willis-engineering.com

Reg. No. F-2782

Jeff Koska
City Manager
City of Horseshoe Bay
P.O. Box 7765

Date January 8 ,2026

Re: Phase Six-2 Horseshoe Bay Street
Improvements
Project No. 240707

Dear Mr. Jeff Koska,

The Phase Six -2 Horseshoe Bay Street Improvements Project No. 240707 was bid on January 8,2026 at 10:00 at the City Meeting Room of the City of Horseshoe Bay, Texas. The City received one bid for the street project and that was Aaron Concrete, LP with a base bid of \$791,800.40 no other contractors bid the project . We are all very familiar with excellent work that Aaron Concrete Contractors, LP has performed in the past, for the City of Horseshoe Bay, I therefore, recommend that Aaron Concrete as being the low bidder for this Phase Six-2 Street Improvement Project , be awarded the contract for the work.

Respectfully Your

William A Plumlee, P.E.

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
BEGINNING FUND BALANCE AT 10/1/2025	8,037,373.15	8,037,373.15		
REVENUES				
ADMINISTRATION	51,769.58	1,214,983.01	1,163,213.43	4.26%
WATER - PRODUCTION	2,542,763.75	6,565,562.00	4,022,798.25	38.73%
WASTEWATER - TREATMENT	1,498,369.02	4,938,680.00	3,440,310.98	30.34%
SOLID WASTE - RECYCLING	587,214.12	1,885,876.00	1,298,661.88	31.14%
STANDBY	-	750.00	750.00	0.00%
INTEREST INCOME	88,085.18	111,000.00	22,914.82	79.36%
TRANSFER INCOME	149,032.97	893,063.43	744,030.46	16.69%
TOTAL REVENUES	4,917,234.62	15,609,914.44	10,692,679.82	31.50%
EXPENDITURES				
ADMINISTRATION	1,068,293.20	3,080,281.00	2,011,987.80	34.68%
WATER - PRODUCTION	596,473.92	1,897,000.00	1,300,526.08	31.44%
WATER - DISTRIBUTION	465,795.13	1,712,910.00	1,247,114.87	27.19%
WASTEWATER - TREATMENT	331,469.42	997,150.00	665,680.58	33.24%
WASTEWATER - COLLECTION	571,188.41	1,986,510.00	1,415,321.59	28.75%
SOLID WASTE - RECYCLING	497,732.30	1,496,010.00	998,277.70	33.27%
DEBT SERVICE	647,429.76	2,066,141.00	1,418,711.24	31.34%
TRANSFER EXPENDITURES	71,383.09	156,885.52	85,502.43	45.50%
TOTAL EXPENDITURES	4,249,765.23	13,392,887.52	9,143,122.29	31.73%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	667,469.39	2,217,026.92	1,549,557.53	
LESS: CAPITAL EXPENDITURES	946,912.30	6,747,539.65		
ADD: TRANSFER IN	0.00	0.00		
ENDING FUND BALANCE	7,757,930.24	3,506,860.42		
	AT 01/31/2026	AT 01/31/2026		

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
40000	REVENUES				
1000	ADMINISTRATION				
40173	REIMBURSABLE 3RD PARTY INSPECTIONS	0.00	0.00	0.00	0.00%
40175	INSURANCE PROCEEDS	46,515.75	10,000.00	(36,515.75)	465.16%
40180	OTHER INCOME	4,936.83	3,500.00	(1,436.83)	141.05%
40181	GRANT REVENUE	0.00	0.00	0.00	0.00%
40182	SALE OF PROPERTY	317.00	50,000.00	49,683.00	0.63%
40205	AMERICAN RESUE PLAN ACT - LLANO COUNTY	0.00	131,483.01	131,483.01	0.00%
40214	CONTRIBUTIONS CAP PROJECTS	0.00	1,000,000.00	1,000,000.00	0.00%
40507	GAIN/LOSS ON FIXED ASSETS	<u>0.00</u>	<u>20,000.00</u>	<u>20,000.00</u>	<u>0.00%</u>
Total 1000	ADMINISTRATION	51,769.58	1,214,983.01	1,163,213.43	4.26%
1001	WATER - PRODUCTION				
40110	WATER DISTRICT SERVICE FEES	2,152,784.36	5,464,988.00	3,312,203.64	39.39%
40111	WATER NON-DISTRICT SERVICE FEES	143,552.83	298,700.00	155,147.17	48.06%
40112	WATER TAP CONNECTION FEES	207,716.79	664,100.00	456,383.21	31.28%
40115	RECONNECTION FEES	1,425.00	9,270.00	7,845.00	15.37%
40117	PENALTIES	11,574.93	30,900.00	19,325.07	37.46%
40171	CC CONVENIENCE FEE	25,709.84	75,104.00	49,394.16	34.23%
40178	OTHER INCOME - LEASES	0.00	15,000.00	15,000.00	0.00%
40180	OTHER INCOME	0.00	0.00	0.00	0.00%
40185	IRRIGATION PERMITS	<u>0.00</u>	<u>7,500.00</u>	<u>7,500.00</u>	<u>0.00%</u>
Total 1001	WATER - PRODUCTION	2,542,763.75	6,565,562.00	4,022,798.25	38.73%
2001	WASTEWATER - TREATMENT				
40117	PENALTIES	9,109.42	30,900.00	21,790.58	29.48%
40120	SEWER CUSTOMER SERVICE FEES	1,097,112.60	3,481,400.00	2,384,287.40	31.51%
40122	SEWER TAP CONNECTION FEES	192,452.04	569,250.00	376,797.96	33.81%
40124	SEWER SERVICE - COTTONWOOD SHORES	18,000.00	272,950.00	254,950.00	6.59%
40125	SEWER SERVICE - LCMUD#1	8,900.00	113,300.00	104,400.00	7.86%
40127	GRINDER SALES	172,794.96	470,880.00	298,085.04	36.70%
40180	OTHER INCOME	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 2001	WASTEWATER - TREATMENT	1,498,369.02	4,938,680.00	3,440,310.98	30.34%

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
3001	SOLID WASTE - RECYCLING				
40126	BRUSH DISPOSAL	7,163.70	40,500.00	33,336.30	17.69%
40130	GARBAGE FEES - COMMERCIAL	75,634.61	272,257.00	196,622.39	27.78%
40135	GARBAGE FEES - RESIDENTIAL	504,415.81	1,573,119.00	1,068,703.19	32.06%
40180	OTHER INCOME	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 3001	SOLID WASTE - RECYCLING	587,214.12	1,885,876.00	1,298,661.88	31.14%
4000	STANDBY				
40140	PROPERTY TAX - STANDBY FEE	0.00	250.00	250.00	0.00%
40142	PENALTY & INTEREST - STANDBY	<u>0.00</u>	<u>500.00</u>	<u>500.00</u>	<u>0.00%</u>
Total 4000	STANDBY	0.00	750.00	750.00	0.00%
9900	INTEREST INCOME				
40220	INTEREST INCOME	<u>88,085.18</u>	<u>111,000.00</u>	<u>22,914.82</u>	<u>79.36%</u>
Total 9900	INTEREST INCOME	88,085.18	111,000.00	22,914.82	79.36%
9995	TRANSFER INCOME				
40310	XFER FROM - GENERAL FUND	0.00	0.00	0.00	0.00%
48005	XFER FROM - SUMMIT ROCK	0.00	0.00	0.00	0.00%
48007	XFER FROM - CAP PROJ FUND	52,575.17	309,675.43	257,100.26	16.98%
48021	XFER FROM - IMPACT FEE FUND	<u>96,457.80</u>	<u>583,388.00</u>	<u>486,930.20</u>	<u>16.53%</u>
Total 9995	TRANSFER INCOME	149,032.97	893,063.43	744,030.46	16.69%
Total 40000	TOTAL REVENUES	<u>4,917,234.62</u>	<u>15,609,914.44</u>	<u>10,692,679.82</u>	<u>31.50%</u>

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50000	EXPENDITURES				
1000	ADMINISTRATION				
50410	SALARIES & WAGES	356,042.18	1,132,300.00	776,257.82	31.44%
50411	OVERTIME	1,731.94	2,500.00	768.06	69.28%
50415	EMPLOYERS FICA EXPENSE	27,217.21	86,700.00	59,482.79	31.39%
50420	GROUP INSURANCE PREMIUM	57,756.20	173,000.00	115,243.80	33.39%
50433	TMRS	30,576.74	90,800.00	60,223.26	33.67%
50500	ACCOUNTING/AUDIT FEE	14,084.00	16,757.00	2,673.00	84.05%
50505	PROFESSIONAL SERVICE	9,140.72	112,270.00	103,129.28	8.14%
50512	UTILITY BILLING	9,198.86	36,050.00	26,851.14	25.52%
50513	REIMBURSABLE 3RD PARTY INSPECTIONS	0.00	0.00	0.00	0.00%
50545	MAINTENANCE CONTRACTS	7,787.52	41,000.00	33,212.48	18.99%
50548	CONTRACT LABOR	6,534.54	0.00	(6,534.54)	0.00%
50567	CUSTOMER EDUCATION COMMITTEE	0.00	2,500.00	2,500.00	0.00%
50569	INNOVATION/TECH COMMITTEE	0.00	2,500.00	2,500.00	0.00%
50575	DUES, FEES, & SUBSCRIPTIONS	19,589.56	38,700.00	19,110.44	50.62%
50576	LEASE - COPIER	1,954.40	4,450.00	2,495.60	43.92%
50581	ELECTRICITY - RECYCLE CENTER	455.77	1,400.00	944.23	32.56%
50582	ELECTRICITY - WWTR	38,571.11	146,500.00	107,928.89	26.33%
50583	ELECTRICITY - WEST WATER PLANT	27,726.11	85,000.00	57,273.89	32.62%
50585	ELECTRICITY - 7704 FM 21	1,645.43	8,100.00	6,454.57	20.31%
50586	ELECTRICITY - CENTRAL WATER PLANT	46,863.71	155,000.00	108,136.29	30.23%
50587	IMPACT FEE STUDY	5,378.39	33,533.00	28,154.61	16.04%
50588	WATER RATE STUDY	0.00	36,000.00	36,000.00	0.00%
50589	MASTER PLAN/IMPACT FEE STUDY	0.00	0.00	0.00	0.00%
50590	ENGINEERING FEES	8,269.76	75,000.00	66,730.24	11.03%
50592	EQUIPMENT AND SUPPLIES	848.90	0.00	(848.90)	0.00%
50593	TRAVEL, TRAINING, SCHOOL	28,012.00	67,580.00	39,568.00	41.45%

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50596	EMPLOYEE AWARDS PROGRAM	2,062.68	8,500.00	6,437.32	24.27%
50610	INSURANCE - PROPERTY/LIABILITY	191,766.23	232,164.00	40,397.77	82.60%
50611	WORKERS COMP INSURANCE	39,309.01	39,309.00	(0.01)	100.00%
50620	LEGAL EXPENSES	0.00	0.00	0.00	0.00%
50630	M & R - BUILDING	455.94	11,000.00	10,544.06	4.14%
50650	M & R - GROUNDS	2,992.50	11,000.00	8,007.50	27.20%
50753	CITY BANKING FEES	25,873.16	75,705.00	49,831.84	34.18%
50765	OTHER EXPENSE	1,977.48	12,000.00	10,022.52	16.48%
50767	INCLEMENT WEATHER	8,752.45	0.00	(8,752.45)	0.00%
50775	POSTAGE	197.62	1,300.00	1,102.38	15.20%
50780	PRINTING - OFFICE SUPPLIES	3,302.72	30,000.00	26,697.28	11.01%
50810	COMMUNICATIONS	15,866.62	67,000.00	51,133.38	23.68%
50825	UNCOLLECTABLE ACCOUNTS	0.00	0.00	0.00	0.00%
50830	UNIFORMS	1,023.02	4,150.00	3,126.98	24.65%
50410	TECH/GIS - SALARIES & WAGES	28,179.38	84,500.00	56,320.62	33.35%
50415	TECH/GIS - EMPLOYERS FICA EXPENSE	2,020.90	6,500.00	4,479.10	31.09%
50420	TECH/GIS - GROUP INSURANCE PREMIUM	4,361.62	16,460.00	12,098.38	26.50%
50433	TECH/GIS- TMRS	2,033.75	6,700.00	4,666.25	30.35%
50505	PROFESSIONAL SERVICES	824.00	1,250.00	426.00	65.92%
50545	TECH/GIS - MAINTENANCE CONTRACTS	33,513.42	107,774.00	74,260.58	31.10%
50575	TECH/GIS- DUES, FEES & SUBSCRIPTION	<u>4,395.65</u>	<u>17,329.00</u>	<u>12,933.35</u>	<u>25.37%</u>
1000/3000	ADMINISTRATION	1,068,293.20	3,080,281.00	2,011,987.80	34.68%
1001	WATER - PRODUCTION				
50410	SALARIES & WAGES	109,192.51	333,900.00	224,707.49	32.70%
50411	OVERTIME	21,432.30	41,200.00	19,767.70	52.02%
50415	EMPLOYERS FICA EXPENSE	9,667.02	28,700.00	19,032.98	33.68%
50420	GROUP INSURANCE PREMIUM	17,285.44	61,500.00	44,214.56	28.11%
50433	TMRS	10,310.23	30,000.00	19,689.77	34.37%

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50535	BULK WATER PURCHASES	198,154.45	625,000.00	426,845.55	31.70%
50540	CHEMICALS / WATER	109,123.08	185,400.00	76,276.92	58.86%
50548	CONTRACT SERVICES	4,276.48	6,000.00	1,723.52	71.27%
50555	LAB EXPENSE	7,261.87	56,000.00	48,738.13	12.97%
50560	WATER QUALITY	1,009.54	8,000.00	6,990.46	12.62%
50592	EQUIPMENT & SUPPLIES	1,268.32	10,100.00	8,831.68	12.56%
50595	FUEL & LUBRICATION	5,408.52	18,100.00	12,691.48	29.88%
50630	M & R - BUILDING	836.46	13,500.00	12,663.54	6.20%
50640	M & R - EQUIPMENT	8,128.33	8,200.00	71.67	99.13%
50641	M & R - SCADA	710.42	50,000.00	49,289.58	1.42%
50650	M & R - GROUNDS	6,217.50	37,100.00	30,882.50	16.76%
50675	M & R - PLANT	75,994.99	360,500.00	284,505.01	21.08%
50676	M & R - PLANT - CHEMICAL ACCIDENT	1,741.41	0.00	(1,741.41)	0.00%
50685	M & R - VEHICLES	4,260.50	8,200.00	3,939.50	51.96%
50687	M & R - VEHICLES - CHEMICAL ACCIDENT	0.00	0.00	0.00	0.00%
50765	OTHER EXPENSE	1,065.89	1,700.00	634.11	62.70%
50785	RENT - LEASE	0.00	2,400.00	2,400.00	0.00%
50800	SAFETY EQUIPMENT & SUPPLIES	259.55	5,500.00	5,240.45	4.72%
50830	UNIFORMS	<u>2,869.11</u>	<u>6,000.00</u>	<u>3,130.89</u>	<u>47.82%</u>
Total 1001	WATER - PRODUCTION	596,473.92	1,897,000.00	1,300,526.08	31.44%
1002	WATER - DISTRIBUTION				
50410	SALARIES & WAGES	148,784.54	425,500.00	276,715.46	34.97%
50411	OVERTIME	29,723.78	85,000.00	55,276.22	34.97%
50415	EMPLOYERS FICA EXPENSE	13,279.30	39,100.00	25,820.70	33.96%
50420	GROUP INSURANCE PREMIUM	37,886.89	120,860.00	82,973.11	31.35%
50433	TMRS	16,097.69	40,800.00	24,702.31	39.46%
50545	MAINTENANCE CONTRACTS	26,561.72	26,400.00	(161.72)	100.61%
50548	CONTRACT SERVICES	5,969.18	9,430.00	3,460.82	63.30%

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50549	CONTRACT SERVICES - TAPS/NEW SRV	76,800.00	340,000.00	263,200.00	22.59%
50550	CONTRACT SERVICES - LEAK DETECT/GPS	0.00	38,570.00	38,570.00	0.00%
50592	EQUIPMENT & SUPPLIES	13,150.17	37,000.00	23,849.83	35.54%
50595	FUEL & LUBRICATION	4,335.59	29,500.00	25,164.41	14.70%
50630	M & R - BUILDING	2,577.50	11,000.00	8,422.50	23.43%
50640	M & R - EQUIPMENT	7,967.64	22,000.00	14,032.36	36.22%
50650	M & R - GROUNDS	0.00	14,000.00	14,000.00	0.00%
50651	M & R - FIRE HYDRANTS	0.00	66,500.00	66,500.00	0.00%
50685	M & R - VEHICLES	2,700.88	14,500.00	11,799.12	18.63%
50725	M & R MATERIALS - LINES	24,797.95	77,500.00	52,702.05	32.00%
50726	STREET REPAIR - PAVING	986.00	21,000.00	20,014.00	4.70%
50730	M & R MATERIALS - WT TAP	14,920.90	220,000.00	205,079.10	6.78%
50755	METER EXPENSE - NEW SERVICE	30,242.15	47,500.00	17,257.85	63.67%
50765	OTHER EXPENSE	1,117.63	2,750.00	1,632.37	40.64%
50785	RENT - LEASE	0.00	4,000.00	4,000.00	0.00%
50800	SAFETY EQUIPMENT & SUPPLIES	4,050.26	7,500.00	3,449.74	54.00%
50830	UNIFORMS	<u>3,845.36</u>	<u>12,500.00</u>	<u>8,654.64</u>	<u>30.76%</u>
Total 1002	WATER - DISTRIBUTION	465,795.13	1,712,910.00	1,247,114.87	27.19%
2001	WASTEWATER - TREATMENT				
50410	SALARIES & WAGES	109,192.47	333,900.00	224,707.53	32.70%
50411	OVERTIME	18,712.52	41,200.00	22,487.48	45.42%
50415	EMPLOYERS FICA EXPENSE	9,466.79	28,700.00	19,233.21	32.99%
50420	GROUP INSURANCE PREMIUM	16,715.98	61,500.00	44,784.02	27.18%
50433	TMRS	10,013.53	30,000.00	19,986.47	33.38%
50543	CHEMICALS / WW TREATMENT	39,728.09	88,000.00	48,271.91	45.15%
50548	CONTRACT SERVICES	2,526.48	5,400.00	2,873.52	46.79%
50555	LAB EXPENSE	3,192.00	12,400.00	9,208.00	25.74%
50592	EQUIPMENT & SUPPLIES	2,931.59	9,100.00	6,168.41	32.22%

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50595	FUEL & LUBRICATION	4,647.90	18,000.00	13,352.10	25.82%
50640	M & R - EQUIPMENT	4,488.01	8,000.00	3,511.99	56.10%
50670	M & R - LIFT STATION	74,245.33	132,000.00	57,754.67	56.25%
50675	M & R - PLANT	28,166.22	154,000.00	125,833.78	18.29%
50685	M & R - VEHICLES	4,259.52	8,200.00	3,940.48	51.95%
50742	BIO SOLIDS - COMPOST	0.00	50,550.00	50,550.00	0.00%
50765	OTHER EXPENSE	427.60	1,700.00	1,272.40	25.15%
50785	RENT - LEASE	0.00	3,100.00	3,100.00	0.00%
50800	SAFETY EQUIPMENT & SUPPLIES	259.55	5,500.00	5,240.45	4.72%
50830	UNIFORMS	<u>2,495.84</u>	<u>5,900.00</u>	<u>3,404.16</u>	<u>42.30%</u>
Total 2001	WASTEWATER - TREATMENT	331,469.42	997,150.00	665,680.58	33.24%
2002	WASTEWATER - COLLECTION				
50410	SALARIES & WAGES	148,784.45	425,500.00	276,715.55	34.97%
50411	OVERTIME	29,723.33	85,000.00	55,276.67	34.97%
50415	EMPLOYERS FICA EXPENSE	13,277.66	39,100.00	25,822.34	33.96%
50420	GROUP INSURANCE PREMIUM	37,738.08	120,860.00	83,121.92	31.22%
50433	TMRS	16,096.89	40,800.00	24,703.11	39.45%
50542	CHEMICALS / WW COLLECTION	4,851.21	20,000.00	15,148.79	24.26%
50548	CONTRACT SERVICES	4,969.19	13,500.00	8,530.81	36.81%
50549	CONTRACT SERVICES - TAPS/NEW SRV	76,800.00	306,000.00	229,200.00	25.10%
50550	CONTRACT SERVICE - LEAK DETECT/GPS	38,570.00	0.00	(38,570.00)	0.00%
50555	LAB EXPENSE	0.00	0.00	0.00	0.00%
50592	EQUIPMENT & SUPPLIES	12,298.98	37,000.00	24,701.02	33.24%
50595	FUEL & LUBRICATION	4,124.66	29,500.00	25,375.34	13.98%
50630	M & R - BUILDING	2,526.57	14,000.00	11,473.43	18.05%
50640	M & R - EQUIPMENT	7,967.69	17,500.00	9,532.31	45.53%
50645	M & R - GRINDER PUMP	30,640.37	75,000.00	44,359.63	40.85%
50646	GRINDER PURCHASES	86,883.95	369,000.00	282,116.05	23.55%

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50647	M & R - GRINDER PANELS	3,735.32	60,000.00	56,264.68	6.23%
50650	M & R - GROUNDS	0.00	14,000.00	14,000.00	0.00%
50670	M & R - LIFT STATION	0.00	0.00	0.00	0.00%
50685	M & R - VEHICLES	2,692.62	14,500.00	11,807.38	18.57%
50715	M & R MATERIALS - GP	14,920.91	162,000.00	147,079.09	9.21%
50725	M & R MATERIALS - LINES	24,798.01	90,000.00	65,201.99	27.55%
50726	STREET REPAIR - PAVING	986.00	26,500.00	25,514.00	3.72%
50730	M & R MATERIALS - WT TAP	0.00	0.00	0.00	0.00%
50765	OTHER EXPENSE	906.82	2,750.00	1,843.18	32.98%
50785	RENT - LEASE	0.00	4,000.00	4,000.00	0.00%
50800	SAFETY EQUIPMENT & SUPPLIES	4,050.27	7,500.00	3,449.73	54.00%
50830	UNIFORMS	<u>3,845.43</u>	<u>12,500.00</u>	<u>8,654.57</u>	<u>30.76%</u>
Total 2002	WASTEWATER - COLLECTION	571,188.41	1,986,510.00	1,415,321.59	28.75%
3001	SOLID WASTE - RECYCLING				
50410	SALARIES & WAGES	51,591.18	157,900.00	106,308.82	32.67%
50411	OVERTIME	5,090.65	10,300.00	5,209.35	49.42%
50415	EMPLOYERS FICA EXPENSE	4,321.66	12,900.00	8,578.34	33.50%
50420	GROUP INSURANCE PREMIUM	6,916.73	22,660.00	15,743.27	30.52%
50433	TMRS	5,008.89	13,500.00	8,491.11	37.10%
50599	COMPACTOR SERVICE	0.00	15,500.00	15,500.00	0.00%
50600	GARBAGE SERVICE - COMMERCIAL	65,902.51	223,560.00	157,657.49	29.48%
50605	GARBAGE SERVICE - RESIDENTIAL	321,751.50	945,990.00	624,238.50	34.01%
50606	RECYCLING SERVICE	7,986.45	37,000.00	29,013.55	21.59%
50676	M & R - BRUSH SITE	29,162.73	56,700.00	27,537.27	51.43%
50785	RENT - LEASE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 3001	SOLID WASTE - RECYCLING	497,732.30	1,496,010.00	998,277.70	33.27%

CITY OF HORSESHOE BAY

01- UTILITY FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
9994	DEBT SERVICE				
50515	2007 SERIES PRINCIPAL	0.00	505,000.00	505,000.00	0.00%
50516	2007 SERIES INTEREST	20,806.00	41,612.00	20,806.00	50.00%
50521	2014 SERIES INTEREST	53,305.00	104,135.00	50,830.00	51.19%
50522	2014 SERIES PRINCIPAL	165,000.00	170,000.00	5,000.00	97.06%
50523	2016 SERIES INTEREST	26,200.00	52,400.00	26,200.00	50.00%
50524	2016 SERIES PRINCIPAL	0.00	200,000.00	200,000.00	0.00%
50527	2019 SERIES PRINCIPAL	0.00	295,000.00	295,000.00	0.00%
50528	2019 SERIES INTEREST	57,225.01	114,450.00	57,224.99	50.00%
50529	2020 SERIES REF PRINCIPAL	200,000.00	200,000.00	0.00	100.00%
50530	2020 SERIES REF INTEREST	21,200.00	40,400.00	19,200.00	52.48%
50841	2025 SERIES PRINCIPAL	0.00	135,000.00	135,000.00	0.00%
50842	2025 SERIES INTEREST	103,168.75	206,338.00	103,169.25	50.00%
50533	BOND AGENT FEES	525.00	1,806.00	1,281.00	29.07%
50998	BOND ISSUE COST - SERIES 2025	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 9994	DEBT SERVICE	647,429.76	2,066,141.00	1,418,711.24	31.34%
9995	TRANSFER EXPENDITURES				
58002	XFER TO - GENERAL FUND	0.00	0.00	0.00	0.00%
58999	XFER TO - CAPITAL PROJECTS FUND	<u>71,383.09</u>	<u>156,885.52</u>	<u>85,502.43</u>	<u>45.50%</u>
Total 9995	TRANSFER EXPENDITURES	71,383.09	156,885.52	85,502.43	45.50%
Total 50000	TOTAL EXPENDITURES	<u>4,249,765.23</u>	<u>13,392,887.52</u>	<u>9,143,122.29</u>	<u>31.73%</u>
TOTAL REVENUE OVER/(UNDER) EXPENDITURES		<u>667,469.39</u>	<u>2,217,026.92</u>	<u>1,549,557.53</u>	

CITY OF HORSESHOE BAY
02- GENERAL FUND
JANUARY 2026

Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
BEGINNING FUND BALANCE AT 10/1/2025	10,779,425.49	10,779,425.49		
REVENUES				
ADMINISTRATION	31,662.50	104,050.00	72,387.50	30.43%
FIRE	130,458.71	819,900.00	689,441.29	15.91%
EMERGENCY SERVICE DISTRICT	3,000.00	9,000.00	6,000.00	33.33%
TAX	7,116,658.08	11,650,807.00	4,534,148.92	61.08%
POLICE	12,190.00	54,500.00	42,310.00	22.37%
DEVELOPMENT SERVICES	361,025.69	760,500.00	399,474.31	47.47%
PUBLIC WORKS	586,706.99	1,104,990.00	518,283.01	53.10%
MOWING & CLEARING	101,220.99	565,000.00	463,779.01	17.92%
INTEREST INCOME	141,762.43	300,000.00	158,237.57	47.25%
TRANSFER REVENUE	-	600,000.00	600,000.00	0.00%
TOTAL REVENUES	8,484,685.39	15,968,747.00	7,484,061.61	53.13%
EXPENDITURES				
ADMINISTRATION	896,381.29	2,632,703.00	1,736,321.71	34.05%
TECHNOLOGY SERVICES	186,356.81	448,988.00	262,631.19	41.51%
FIRE	1,225,950.41	3,954,501.00	2,728,550.59	31.00%
POLICE	1,196,750.73	3,761,140.00	2,547,062.27	31.82%
DEVELOPMENT SERVICES	400,425.29	1,399,150.00	984,232.21	28.62%
PUBLIC WORKS	294,808.52	1,267,510.00	972,701.48	23.26%
MOWING & CLEARING	188,585.43	630,000.00	441,414.57	29.93%
TRANSFER EXPENDITURES	2,082,549.65	4,741,155.45	2,658,605.80	43.92%
TOTAL EXPENDITURES	6,471,808.13	18,835,147.45	12,331,519.82	34.36%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	<u>2,012,877.26</u>	<u>(2,866,400.45)</u>	<u>(4,847,458.21)</u>	
LESS: CAPITAL EXPENDITURES	183,344.76	2,466,041.00		
LESS: TRANSFER TO OTHER FUNDS	-	-		
ENDING FUND BALANCE	12,608,957.99	5,446,984.04		
	AT 01/31/2026	AT 01/31/2026		

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
40000	REVENUES				
1000	ADMINISTRATION				
40170	ADMINISTRATIVE FEES	0.00	0.00	0.00	0.00%
40175	INSURANCE PROCEEDS	0.00	0.00	0.00	0.00%
40179	MILFOIL REIMB LLANO COUNTY	0.00	18,000.00	18,000.00	0.00%
40180	OTHER INCOME	10,380.18	10,000.00	(380.18)	103.80%
40189	DONATIONS - FUCHS HOUSE	0.00	0.00	0.00	0.00%
40193	MUNICIPAL COURT REVENUE	8,367.93	17,500.00	9,132.07	47.82%
40194	TRAFFIC FINES	12,471.00	55,000.00	42,529.00	22.67%
40198	COLLECTION AGENCY REVENUE	231.93	1,000.00	768.07	23.19%
40199	WARRANT FEES	200.00	2,500.00	2,300.00	8.00%
40201	LOCAL TRUANCY PREVENTION FUND	0.00	0.00	0.00	0.00%
40202	LOCAL MUNICIPAL JURY FUND	11.46	50.00	38.54	22.92%
40203	AMERICAN RESCUE PLAN ACT	0.00	0.00	0.00	0.00%
40204	FEMA GRANT - WINTER STORM	0.00	0.00	0.00	0.00%
49999	LEASE REVENUE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 1000	ADMINISTRATION	31,662.50	104,050.00	72,387.50	30.43%
5000	FIRE				
40175	INSURANCE PROCEEDS	0.00	0.00	0.00	0.00%
40180	OTHER INCOME	300.00	0.00	(300.00)	0.00%
40186	OTHER INCOME - DONATIONS	14,365.00	30,000.00	0.00	47.88%
40182	SALE OF PROPERTY	0.00	28,000.00	28,000.00	0.00%
40205	GRANT-LCRA	0.00	0.00	0.00	0.00%
40506	FIRE FIGHTING SERVICES	115,793.71	461,900.00	346,106.29	25.07%
40510	DEPLOYMENT	<u>0.00</u>	<u>300,000.00</u>	<u>300,000.00</u>	<u>0.00%</u>
Total 5000	FIRE	130,458.71	819,900.00	689,441.29	15.91%
6000	EMERGENCY SERVICE DISTRICT				
40191	LLANO COUNTY ESD #1 - RENT	<u>3,000.00</u>	<u>9,000.00</u>	<u>6,000.00</u>	<u>33.33%</u>
Total 6000	EMERGENCY SERVICE DISTRICT	3,000.00	9,000.00	6,000.00	33.33%

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
7000	TAX				
40160	PROPERTY TAX (M&O)	6,361,508.06	8,252,903.00	1,891,394.94	77.08%
40162	PENALTY & INTEREST (M&O)	5,865.85	55,000.00	49,134.15	10.67%
40163	MIXED BEVERAGE TAX	62,191.06	160,730.00	98,538.94	38.69%
40165	SALES TAX	627,418.68	2,907,730.00	2,280,311.32	21.58%
40166	PEC FRANCHISE FEE	58,660.77	251,060.00	192,399.23	23.37%
40167	TELEPHONE FRANCHISE FEE	1,013.66	4,000.00	2,986.34	25.34%
40180	OTHER INCOME	0.00	0.00	0.00	0.00%
40211	CABLE FRANCHISE FEE	0.00	19,384.00	19,384.00	0.00%
40213	PEG CHANNEL FEE REVENUE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 7000	TAX	7,116,658.08	11,650,807.00	4,534,148.92	61.08%
8000	POLICE				
40175	INSURANCE PROCEEDS	500.00	15,000.00	14,500.00	3.33%
40180	OTHER INCOME	440.00	0.00	(440.00)	0.00%
40182	SALE OF PROPERTY	0.00	30,000.00	30,000.00	0.00%
40186	OTHER INCOME - DONATION	<u>11,250.00</u>	<u>9,500.00</u>	<u>(1,750.00)</u>	<u>118.42%</u>
Total 8000	POLICE	12,190.00	54,500.00	42,310.00	22.37%
9500	DEVELOPMENT SERVICES				
40171	CC CONVENIENCE FEE	960.20	8,500.00	7,539.80	11.30%
40180	OTHER INCOME	1,015.00	1,500.00	485.00	67.67%
40182	SALE OF PROPERTY	0.00	0.00	0.00	0.00%
40183	BUILDING PERMIT - SINGLE FAMILY RESIDENCE	192,068.26	325,000.00	132,931.74	59.10%
40184	PLAT FEES	6,095.00	12,500.00	6,405.00	48.76%
40185	IRRIGATION PERMITS	15,600.00	7,500.00	(8,100.00)	208.00%
40187	CONTRACTOR REGISTRATION	6,000.00	8,000.00	2,000.00	75.00%
40188	BUILDING PERMITS - COMMERCIAL	34,484.15	5,000.00	(29,484.15)	689.68%
40189	BUILDING PERMITS - RE PERMITTING	52,000.00	105,000.00	53,000.00	49.52%
40190	BUILDING PERMITS - ACCESSORY STRUCTURES	26,925.00	70,000.00	43,075.00	38.46%

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
40191	BUILDING PERMITS - MISCELLANEOUS FEES	12,678.08	90,000.00	77,321.92	14.09%
40192	ZONING FEES	4,550.00	7,500.00	2,950.00	60.67%
40195	MONARCH RIDGE REIMBURSEMENT	0.00	50,000.00	50,000.00	0.00%
40205	STR REGISTRATION FEE	2,400.00	55,000.00	52,600.00	4.36%
40218	DEVELOPMENT REVIEW COMM	<u>6,250.00</u>	<u>15,000.00</u>	<u>8,750.00</u>	<u>41.67%</u>
Total 9500	DEVELOPMENT SERVICES	361,025.69	760,500.00	399,474.31	47.47%
9600	PUBLIC WORKS				
40165	SALES TAX	89,631.24	415,390.00	325,758.76	21.58%
40175	INSURANCE PROCEEDS	160.00	10,000.00	9,840.00	1.60%
40180	OTHER INCOME	639.00	0.00	(639.00)	0.00%
40206	THE HILLS POA	6,500.05	6,400.00	(100.05)	101.56%
40207	PECAN CREEK ASSOCIATION	5,256.58	5,200.00	(56.58)	101.09%
40208	APPLEHEAD POA	8,194.60	8,000.00	(194.60)	102.43%
40209	APPLEHEAD ISLAND POA	0.00	0.00	0.00	0.00%
40210	HORSESHOE BAY POA	<u>476,325.52</u>	<u>660,000.00</u>	<u>183,674.48</u>	<u>72.17%</u>
Total 9600	PUBLIC WORKS	586,706.99	1,104,990.00	518,283.01	53.10%
9800	MOWING & CLEARING				
40215	MOWING	101,220.99	565,000.00	463,779.01	17.92%
40216	CLEARING	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 9800	MOWING & CLEARING	101,220.99	565,000.00	463,779.01	17.92%
9900	INTEREST INCOME				
40220	INTEREST INCOME	<u>141,762.43</u>	<u>300,000.00</u>	<u>158,237.57</u>	<u>47.25%</u>
Total 9900	INTEREST INCOME	141,762.43	300,000.00	158,237.57	47.25%
9995	TRANSFER REVENUE				
48001	XFER FROM - UTILITIES FUND	<u>0.00</u>	<u>600,000.00</u>	<u>600,000.00</u>	<u>0.00%</u>
Total 9995	TRANSFER REVENUE	0.00	600,000.00	600,000.00	0.00%
Total 40000	TOTAL REVENUES	<u>8,484,685.39</u>	<u>15,968,747.00</u>	<u>7,484,061.61</u>	<u>53.13%</u>

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50000	EXPENDITURES				
1000	ADMINISTRATION				
50410	SALARIES & WAGES	238,267.59	718,100.00	479,832.41	33.18%
50411	OVERTIME	20.65	1,000.00	979.35	2.07%
50415	EMPLOYERS FICA EXPENSE	20,228.21	55,000.00	34,771.79	36.78%
50420	GROUP INSURANCE PREMIUM	32,437.95	123,100.00	90,662.05	26.35%
50433	TMRS	18,809.30	57,500.00	38,690.70	32.71%
50435	UNEMPLOYMENT EXPENSE	0.00	0.00	0.00	0.00%
50500	ACCOUNTING & AUDITING EXPENSE	10,416.00	12,393.00	1,977.00	84.05%
50505	PROFESSIONAL SERVICE	18,578.17	73,800.00	55,221.83	25.17%
50506	ELECTION CONTRACTS	8,399.19	15,000.00	6,600.81	55.99%
50509	APPRAISAL DISTRICT FEES - BURNET	9,061.13	18,303.00	9,241.87	49.51%
50510	APPRAISAL DISTRICT FEES - LLANO	83,404.75	173,260.00	89,855.25	48.14%
50511	DRAINAGE STUDY	8,000.00	120,000.00	112,000.00	6.67%
50514	TRANSPORTATION STUDY	0.00	0.00	0.00	0.00%
50545	MAINTENANCE CONTRACTS	52,904.91	82,500.00	29,595.09	64.13%
50548	CONTRACT LABOR	43,101.10	45,000.00	1,898.90	95.78%
50564	CODIFICATION	1,455.00	12,000.00	10,545.00	12.13%
50565	CITY COUNCIL EXPENSE	5,717.50	20,000.00	14,282.50	28.59%
50566	HISTORICAL COMMITTEE	2,732.29	8,000.00	5,267.71	34.15%
50568	ADVISORY COMMITTEES	0.00	6,000.00	6,000.00	0.00%
50570	DISPATCH EXPENSE	0.00	0.00	0.00	0.00%
50575	DUES, FEES, & SUBSCRIPTIONS	19,528.12	40,301.00	20,772.88	48.46%
50576	COPIER LEASE	4,538.00	13,052.00	8,514.00	34.77%
50585	ELECTRICITY	15,968.18	91,000.00	75,031.82	17.55%
50591	EOC TRAINING & SUPPLIES	2,212.48	5,000.00	2,787.52	44.25%
50592	EQUIPMENT & SUPPLIES	6,915.13	25,000.00	18,084.87	27.66%
50593	TRAVEL, TRAINING, SCHOOL	11,214.71	58,855.00	47,640.29	19.05%

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50596	EMPLOYEE AWARDS PROGRAM	1,924.59	22,000.00	20,075.41	8.75%
50597	SPECIAL EVENTS	21,861.66	28,000.00	6,138.34	78.08%
50610	PROPERTY & LIABILITY INSURANCE	42,048.96	77,476.00	35,427.04	54.27%
50611	WORKERS' COMP INSURANCE	69,882.66	69,883.00	0.34	100.00%
50620	LEGAL EXPENSE	40,068.19	123,500.00	83,431.81	32.44%
50625	FIREWORKS	0.00	17,000.00	17,000.00	0.00%
50630	M & R - BUILDING	19,380.23	125,000.00	105,619.77	15.50%
50650	M & R - GROUNDS	18,454.00	125,000.00	106,546.00	14.76%
50753	CITY BANK FEES	271.03	4,500.00	4,228.97	6.02%
50765	OTHER EXPENSE	2,719.76	18,000.00	15,280.24	15.11%
50767	INCLEMENT WEATHER	1,513.86	0.00	(1,513.86)	0.00%
50775	POSTAGE	3,811.21	7,000.00	3,188.79	54.45%
50780	PRINTING - OFFICE SUPPLIES	3,224.61	40,000.00	36,775.39	8.06%
50781	GENERAL SUPPLIES	4,202.81	18,000.00	13,797.19	23.35%
50810	COMMUNICATIONS	24,279.97	73,000.00	48,720.03	33.26%
50812	PUBLIC CAMPAIGNS	6,855.66	18,000.00	11,144.34	38.09%
50824	WARRANT FEES	550.00	2,000.00	1,450.00	27.50%
50826	MUNICIPAL COURT JUDICIAL STAFF	16,000.00	48,000.00	32,000.00	33.33%
50830	UNIFORMS	421.73	1,680.00	1,258.27	25.10%
50831	TRANSFER OUT	0.00	0.00	0.00	0.00%
50841	CENTRAL TEXAS WATER COALITION	0.00	5,000.00	5,000.00	0.00%
50842	WORKFORCE NETWORK	0.00	5,000.00	5,000.00	0.00%
50843	SPONSORSHIP	0.00	7,500.00	7,500.00	0.00%
50844	FRIENDS OF THE MARBLE FALLS LIBRARY	5,000.00	5,000.00	0.00	100.00%
50867	GOLDEN NUGGET NATURE PARK	0.00	0.00	0.00	0.00%
50871	MILFOIL TREATMENT	0.00	18,000.00	18,000.00	0.00%
50873	LIGHTHOUSE PARK	0.00	0.00	0.00	0.00%
50998	LEASES - INTEREST	0.00	0.00	0.00	0.00%
50999	LEASES - PRINCIPAL	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
Total 1000	ADMINISTRATION	896,381.29	2,632,703.00	1,736,321.71	34.05%
3000	TECHNOLOGY SERVICES				
50410	SALARIES & WAGES	64,376.85	186,800.00	122,423.15	34.46%
50415	EMPLOYERS FICA EXPENSE	4,450.85	14,300.00	9,849.15	31.12%
50420	GROUP INSURANCE PREMIUM	8,243.29	35,660.00	27,416.71	23.12%
50433	TMRS	3,458.51	14,900.00	11,441.49	23.21%
50505	PROFESSIONAL SERVICE	2,235.50	8,750.00	6,514.50	25.55%
50545	MAINTENANCE CONTRACTS	75,929.29	119,811.00	43,881.71	63.37%
50575	DUES, FEES, & SUBSCRIPTIONS	15,548.01	39,841.00	24,292.99	39.03%
50576	COPIER LEASE	2,631.92	7,896.00	5,264.08	33.33%
50592	EQUIPMENT & SUPPLIES	3,597.44	3,000.00	(597.44)	119.91%
50593	TRAVEL, TRAINING, SCHOOL	1,021.30	12,570.00	11,548.70	8.12%
50765	OTHER EXPENSES	172.72	1,700.00	1,527.28	10.16%
50780	PRINTING/OFFICE SUPPLIES	4,566.80	2,460.00	(2,106.80)	185.64%
50830	UNIFORMS	<u>124.33</u>	<u>1,300.00</u>	<u>1,175.67</u>	<u>9.56%</u>
Total 3000	TECHNOLOGY SERVICES	186,356.81	448,988.00	262,631.19	41.51%
5000	FIRE				
50410	SALARIES & WAGES	748,010.67	2,411,898.00	1,663,887.33	31.01%
50411	OVERTIME	96,179.89	265,692.00	169,512.11	36.20%
50412	SALARIES - P/T FIREFIGHTERS	11,098.64	0.00	(11,098.64)	0.00%
50415	EMPLOYERS FICA EXPENSE	62,810.59	205,804.00	142,993.41	30.52%
50420	GROUP INSURANCE PREMIUM	132,176.65	413,066.00	280,889.35	32.00%
50433	TMRS	73,431.50	213,638.00	140,206.50	34.37%
50437	RELOCATION EXPENSE	0.00	0.00	0.00	0.00%
50505	PROFESSIONAL SERVICE	4,000.00	8,500.00	4,500.00	47.06%
50545	MAINTENANCE CONTRACTS	2,584.00	10,500.00	7,916.00	24.61%
50548	CONTRACT SERVICES	0.00	7,000.00	7,000.00	0.00%
50575	DUES, FEES, & SUBSCRIPTIONS	7,183.03	6,250.00	(933.03)	114.93%

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50576	COPIER LEASE	996.24	3,500.00	2,503.76	28.46%
50592	EQUIPMENT & SUPPLIES	6,241.37	42,000.00	35,758.63	14.86%
50593	TRAVEL, TRAINING, SCHOOL	15,451.88	60,838.00	45,386.12	25.40%
50594	FIRE PROTECTION GEAR	8,917.45	30,000.00	21,082.55	29.72%
50595	FUEL & LUBRICATION	7,661.45	24,000.00	16,338.55	31.92%
50598	WELLNESS PROGRAM	0.00	24,000.00	24,000.00	0.00%
50640	M & R - EQUIPMENT	10,287.02	19,000.00	8,712.98	54.14%
50650	M & R - GROUNDS	600.00	5,000.00	4,400.00	12.00%
50651	M & R - FIRE HYDRANTS	0.00	31,500.00	31,500.00	0.00%
50685	M & R - VEHICLES	22,058.06	123,315.00	101,256.94	17.89%
50765	OTHER EXPENSE	5,994.21	12,000.00	6,005.79	49.95%
50775	POSTAGE	0.00	250.00	250.00	0.00%
50780	PRINTING - OFFICE SUPPLIES	173.14	1,500.00	1,326.86	11.54%
50800	SAFETY EQUIPMENT & SUPPLIES	3,077.35	11,000.00	7,922.65	27.98%
50811	TELECARE PROGRAM	0.00	250.00	250.00	0.00%
50829	PUBLIC SAFETY DONATIONS	0.00	0.00	0.00	0.00%
50830	UNIFORMS	<u>7,017.27</u>	<u>24,000.00</u>	<u>16,982.73</u>	<u>29.24%</u>
Total 5000	FIRE	1,225,950.41	3,954,501.00	2,728,550.59	31.00%
8000	POLICE				
50410	SALARIES & WAGES	780,605.69	2,424,400.00	1,643,794.31	32.20%
50411	OVERTIME	11,295.11	32,000.00	20,704.89	35.30%
50415	EMPLOYERS FICA EXPENSE	58,889.02	188,000.00	129,110.98	31.32%
50420	GROUP INSURANCE PREMIUM	107,003.78	377,760.00	270,756.22	28.33%
50433	TMRS	68,647.77	196,500.00	127,852.23	34.94%
50502	ANIMAL SHELTER	7,500.00	15,000.00	7,500.00	50.00%
50548	CONTRACT SERVICES	27,799.71	88,000.00	60,200.29	31.59%
50570	DISPATCH SERVICEES	60,778.44	146,000.00	85,221.56	41.63%
50575	DUES, FEES, & SUBSCRIPTIONS	2,154.97	10,000.00	7,845.03	21.55%

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50576	COPIER LEASE	2,100.00	6,500.00	4,400.00	32.31%
50592	EQUIPMENT & SUPPLIES	5,405.94	41,000.00	35,594.06	13.19%
50593	TRAVEL, TRAINING, SCHOOL	3,783.18	26,490.00	22,706.82	14.28%
50595	FUEL & LUBRICATION	16,132.77	66,000.00	49,867.23	24.44%
50615	INVESTIGATION EXPENSE	33.97	4,500.00	4,466.03	0.75%
50616	JAIL EXPENSE	0.00	3,500.00	3,500.00	0.00%
50640	M & R - EQUIPMENT	1,698.73	3,500.00	1,801.27	48.54%
50685	M & R - VEHICLES	3,974.05	44,000.00	40,025.95	9.03%
50686	M & R - WEAPONS	0.00	1,000.00	1,000.00	0.00%
50760	MEDICAL	0.00	1,000.00	1,000.00	0.00%
50765	OTHER EXPENSE	561.79	8,000.00	7,438.21	7.02%
50775	POSTAGE	109.95	250.00	140.05	43.98%
50780	PRINTING - OFFICE SUPPLIES	1,348.04	5,800.00	4,451.96	23.24%
50800	SAFETY EQUIPMENT & SUPPLIES	3,878.22	11,140.00	7,261.78	34.81%
50830	UNIFORMS	3,576.60	12,000.00	8,423.40	29.81%
50862	DEER MANAGEMENT	<u>29,473.00</u>	<u>46,800.00</u>	<u>17,327.00</u>	<u>62.98%</u>
Total 8000	POLICE	1,196,750.73	3,761,140.00	2,547,062.27	31.82%
9500	DEVELOPMENT SERVICES				
50410	SALARIES & WAGES	183,435.87	675,300.00	491,864.13	27.16%
50411	OVERTIME	1,803.65	3,000.00	1,196.35	60.12%
50415	EMPLOYERS FICA EXPENSE	13,989.91	51,900.00	37,910.09	26.96%
50420	GROUP INSURANCE PREMIUM	30,221.79	94,720.00	64,498.21	31.91%
50433	TMRS	17,444.10	54,300.00	36,855.90	32.13%
50505	PROFESSIONAL SERVICE	16,234.86	30,000.00	13,765.14	54.12%
50510	MONARCH RIDGE EXPENSE	0.00	50,000.00	50,000.00	0.00%
50513	REIMBURSABLE 3RD PARTY	0.00	0.00	0.00	0.00%
50545	MAINTENANCE CONTRACTS	18,194.89	29,500.00	11,305.11	61.68%
50575	DUES, FEES, & SUBSCRIPTIONS	10,143.41	13,500.00	3,356.59	75.14%

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50576	COPIER LEASE	1,300.00	3,900.00	2,600.00	33.33%
50590	ENGINEERING FEES	22,379.02	220,000.00	197,620.98	10.17%
50591	CONTRACT INSPECTIONS	68,085.00	75,000.00	6,915.00	90.78%
50592	EQUIPMENT & SUPPLIES	1,773.78	10,500.00	8,726.22	16.89%
50593	TRAVEL, TRAINING, SCHOOL	2,023.22	13,280.00	11,256.78	15.24%
50595	FUEL & LUBRICATION	1,556.36	6,500.00	4,943.64	23.94%
50685	M & R - VEHICLES	6,317.35	4,000.00	(2,317.35)	157.93%
50753	CITY BANKING FEES	1,863.09	8,500.00	6,636.91	21.92%
50765	OTHER EXPENSE	154.20	2,000.00	1,845.80	7.71%
50777	ADVERTISEMENTS - NOTICES	0.00	1,500.00	1,500.00	0.00%
50780	PRINTING - OFFICE SUPPLIES	(646.95)	2,000.00	2,646.95	-32.35%
50812	PUBLIC CAMPAIGNS	1,749.00	4,000.00	2,251.00	43.73%
50827	SUBSTANDARD STRUCTURE AB	0.00	20,000.00	20,000.00	0.00%
50828	CODE ENFORCEMENT ACTIONS	1,354.46	6,750.00	5,395.54	20.07%
50830	UNIFORMS	540.78	4,000.00	3,459.22	13.52%
50874	DRC REVIEW FEES	<u>507.50</u>	<u>15,000.00</u>	<u>14,492.50</u>	<u>3.38%</u>
Total 9500	DEVELOPMENT SERVICES	400,425.29	1,399,150.00	984,232.21	28.62%
9600	PUBLIC WORKS				
50410	SALARIES & WAGES	87,849.90	295,100.00	207,250.10	29.77%
50411	OVERTIME	0.00	1,500.00	1,500.00	0.00%
50415	EMPLOYERS FICA EXPENSE	6,485.14	22,700.00	16,214.86	28.57%
50420	GROUP INSURANCE PREMIUM	12,938.95	34,960.00	22,021.05	37.01%
50433	TMRS	7,701.76	23,700.00	15,998.24	32.50%
50545	MAINTENANCE CONTRACTS	90,129.00	0.00	(90,129.00)	0.00%
50575	DUES/FEES/SUBSCRIPTIONS	0.00	5,000.00	5,000.00	0.00%
50590	ENGINEERING FEES	0.00	15,000.00	15,000.00	0.00%
50592	EQUIPMENT & SUPPLIES	1,419.07	10,000.00	8,580.93	14.19%
50593	TRAVEL, TRAINING, SCHOOLS	1,425.00	1,650.00	225.00	86.36%
50595	FUEL & LUBRICANTS	1,913.69	12,000.00	10,086.31	15.95%

CITY OF HORSESHOE BAY

02- GENERAL FUND

JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
50630	M & R - BUILDING	0.00	1,500.00	1,500.00	0.00%
50685	M & R VEHICLES	195.63	2,000.00	1,804.37	9.78%
50765	OTHER EXPENSE	202.73	2,500.00	2,297.27	8.11%
50800	SAFETY EQUIPMENT/SUPPLIES	1,295.00	0.00	(1,295.00)	0.00%
50830	UNIFORMS	216.99	2,000.00	1,783.01	10.85%
50853	STREET STRIPING	2,850.00	110,000.00	107,150.00	2.59%
50854	STREET PATCHING CONTRACT	9,500.00	247,000.00	237,500.00	3.85%
50855	STREET PATCHING MATERIALS	0.00	0.00	0.00	0.00%
50856	DRAINAGE	0.00	35,000.00	35,000.00	0.00%
50857	TRAFFIC SIGN CONTRACT	0.00	25,000.00	25,000.00	0.00%
50858	TRAFFIC SIGN MATERIALS	1,201.30	50,000.00	48,798.70	2.40%
50859	LITTER CONTROL CONTRACT	13,600.00	40,800.00	27,200.00	33.33%
50865	ROW MAINTENANCE	43,915.99	280,000.00	236,084.01	15.68%
50867	GOLDEN NUGGET NATURE PARK	10,270.00	10,600.00	330.00	96.89%
50868	MARTIN PARK	198.37	23,000.00	22,801.63	0.86%
50869	STORM DAMAGE CLEANUP	1,500.00	10,000.00	8,500.00	15.00%
50872	HIKING TRAIL PARK	<u>0.00</u>	<u>6,500.00</u>	<u>6,500.00</u>	<u>0.00%</u>
Total 9600	PUBLIC WORKS	294,808.52	1,267,510.00	972,701.48	23.26%
9800	MOWING & CLEARING				
50863	LOT MOWING	188,585.43	600,000.00	411,414.57	31.43%
50864	LOT CLEARING	<u>0.00</u>	<u>30,000.00</u>	<u>30,000.00</u>	<u>0.00%</u>
Total 9800	MOWING & CLEARING	188,585.43	630,000.00	441,414.57	29.93%
9995	TRANSFER EXPENDITURES				
58001	XFER TO - UTILITY FUND	0.00	0.00	0.00	0.00%
58007	XFER TO - CAP PROJ FUND	2,082,549.65	4,541,155.45	2,458,605.80	45.86%
58021	XFER TO - REPLACE FUND	<u>0.00</u>	<u>200,000.00</u>	<u>200,000.00</u>	<u>0.00%</u>
Total 9995	TRANSFER EXPENDITURES	2,082,549.65	4,741,155.45	2,658,605.80	43.92%
Total 50000	TOTAL EXPENDITURES	<u>6,471,808.13</u>	<u>18,835,147.45</u>	<u>12,331,519.82</u>	<u>34.36%</u>
TOTAL REVENUE OVER/(UNDER) EXPENDITURES		<u>2,012,877.26</u>	<u>(2,866,400.45)</u>	<u>(4,847,458.21)</u>	

**CITY OF HORSESHOE BAY
04 - ESCONDIDO PID
JANUARY 2026**

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	891,178.90	891,178.90		
9900	REVENUES				
1000					
40220	INTEREST INCOME	9,746.89	34,000.00	24,253.11	28.67%
40224	PID ASSESSMENT	<u>207,659.41</u>	<u>347,000.00</u>	<u>139,340.59</u>	<u>59.84%</u>
	TOTAL REVENUES	<u>217,406.30</u>	<u>381,000.00</u>	<u>163,593.70</u>	<u>57.06%</u>
1000	EXPENDITURES				
50622	INTEREST PAYMENT	36,260.00	65,650.00	29,390.00	55.23%
50690	PRINCIPAL PAYMENT	229,000.00	240,000.00	11,000.00	95.42%
50840	ADMINISTRATIVE FEES	<u>10,805.50</u>	<u>27,760.00</u>	<u>16,954.50</u>	<u>38.92%</u>
	TOTAL EXPENDITURES	<u>276,065.50</u>	<u>333,410.00</u>	<u>57,344.50</u>	<u>82.80%</u>
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>(58,659.20)</u>	<u>47,590.00</u>	<u>106,249.20</u>	
	ENDING FUND BALANCE	832,519.70	938,768.90		
		AT 01/31/2026	AT 01/31/2026		

**CITY OF HORSESHOE BAY
05 - SUMMIT ROCK PID
JANUARY 2026**

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	(3,148,838.04)	(3,148,838.04)		
9900	REVENUES				
1000					
40220	INTEREST INCOME	548.65	0.00	(548.65)	0.00%
40224	PID ASSESSMENT	<u>432,915.41</u>	<u>3,147,066.74</u>	<u>2,714,151.33</u>	<u>13.76%</u>
	TOTAL REVENUES	<u>433,464.06</u>	<u>3,147,066.74</u>	<u>2,713,602.68</u>	<u>13.77%</u>
1000	EXPENDITURES				
50622	INTEREST PAYMENT	0.00	0.00	0.00	0.00%
50690	PRINCIPAL PAYMENT	0.00	0.00	0.00	0.00%
58001	XFER TO - UTILITIES FUND	0.00	0.00	0.00	0.00%
58999	XFER TO - FUND BALANCE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
	TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>0.00</u>	<u>0.00%</u>
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>433,464.06</u>	<u>3,147,066.74</u>	<u>2,713,602.68</u>	
	ENDING FUND BALANCE	(2,715,373.98)	(1,771.30)		
		AT 01/31/2026	AT 01/31/2026		

**CITY OF HORSESHOE BAY
06 - ASSET FORFEITURES**

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	0.00	0.00		
9900	REVENUES				
8000					
40169	INTEREST INCOME	0.00	0.00	0.00	0.00%
48999	XFER FROM - FUND BALANCE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
	TOTAL REVENUES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
	EXPENDITURES				
1000					
50592	EQUIPMENT/SUPPLIES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
	TOTAL EXPENDITURES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
	ENDING FUND BALANCE	0.00	0.00		
		AT 01/31/2026	AT 01/31/2026		

CITY OF HORSESHOE BAY
07 - CAPITAL PROJECTS
JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	4,715,737.90	4,715,737.90		
9999	REVENUES				
40195	TRANSFER IN	0.00	23,155.00	21,280.00	0.00%
40220	INTEREST INCOME	63,386.26	325,000.00	261,613.74	19.50%
40300	BOND PROCEEDS	0.00	4,851,000.00	4,851,000.00	0.00%
40301	BOND PREMIUM	0.00	196,000.00	196,000.00	0.00%
40310	TRANSFER IN - GEN	2,093,342.85	4,541,155.45	2,447,812.60	46.10%
48999	XFER FROM - UTILITY FUND BALANCE	<u>66,793.05</u>	<u>156,885.52</u>	<u>90,092.47</u>	<u>42.57%</u>
	TOTAL REVENUES	<u>2,223,522.16</u>	<u>10,093,195.97</u>	<u>7,869,673.81</u>	<u>22.03%</u>
9999	EXPENDITURES				
57001	CP - CITY CENTER - SOFT COSTS	58,935.00	203,639.23	144,704.23	28.94%
57002	CP - FIRE STATION - SOFT COSTS	7,530.00	84,461.50	76,931.50	8.92%
57003	CP - STREET SEAL COAT	356,240.70	1,303,669.80	947,429.10	27.33%
57004	CP - STREET RECONSTRUCTION	1,192,782.04	7,524,625.37	6,331,843.33	15.85%
57005	CP - CC TRAILS	44,761.11	52,009.84	7,248.73	86.06%
57005	CP- CITY CENTER LANDSCAPING	1,500.00	150,000.00	148,500.00	1.00%
57006	CP - CITY HALL REPAIRS	0.00	361,824.30	361,824.30	0.00%
57008	CP - CITY CENTER - HARD COSTS	1,279,295.80	3,862,364.65	2,583,068.85	33.12%
57009	CP- FIRE STATION #2 - HARD COSTS	855,538.12	1,263,234.83	407,696.71	67.73%
58001	XFER TO - UTILITIES FUND	52,575.17	309,675.43	257,100.26	16.98%
50930	BOND ISSURANCE COSTS	<u>0.00</u>	<u>147,000.00</u>	<u>147,000.00</u>	<u>0.00%</u>
	TOTAL EXPENDITURES	<u>3,849,157.94</u>	<u>15,262,504.95</u>	<u>11,413,347.01</u>	<u>25.22%</u>
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>(1,625,635.78)</u>	<u>(5,169,308.98)</u>	<u>(3,543,673.20)</u>	
	ENDING FUND BALANCE	3,090,102.12	(453,571.08)		
		AT 01/31/2026	AT 01/31/2026		

CITY OF HORSESHOE BAY
08 - DEBT SERVICE
JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	297,517.50	297,517.50		
	REVENUES				
7000	TAX				
40150	PROPERTY TAX (I&S)	2,403,116.73	3,086,903.00	683,786.27	77.85%
40152	PENALTY & INTEREST (I&S)	<u>1,878.48</u>	<u>16,000.00</u>	<u>14,121.52</u>	<u>11.74%</u>
Total 7000	TAX	2,404,995.21	3,102,903.00	697,907.79	77.51%
9900	OTHER INCOME				
40220	INTEREST INCOME	<u>12,295.19</u>	<u>50,000.00</u>	<u>37,704.81</u>	<u>24.59%</u>
Total 9900	OTHER INCOME	12,295.19	50,000.00	37,704.81	24.59%
Total 40000	TOTAL REVENUES	<u>2,417,290.40</u>	<u>3,152,903.00</u>	<u>735,612.60</u>	<u>76.67%</u>
	EXPENDITURES				
9994	DEBT SERVICE				
50521	2014 SERIES INTEREST	44,670.00	86,490.00	41,820.00	51.65%
50522	2014 SERIES PRINCIPAL	190,000.00	190,000.00	0.00	100.00%
50523	2016 SERIES INTEREST	2,300.00	4,600.00	2,300.00	50.00%
50524	2016 SERIES PRINCIPAL	0.00	115,000.00	115,000.00	0.00%
50529	2020 SERIES REF PRINCIPAL	330,000.00	330,000.00	0.00	100.00%
50530	2020 SERIES REF INTEREST	33,475.00	63,650.00	30,175.00	52.59%
50531	2020 SERIES INTEREST	32,150.00	64,300.00	32,150.00	50.00%
50532	2020 SERIES PRINCIPAL	0.00	185,000.00	185,000.00	0.00%
50533	BOND AGENT FEES	1,125.00	1,744.00	619.00	64.51%
50534	2022 SERIES - INTEREST	80,968.75	161,938.00	80,969.25	50.00%
50535	2022 SERIES - PRINCIPAL	0.00	140,000.00	140,000.00	0.00%
50537	2023 SERIES - INTEREST	168,356.26	336,713.00	168,356.74	50.00%
50538	2023 SERIES - PRINCIPAL	0.00	135,000.00	135,000.00	0.00%
50539	2024 SERIES - INTEREST	181,450.00	362,900.00	181,450.00	50.00%
50540	2024 SERIES - PRINCIPAL	0.00	285,000.00	285,000.00	0.00%
50541	2025 SERIES - INTEREST	113,156.26	226,313.00	113,156.74	50.00%
50542	2025 SERIES - PRINCIPAL	0.00	400,000.00	400,000.00	0.00%
50998	ISSUANCE COSTS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 9994	DEBT SERVICE	1,177,651.27	3,088,648.00	1,910,996.73	38.13%
Total 50000	TOTAL EXPENDITURES	<u>1,177,651.27</u>	<u>3,088,648.00</u>	<u>1,910,996.73</u>	<u>38.13%</u>
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>1,239,639.13</u>	<u>64,255.00</u>	<u>(1,175,384.13)</u>	
	ENDING FUND BALANCE	1,537,156.63	361,772.50		
		AT 01/31/2026	AT 01/31/2026		

**CITY OF HORSESHOE BAY
16 - CHILD SAFETY
JANUARY 2026**

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	40,444.66	40,444.66		
9999	REVENUES				
40200	CHILD SAFETY FEE	<u>386.91</u>	<u>10,000.00</u>	<u>9,613.09</u>	<u>3.87%</u>
Total 40000	TOTAL REVENUES	<u>386.91</u>	<u>10,000.00</u>	<u>9,613.09</u>	<u>3.87%</u>
9999	EXPENDITURES				
50820	CHILD SAFETY FUND EXPENSE	<u>6,000.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>100.00%</u>
Total 50000	TOTAL EXPENDITURES	<u>6,000.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>100.00%</u>
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>(5,613.09)</u>	<u>4,000.00</u>	<u>9,613.09</u>	
	ENDING FUND BALANCE	34,831.57	44,444.66		
		AT 01/31/2026	AT 01/31/2026		

CITY OF HORSESHOE BAY
17 - COURT BUILDING SECURITY AND TECHNOLOGY
JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	7,666.57	7,666.57		
9999	REVENUES				
40196	COURT TECHNOLOGY FEES	0.00	0.00	0.00	0.00%
40222	MCBSTF - COMBINED SECURITY AND TECHNOLOGY	<u>1,035.20</u>	<u>3,100.00</u>	<u>2,064.80</u>	<u>33.39%</u>
Total 40000	TOTAL REVENUES	<u>1,035.20</u>	<u>3,100.00</u>	<u>2,064.80</u>	<u>33.39%</u>
9999	EXPENDITURES				
50821	COURT TECHNOLOGY FUND EXPENSE	1,560.01	2,100.00	539.99	74.29%
50831	TRANSFER IN	0.00	1,000.00	1,000.00	0.00%
58999	XFR TO CAPITAL FUND	<u>0.00</u>	<u>9,564.00</u>	<u>9,564.00</u>	<u>0.00%</u>
Total 50000	TOTAL EXPENDITURES	<u>1,560.01</u>	<u>12,664.00</u>	<u>11,103.99</u>	<u>12.32%</u>
TOTAL REVENUE OVER/(UNDER) EXPENDITURES		<u>(524.81)</u>	<u>(9,564.00)</u>	<u>(9,039.19)</u>	
	ENDING FUND BALANCE	7,141.76	(1,897.43)		
		AT 01/31/2026	AT 01/31/2026		

**CITY OF HORSESHOE BAY
18 - COURT SECURITY - *
JANUARY 2026**

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	14,005.53	14,005.53		
9999	REVENUES				
40197	COURT SECURITY FEES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 40000	TOTAL REVENUES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>#DIV/0!</u>
9999	EXPENDITURES				
50822	COURT SECURITY FEE EXPENSE	0.00	0.00	0.00	0.00%
58999	XFR TO CAPITAL	0.00	13,591.00	13,591.00	0.00%
Total	TOTAL EXPENDITURES	<u>0.00</u>	<u>13,591.00</u>	<u>13,591.00</u>	<u>0.00%</u>
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>0.00</u>	<u>(13,591.00)</u>	<u>(13,591.00)</u>	
	ENDING FUND BALANCE	14,005.53	414.53		
		AT 01/31/2026	AT 01/31/2026		

*** AS OF 10/1/2025 NEW REVENUE TO BE COMBINED WITH COURT TECHNOLOGY**

**CITY OF HORSESHOE BAY
19 - IMPACT FEE
JANUARY 2026**

Account Code	Account Title	YTD Actual	Total Budget	Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	583,388.00	583,388.00		
9999	REVENUES				
40195	IMPACT FEES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total 40000	TOTAL REVENUES	0.00	0.00	0.00	0.00%
	EXPENDITURES				
9999					
50969	CAP OUT - WATER PLANT IMPROVEMENT	0.00	0.00	0.00	0.00%
58001	XFER TO UTILITY FUND	<u>96,457.80</u>	<u>0.00</u>	<u>(96,457.80)</u>	0.00%
Total 50000	TOTAL EXPENDITURES	96,457.80	0.00	(96,457.80)	0.00%
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>(96,457.80)</u>	<u>0.00</u>	<u>96,457.80</u>	
	ENDING FUND BALANCE	486,930.20	583,388.00		
		AT 01/31/2026	AT 01/31/2026		

CITY OF HORSESHOE BAY
20 - YOUTH DIVERSION FUND
JANUARY 2026

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	382.57	382.57		
9999	REVENUES				
40201	FEES - YOUTH DIVERSION	250.00	2,100.00	1,850.00	11.90%
40223	LOCAL YOUTH DIVERSION FEE	<u>567.71</u>	<u>0.00</u>	<u>(567.71)</u>	<u>0.00%</u>
Total 40000	TOTAL REVENUES	817.71	2,100.00	1,282.29	38.94%
9999	EXPENDITURES				
56999	EXPENSES - YOUTH DIVERSION PRG	<u>0.00</u>	<u>2,100.00</u>	2,100.00	<u>0.00%</u>
Total 50000	TOTAL EXPENDITURES	0.00	2,100.00	2,100.00	0.00%
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>817.71</u>	<u>0.00</u>	<u>(817.71)</u>	
	ENDING FUND BALANCE	1,200.28	382.57		
		AT 01/31/2026	AT 01/31/2026		

**CITY OF HORSESHOE BAY
21 - VEHICLE/EQUIP REPLACEMENT
JANUARY 2026**

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
	BEGINNING FUND BALANCE AT 10/1/2025	400,000.00	400,000.00		
	REVENUES				
2121					
48002	XFER FROM - GENERAL FUND	<u>0.00</u>	<u>200,000.00</u>	<u>200,000.00</u>	<u>0.00%</u>
	TOTAL REVENUES	<u>0.00</u>	<u>200,000.00</u>	<u>200,000.00</u>	<u>0.00%</u>
	EXPENDITURES				
2121					
58999	XFER TO - GENERAL FUND	0.00	600,000.00	600,000.00	0.00%
	TOTAL EXPENDITURES	<u>0.00</u>	<u>600,000.00</u>	<u>600,000.00</u>	<u>0.00%</u>
	TOTAL REVENUE OVER/(UNDER) EXPENDITURES	<u>0.00</u>	<u>(400,000.00)</u>	<u>(400,000.00)</u>	
	ENDING FUND BALANCE	400,000.00	0.00		
		AT 01/31/2026	AT 01/31/2026		

Account Code	Account Title	YTD Actual	Total Budget	Budget	% of Budget
UTLITY FUND CAPITAL EXPENDITURES					
50955	CAPITAL OUTLAY - MACHINE & EQUIPMENT				
023	WATER METER REPLACEMENT PROGRAM	32,642.70	125,000.00	92,357.30	26.11%
327	HEAVY EQUIPMENT REPLACEMENT	115,915.93	150,000.00	34,084.07	77.28%
328	REPLACE OBSOLETE GRINDER SYSTEMS	74,925.00	100,000.00	25,075.00	74.93%
350	WATER/WASTEWATER MAIN REPLACEMENT PRG (FIELD ONLY)	46,655.22	75,000.00	28,344.78	62.21%
999	EMERGENCY EQUIPMENT REPLACEMENT	<u>22,721.69</u>	<u>50,000.00</u>	<u>27,278.31</u>	<u>45.44%</u>
Total 50955	MACHINE AND EQUIPMENT	292,860.54	500,000.00	207,139.46	58.57%
50956	CAPITAL OUTLAY - VEHICLES				
320	REPLACEMENT VEHICLE	<u>0.00</u>	<u>165,000.00</u>	<u>165,000.00</u>	<u>0.00%</u>
Total 50956	VEHICLES	0.00	165,000.00	165,000.00	0.00%
50959	CAPITAL OUTLAY - BUILDING & IMPROVEMENT				
415	EXPANSION AND REDESIGN OF RECLAMATION CENTER	0.00	75,000.00	75,000.00	0.00%
425	UTILITY/PW FACILITY YARD - LAND PURCHASE	0.00	213,200.00	213,200.00	0.00%
450	DROUGHT TOLERANT GARDENS	<u>0.00</u>	<u>67,067.00</u>	<u>67,067.00</u>	<u>0.00%</u>
Total 50959	BUILDING AND IMPROVEMENTS	0.00	355,267.00	355,267.00	0.00%

Account Code	Account Title	YTD Actual	Total Budget	Budget	% of Budget
50968	CAPITAL OUTLAY - SEWER LINE IMPROVEMENT				
223	FENCE FOR LIFT STATIONS PER TCEQ REQUIREMENTS	101,854.06	175,000.00	73,145.94	58.20%
126	SLICK ROCK LIFT STATION UPGRADE	0.00	200,000.00	200,000.00	0.00%
353	PECAN CREEK LIFT STATION REHAB AND GENERATOR PER TCEQ	78,928.14	250,000.00	171,071.86	31.57%
070	SEWER TRANSMISSION MAIN 16" SUMMIT - BLISTER GOLD	<u>0.00</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>0.00%</u>
Total 50968	SEWER LINE IMPROVEMENTS	180,782.20	1,625,000.00	1,444,217.80	11.13%
50969	CAPITAL OUTLAY - WATER PLANT				
077	WEST WATER PLANT ENGINEERING-FY24/FY25 BONDS	0.00	721,957.25	721,957.25	0.00%
334	WATER STORAGE TANKS REHAB	0.00	1,695,640.95	1,695,640.95	0.00%
336	INTERNET TOWERS-FY25/FY26 - ARPA LLANO COUNTY	53,500.00	131,483.00	77,983.00	40.69%
445	HIGH STORAGE TRANSMISSION-FY25/FY26 BONDS	328,190.74	1,066,641.12	738,450.38	30.77%
485	WATER-CENTRAL PLANT IMPROVEMENTS BONDS	91,578.82	86,550.33	(5,028.49)	105.81%
125	WWTP UPGRADES (WASTE WATER TREATMENT PLANT)	<u>0.00</u>	<u>400,000.00</u>	<u>400,000.00</u>	<u>0.00%</u>
Total 50969	WATER PLANT	473,269.56	4,102,272.65	3,629,003.09	11.54%
	TOTAL 01 - UTILITY FUND CAPITAL EXPENDITURES as of 1/31/2026	<u>946,912.30</u>	<u>6,747,539.65</u>	<u>5,800,627.35</u>	<u>14.03%</u>

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
GENERAL FUND CAPITAL EXPENDITURES					
1000	ADMINISTRATION				
50955-100	EQUIPMENT REPLACEMENT	<u>0.00</u>	<u>27,000.00</u>	27,000.00	<u>0.00%</u>
Total 1000	ADMINISTRATION	0.00	27,000.00	27,000.00	0.00%
3000	TECHNOLOGY SERVICES				
50955-100	MACHINE/EQUIPMENT	<u>0.00</u>	<u>20,000.00</u>	<u>20,000.00</u>	<u>0.00%</u>
Total 3000	TECHNOLOGY SERVICES	0.00	20,000.00	20,000.00	0.00%
5000	FIRE				
50956	VEHICLES	<u>0.00</u>	<u>1,161,007.00</u>	<u>1,161,007.00</u>	<u>0.00%</u>
Total 5000	FIRE	0.00	1,161,007.00	1,161,007.00	0.00%
8000	POLICE				
50955	DEER TRAPPING EQUIPMENT	22,778.72	25,000.00	2,221.28	91.11%
50956-055	REPLACEMENT VEHICLE	<u>70,815.44</u>	<u>231,000.00</u>	<u>160,184.56</u>	<u>30.66%</u>
Total 8000	POLICE	93,594.16	256,000.00	162,405.84	36.56%
9600	PUBLIC WORKS				
50955	MACHINE/EQUIPMENT - CHIPPER	57,274.55	82,300.00	25,025.45	69.59%
50972	INFRASTRUCTURE/TRANSPORTATION IMPROVEMENT	<u>32,476.05</u>	<u>919,734.00</u>	<u>887,257.95</u>	<u>3.53%</u>
Total 9600	PUBLIC WORKS	89,750.60	1,002,034.00	912,283.40	8.96%
TOTAL 02 - GENERAL FUND CAPITAL EXPENDITURES as of 1/31/2026		<u>183,344.76</u>	<u>2,466,041.00</u>	<u>2,282,696.24</u>	<u>7.43%</u>

CAPITAL FUND EXPENDITURES

Account Code	Account Title	YTD Actual	Total Budget	Remaining Budget	% of Budget
57001	CP - CITY CENTER - SOFT COSTS	58,935.00	203,639.23	144,704.23	28.94%
57002	CP - FIRE STATION #2 - SOFT COSTS	7,530.00	84,461.50	76,931.50	8.92%
57003	CP - STREET SEAL COAT	356,240.70	1,303,669.80	947,429.10	27.33%
57004	CP - STREET RECONSTRUCTION	1,192,782.04	7,524,625.37	6,331,843.33	15.85%
57005	CP-CITY CENTER TRAILS	44,761.11	52,009.84	7,248.73	86.06%
57005	CP - CITY CENTER LANDSCAPING	1,500.00	150,000.00	148,500.00	1.00%
57006	CP - CITY HALL REPAIRS	-	361,824.30	361,824.30	0.00%
57008	CP- CITY CENTER - HARD COST	1,279,295.80	3,862,364.65	2,583,068.85	33.12%
57009	CP - FIRE STATION #2 - HARD COSTS	<u>855,538.12</u>	<u>1,263,234.83</u>	<u>407,696.71</u>	<u>67.73%</u>
		3,796,582.77	14,805,829.52	11,009,246.75	25.64%
TOTAL 07 - CAPITAL FUND EXPENDITURES as of 1/31/2026		<u>3,796,582.77</u>	<u>14,805,829.52</u>	<u>11,009,246.75</u>	<u>25.64%</u>

III. Capitalization Threshold

The current criteria requiring the capitalization of a fixed asset is a cost or fair market value of \$5,000 or more and a useful life of one year or more.

IV. Building/Facility Improvements

The determination of whether an expenditure to replace part of a building/facility or major equipment associated with a building/facility is considered to be an improvement or a maintenance item shall be addressed on a case-by-case basis. Examples of potential improvements are HVAC, boilers, roofs, etc. In general, any such expenditures exceeding \$50,000 should be considered capitalized improvements, under \$50,000 would be an operating maintenance item.



CITY OF HORSESHOE BAY



Legislative Services January 2026 Activity Report

City Council Activities

We have processed 109 agenda items in FY26, which is a decrease compared to this time last year (185 agenda items in January 2025). City Council activities include preparing agendas, meeting packets, minutes, presentations, monthly reports, and many other types of documents for meetings and researching various topics/laws. This also includes drafting ordinances, resolutions, proclamations and other documents for Legislative Services and other city departments. Each item that is included on a City Council agenda requires staff time for preparation prior to the meeting and execution time after the meeting.

	January	FY 2026 YTD
Agendas Prepared/Posted	2	8
Minutes Completed/Approved	3	7

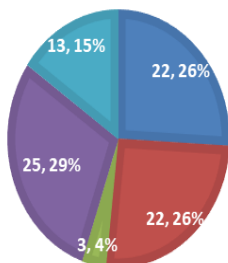
Agenda Items Processed	27	109
Ordinances	2	9
Resolutions	1	7
Proclamations	0	3
Contracts/Agreements	0	10
Policy Revisions	0	2
Other	23	78

Public Information Requests

The city has received 85 public information requests this year. The City is receiving an average of 28 requests per month, which is high for a city the size of Horseshoe Bay. Staff tried to respond to requests this month within 2 days of the time the request was received and processed. Police and Development Services continue to receive the highest number of requests. The most frequent type of record request was for building permits. Other common records requested include police reports, building permit data, contractor information, information on specific properties, and administrative records.

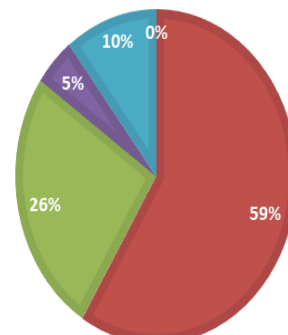
FY26 YTD BY RECORD TYPE

■ Police Reports (22) ■ Building Permit Information (22)
■ Contractor Information (3) ■ Property Information (25)
■ Miscellaneous (13)



FY26 YTD BY DEPARTMENT

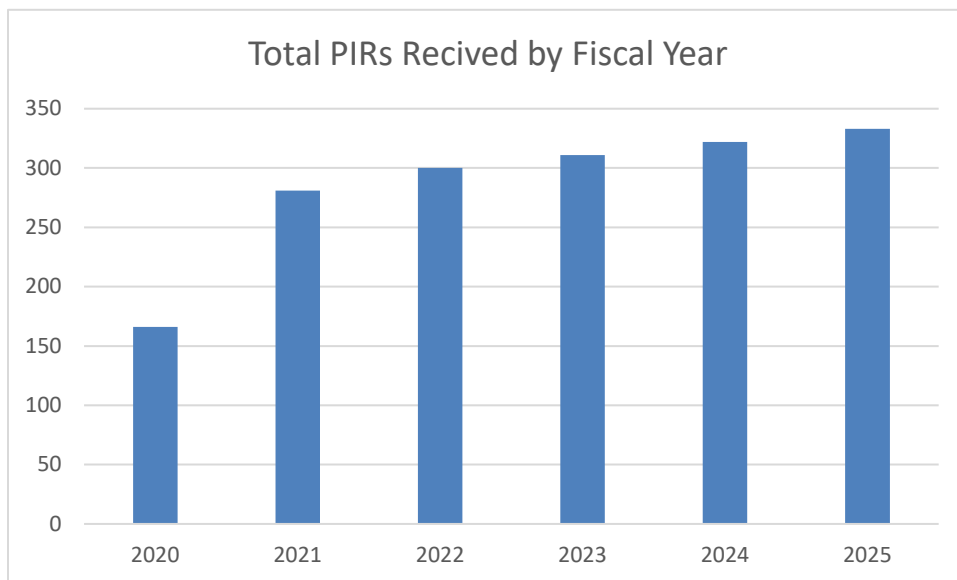
■ Leg Serv 0 ■ Dev Serv 50 ■ Police 22 ■ Fire 4 ■ Other 9



Public Information Requests, Continued

The number of public information requests received by the City is growing each year (200% increase from FY 2020, 166 requests to FY 2025 333 requests). This upward trend is happening in cities throughout Texas, and the nation, and shows no signs of slowing. We received a record number of requests in FY 2025.

- Currently implementing a software program (Next Request) to assist staff in responding to requests
- On-going training is being provided to staff with specialized training for new employees to address underreporting and response issues



Legislative Services

- Working with City Attorney on ROW Use Legislation
- Reviewing city compliance with HB 3033: New rules proposed by Attorney General for Public Information Act decision requests
- Working with Department Heads to change agenda software to a better product for all departments and more user friendly for Council and citizens

Elections

Continuing to review pending legislation relating to elections

- Revising the City's Election Register to conform to new laws
- Updating the City's Election Information webpages
- Drafting SOP for HSB Elections
- Creating a guide for political signage regulations
- Revising the New Council Member Orientation

Boards/Commissions/Committees

- Updating the New Public Official Orientation and Training program
- An Impact Fee Advisory Committee was named in January

Records and Information Management

Continuing to convert from paper to electronic format in FY26. One of Janet's primary projects has been to convert the administrative paper records in the city hall hallways to electronic format prior to the move to the new city center. Janet has retired but continues to work for Horseshoe Bay on a part-time basis.

- Processed 32 public information requests
- Implementation of new PIR software Next Request ongoing
- Packing in preparation of moving to the new City Centre
- Interviewed several candidates for the partially vacated Records position
- Records Management training for new employees ongoing
- New policy and training for email archiving being designed
- Reviewing city compliance with new records management laws
- As Deputy, assisted with two City Council meetings in January
- Legislative Services: Records Conversion Project Ongoing
Workflow/Reporting Design for Public Information Requests



CITY OF HORSESHOE BAY



POLICE DEPARTMENT JANUARY 2026 AND FY 2026 ACTIVITY REPORT

During the month of January 2026 there were twenty-two (22) new cases reported to our department. The monthly cases consisted of three (3) felony cases, five (5) misdemeanor cases, fourteen (14) non-criminal cases, two (2) traffic accidents, and one (1) arrests. The department cleared fourteen (14) new and old Horseshoe Bay cases for the month. Eight (8) residents requested home security watches and local businesses, amenities, and construction sites continued to be checked thoroughly on a daily basis. Overall, the department responded to five hundred sixty-two (562) calls for service, including twenty-five (25) alarms for the month.

During the month of January 2026, thirteen (13) new cases were assigned to CID for follow-up investigation. Five (5) of those were a misdemeanor grade, and there were three (3) felony level cases. Five (5) cases were non-criminal, which included death investigations and an animal bite. CID conducted four (4) other investigations, which consisted of assistance to another agency, mental health evaluation and narcotic investigations. A total of ninety-five (95) people were interviewed by investigators. These interviews resulted in thirty-six (36) witness/victim statements, and nine (9) confessions. CID cleared fourteen (14) active cases during the month. CID personnel conducted nineteen (19) searches, including one (1) search warrant and collected ninety-three (93) items of evidence. CID obtained six (6) arrest warrants and made five (5) arrests. CID also assisted patrol with inclement weather and they assisted animal control on twelve (12) occasions for deer trapping this month.

OPERATIONS	JANAURY 2026	JANUARY 2025	FYTD 2026	FYTD 2025
PD Calls for Service	562	546	1879	2484
Verbal Warnings	194	2	196	508
Warnings	19	195	451	287
Citations	18	20	88	80
Arrest	1	3	6	10
Code Enforcement CFS	1	1	5	5
Traffic Accidents	2	4	7	17
Home Security Watches	8	5	24	22
Alarms	25	20	78	76
Felony Cases	3	6	15	30
Misdemeanor Cases	5	8	26	38
Non-Criminal Cases	14	8	42	29
Total Reports (New)	22	22	84	97
Cases Cleared (Old & New)	14	18	81	94

Response Time: 1.7



CITY OF HORSESHOE



ANIMAL CONTROL January 2026 AND FY 2026 ACTIVITY REPORT

The Animal Control Officer's handled approximately sixty-two (62) calls within the month of January. Fifty-one (51) of the calls were dispatched through either the Horseshoe Bay Police Department or Marble Falls Police Department, while eleven (11) of the calls were initiated by the Animal Control Officer.

The above information reflects the number of calls handled but does not include the number of times traps were checked and did not have an animal in them. Police officers assisted or were assisted by the A.C.O. in fourteen (14) of the calls for the month of January.

OPERATIONS	JANUARY 2026	JANUARY 2025	FYTD 2026	FYTD 2025
Buck Carcasses	0	6	12	47
Doe Carcasses	3	9	17	38
Fawn Carcasses	2	0	2	0
Total Deer Carcasses:	5	15	31	85
Other Carcasses	6	14	35	61
Blue Lake Carcasses	2	0	7	4
Total All Carcasses:	13	29	73	150
Cat related calls	1	3	1	19
Dog related calls	8	4	15	31
Total Other Calls:	39	35	146	228
Total Cat/Dog to HCHS:	1	0	1	8
Total Deer Trapped:	64	71	208	142
Total Calls for Service:	62	71	236	436



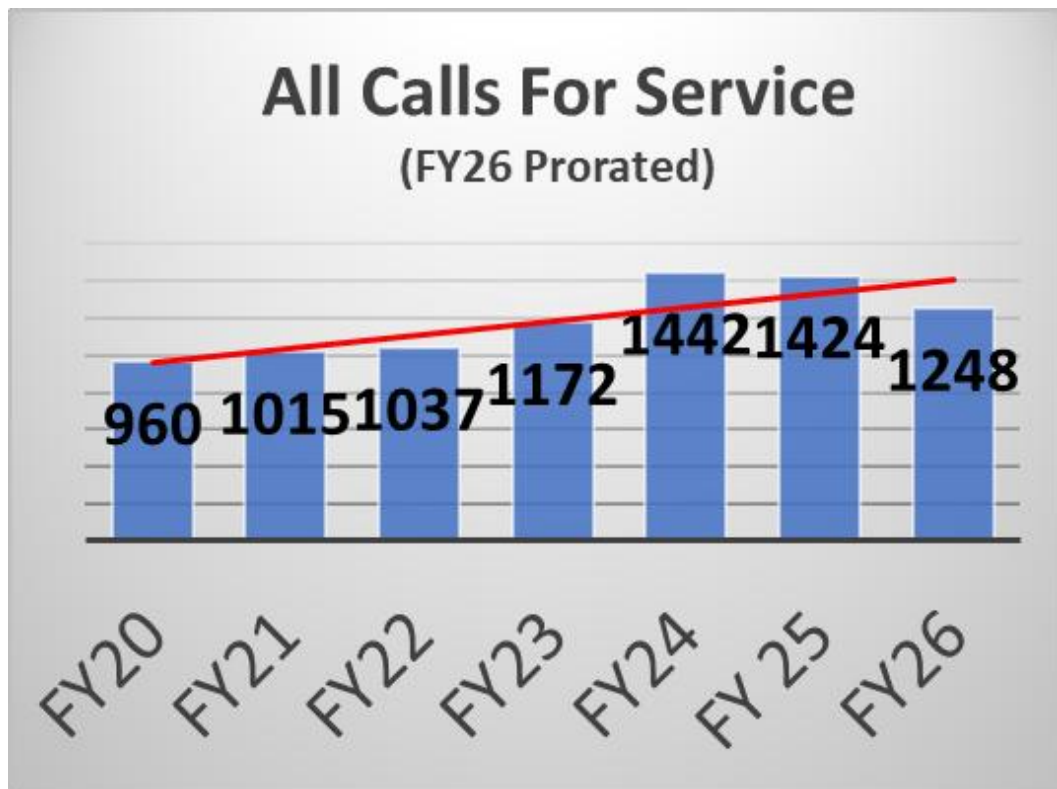
CITY OF HORSESHOE BAY

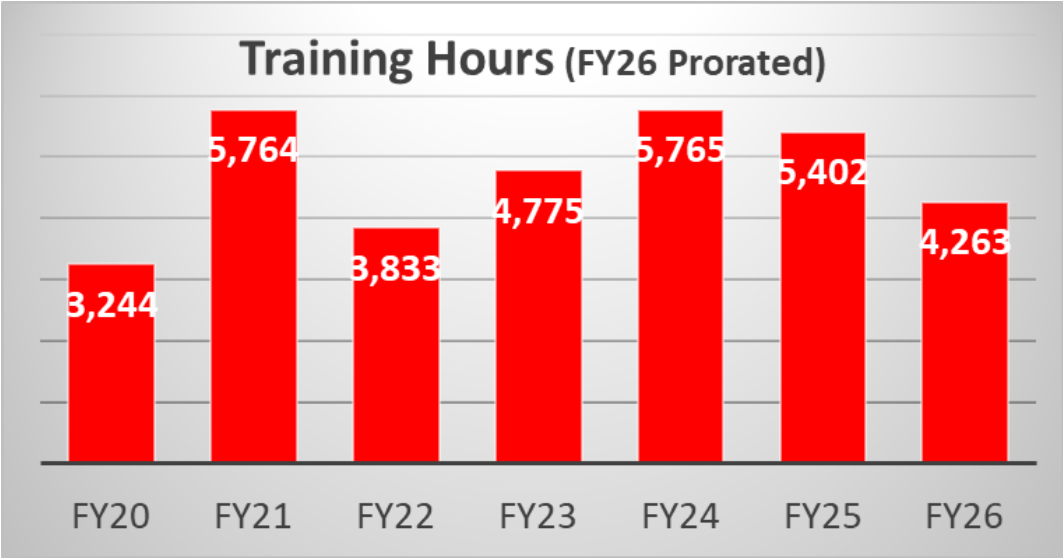


FIRE DEPARTMENT - JANUARY REPORT

The Fire Department has moved over to a new reporting system and pulling data has been a challenge. This is a work in progress.

		FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Total/Mo		699	665	729	688	898	960	1015	1037	1172	1442	1424	416
907	OCT	56	50	53	70	61	64	64	70	85	117	112	105
928	NOV	50	56	76	45	58	95	68	71	94	116	101	98
889	DEC	60	52	44	40	81	79	62	90	81	110	96	94
964	JAN	53	42	77	52	63	83	61	90	84	121	119	119
900	FEB	43	46	62	51	73	77	136	82	80	120	130	0
923	MAR	68	75	71	58	94	70	99	80	88	101	119	0
924	APR	53	61	73	67	83	74	83	79	113	122	116	0
1002	MAY	72	50	61	56	105	76	77	99	142	126	138	0
914	JUN	53	63	50	62	69	66	114	79	103	126	129	0
1029	JUL	73	62	51	65	73	101	91	111	122	146	134	0
920	AUG	62	57	54	68	70	99	93	92	75	116	134	0
845	SEP	56	51	57	54	68	76	67	94	105	121	96	0





Total Record Volume By Incident Type

EDITED



Custom

Dec 1, 2025 - Dec 31, 2025

Filters

Trend Lines

2%

FIRE
Percentage of Total Incidents

2%

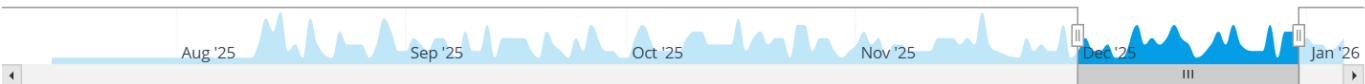
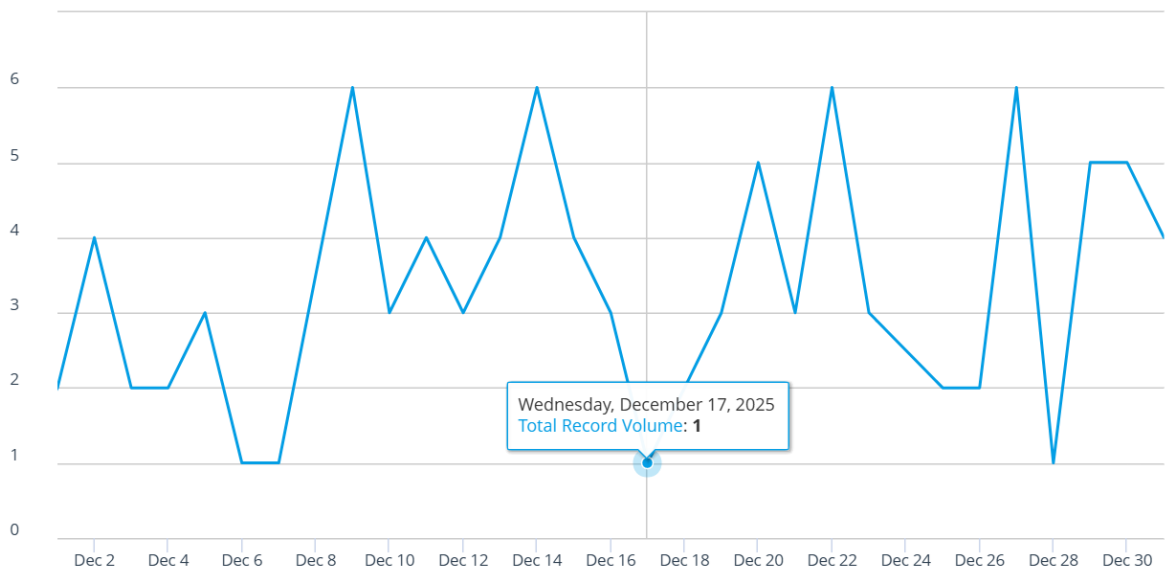
EMS
Percentage of Total Incidents

94

INCIDENTS
In Selected Time Slice

31

DAYS
In Selected Time Slice



Counts

% Rows

% Columns

% All

Week Ending	12/7/25	12/14/25	12/21/25	12/28/25	1/4/26	1/11/26	1/18/26	1/25/26	2/1/26	2/8/26	2/15/26	2/22/26	3/1/26	Total
(32) Emergency medical service (EMS) incident	-	-	2	-	-	-	-	-	-	-	-	-	-	2
(55) Public service assistance	-	1	-	-	-	-	-	-	-	-	-	-	-	1
(70) False alarm and false call, other	-	-	1	-	-	-	-	-	-	-	-	-	-	1
NULL	15	25	16	20	14	-	-	-	-	-	-	-	-	90
Total	15	26	19	20	14	-	-	-	-	-	-	-	-	94

eso

Planners Monthly Report

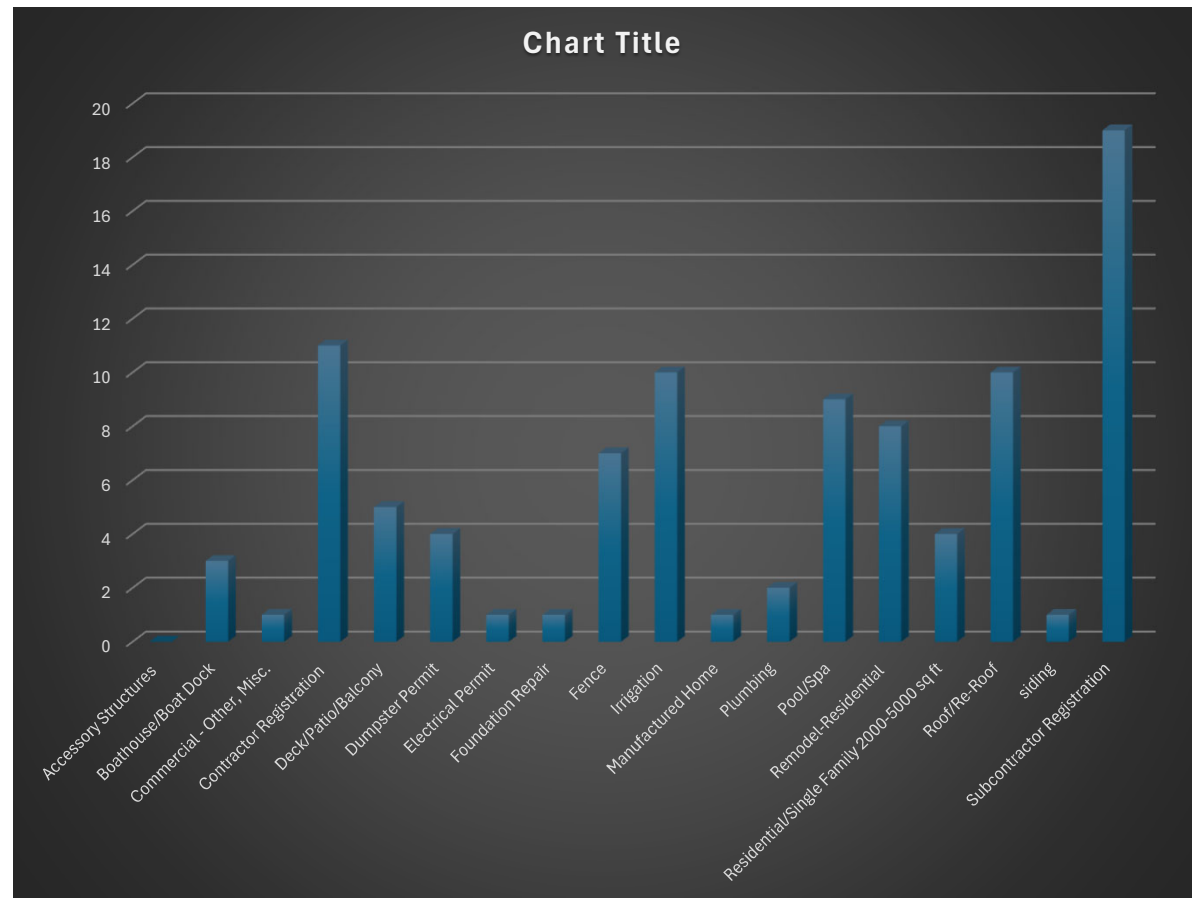
	A	B	C	D	E	F	G	H	I	J	K	L	M
1	FY 2026	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	August	September
2	Platting												
3	Minor Replats, Replats, Final Plats	4	8	4	4								
4	Preliminary Plats	1											
5	Plats Signed	3	6	6	4								
6													
7	Zoning												
8	Ordinance Amendments												
9	Zoning Change Requests												
10	Zoning Variance Requests	1	1		3								
11	Waiver of Encroachment	1	1	1	1								
12	Conditional Use Permits												
13	Sign Variance Requests			1									
14	Annexations												
15													
16	Meetings												
17	Meetings (phone and in person) w Citizens	68	52	65	78								
18	Meetings with Declarant and POA's	1			1								
19	Education, Conference												
20	Public Information Requests	1			1								
21	Development Review Committee Meetings	5	2	3	3								
22	DRC Major Project Reviews	3	2	2	2								
23	Planning & Zoning Commission Meeting	1		1									
24	Board of Adjustment Meeting	1	1		1								
25													
26	Planning Initiatives												
27	Update Ordinances	on hold	on hold	Subdivision	Subdivision								
28	Short Term Rental Registration	175	175	175	175								
29	International Dark Sky Program	Star Party	Renewal	Renewal	Renewed								
30	TxDot Certified City	Conference	Renewed	Renewed	Renewed								
31	Scenic City	Platinum	Platinum	Platinum	Platinum								
32	Oak Wilt Campaign	Over	Over	Ramp Up	On-going								
33	Comprehensive Plan	Draft	Draft	Draft	Draft								



Development Services Department

All Activity
January 2026

Type	Count
Accessory Structures	0
Boathouse/Boat Dock	3
Commercial - Other, Misc.	1
Contractor Registration	11
Deck/Patio/Balcony	5
Dumpster Permit	4
Electrical Permit	1
Foundation Repair	1
Fence	7
Irrigation	10
Manufactured Home	1
Plumbing	2
Pool/Spa	9
Remodel-Residential	8
Residential/Single Family 2000-5000 sq ft	4
Roof/Re-Roof	10
siding	1
Subcontractor Registration	19
Total	97



NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
1	1	W05031-050422-01	Deltex Construction	1902 Bay West Blvd	Residential/Sing le Family 2000-5000 sq ft	5/4/2022	11/4/2023	West	Spec
2	2	W35051-010324-01	KA Constructions, LLC	613 Apache Tears	Residential/Sing le Family 2000-5000 sq ft	1/3/2024	7/3/2025	West	Custom
3	3	ESC158-072423-01	Allen and Lucchi, RLLP	109 Plaza Escondido	Residential/Sing le Family 5001-9999 sq ft	7/24/2023	7/24/2025	Escondido	Custom
4	4	H47076-100124-01	Genesis Made Construction	911 Sharp Rock	Residential/Sing le Family <2000 sq ft	10/1/2024	10/1/2025	Proper	Spec
5	5	H47075-100124-01	Genesis Made Construction	909 Sharp Rock	Residential/Sing le Family <2000 sq ft	10/1/2024	10/1/2025	Proper	Spec
6	6	K01120-101524-01	Juan Rodriguez	1407 Swallow	Residential/Sing le Family <2000 sq ft	10/15/2024	10/15/2025	South	Spec
7	7	TH17-122323-01	Diamante Luxury Homes LLC	908 CR 311	Residential/Sing le Family 5001-9999 sq ft	12/22/2023	12/22/2025	The Hills	Custom
8	8	W19054-082924-01	Brian South	104 Ventura	Residential/Sing le Family 2000-5000 sq ft	8/29/2024	2/28/2026	West	Custom
9		H47077-100124-01	Dominion Renovation & Builders	903 Deep Shadows	Residential/Sing le Family 2000-5000 sq ft	10/1/2024	4/1/2026	Proper	Spec
10		ES69-100724-01	Steve Hughes Customs	150 Encantada	Residential/Sing le Family 2000-5000 sq ft	10/7/2024	4/7/2026	Escondido	Custom
11		A6017-101824-01	Westway Custom Builders	117 Diamond Hill	Residential/Sing le Family 2000-5000 sq ft	10/18/2024	4/18/2026	Applehead West	Custom
12		K07169-080425-1-01	A6 Logistics	2210 Lamplighter Cir	Manufactured Home - New	8/4/2025	5/4/2026	South	Custom
13		W4113A-110824-01	AWJ Homes	108 Iron Rose	Residential/Sing le Family 2000-5000 sq ft	11/8/2024	5/8/2026	West	Custom
14		WSG27-111924-01	Creekwater Homes	119 Westgate Loop	Residential/Sing le Family 2000-5000 sq ft	11/19/2024	5/19/2026	West	Spec
15		H27022-112224-01	Colin McGonagle	718 Hart	Residential/Sing le Family 2000-5000 sq ft	11/22/2024	5/22/2026	Proper	Custom
16		TV125-120124-01	Crescent Estates Customs	564 Mayapple	Residential/Sing le Family 2000-5000 sq ft	12/2/2024	6/2/2026	Tuscan Village	Spec

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
17		ES243-121124-01	Turrentine Properties, Inc.	244 La Serena Loop	Residential/Single Family 2000-5000 sq ft	12/11/2024	6/11/2026	Escondido	Custom
18		W12035-B-121324-01	Wolfrom Homes, Inc	1317 Cats Eye	Residential/Single Family 2000-5000 sq ft	12/13/2024	6/13/2026	West	Spec
19		SR186-121324-01	Sitterle Homes-Austin, LLC	104 Nattie Woods	Residential/Single Family 2000-5000 sq ft	12/13/2024	6/13/2026	Crescent Pass	Spec
20		ES207-070224-01	Turrentine Properties, Inc.	112 La Bonita	Residential/Single Family 5001-9999 sq ft	7/2/2024	7/2/2026	Escondido	Custom
21		ES88-010825-01	Voltaire, LLC	173 Encantada	Residential/Single Family 2000-5000 sq ft	1/8/2025	7/8/2026	Escondido	Custom
22		TV155-011525-01	Crescent Estates Customs	101 Manciano Drive	Residential/Single Family 2000-5000 sq ft	1/15/2025	7/15/2026	Tuscan Village	Spec
23		TV154-011525-01	Crescent Estates Customs	105 Manciano Drive	Residential/Single Family 2000-5000 sq ft	1/15/2025	7/15/2026	Tuscan Village	Spec
24		TV156-011525-01	Crescent Estates Customs	549 Mayapple	Residential/Single Family 2000-5000 sq ft	1/15/2025	7/15/2026	Tuscan Village	Spec
25		ESC10-012925-01	Allen and Lucchi, RLLP	109 Las Puertas	Residential/Single Family 2000-5000 sq ft	1/29/2025	7/29/2026	Escondido	Spec
26		SK238-013025-01	KCE Homes LLC	107 Feathergrass	Residential/Single Family 2000-5000 sq ft	1/30/2025	7/30/2026	Summit Rock	Custom
27		250260	A6 Logistics LLC	105 61st Street	Residential/Single Family <2000 sq ft	10/30/2025	7/30/2026	South	Spec
28		A2003-021025-01	VS Enterprises	3504 Bay West Blvd	Residential/Single Family 2000-5000 sq ft	2/10/2025	8/10/2026	Applehead West	Spec
29		ESC31-021325-01	Group Three Builders	123 La Lucita	Residential/Single Family 2000-5000 sq ft	2/13/2025	8/13/2026	Escondido	Custom
30		ES226A-081924-01	Voltaire, LLC	259 La Serena Loop	Residential/Single Family 5001-9999 sq ft	8/19/2024	8/19/2026	Escondido	Custom
31		H12060-090424-01	Gingerwood Construction, LLC	207 Lighthouse Drive	Residential/Single Family 5001-9999 sq ft	9/4/2024	9/4/2026	Proper	Custom
32		250021	Sherif Ghaly	3608 Mountain Dew Road	Residential/Single Family <2000 sq ft	9/12/2025	9/11/2026	SOUTH	Custom

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
33		K01021-031225-01	Lateral Solutions	1615 White Tail	Residential/Sing le Family 2000-5000 sq ft	3/12/2025	9/12/2026	South	Spec
34		W22064-031425-01	Seleste and Andrew Kos	515 Sun Ray	Residential/Sing le Family 2000-5000 sq ft	3/14/2025	9/14/2026	West	Custom
35		250103	Jarrold Covey	104 Menard Court	Residential/Sing le Family 2000-5000 sq ft	9/16/2025	9/15/2026	PECAN CREEK	Custom
36		PC0117-040225-01	Treo Signature Homes	100 Bowers Circle	Residential/Sing le Family 2000-5000 sq ft	4/2/2025	10/2/2026	Pecan Creek	Spec
37		W28047A-101024-01	Lake Country Homes	103 Horned Frog	Residential/Sing le Family 5001-9999 sq ft	10/10/2024	10/10/2026	West	Custom
38		A01081R-041025-01	Neiman-Foster Customs	110 Nichola Gay	Residential/Sing le Family 2000-5000 sq ft	4/10/2025	10/10/2026	Applehead West	Custom
39		TE30-041525-01	Young Homes, LLC	705 The Trails	Residential/Sing le Family 2000-5000 sq ft	4/15/2025	10/15/2026	The Trails	Custom
40		ES252-041725-01	Steve Hughes Customs	224 La Serena Loop	Residential/Sing le Family 2000-5000 sq ft	4/17/2025	10/17/2026	Escondido	Custom
41		W16036RA-042125-01	Neiman-Foster Customs	312 Red Wine	Residential/Sing le Family 2000-5000 sq ft	4/21/2025	10/21/2026	West	Custom
42		A06024-043025-01	Jennings Homes	108 Shadow Mtn	Residential/Sing le Family 2000-5000 sq ft	4/30/2025	10/30/2026	Applehead West	Custom
43		W14023-050525-01	Christopher's Customs	122 Hi Valley	Residential/Sing le Family 2000-5000 sq ft	5/5/2025	11/5/2026	Proper	Custom
44		250195	CTEX Investors LLC	2808 Aurora Horseshoebay Texas	Residential/Sing le Family 2000-5000 sq ft	11/7/2025	11/7/2026	Applehead	Custom
45		ES245-111524-01	Keith Wing Austin Builders LLC	240 La Serena Loop	Residential/Sing le Family 5001-9999 sq ft	11/15/2024	11/15/2026	Escondido	Custom
46		W11041-051525-01	Christopher's Customs	1636 Sapphire	Residential/Sing le Family 2000-5000 sq ft	5/15/2025	11/15/2026	West	Custom
47		H23070-051925-01	Red Letter Customs dba UBuild It	1399 Hi Circle S	Residential/Sing le Family 2000-5000 sq ft	5/19/2025	11/19/2026	Summit Rock	Spec
48		K09032-052125-01	San Gabriel Builders	112 Broken Bow	Residential/Sing le Family 2000-5000 sq ft	5/21/2025	11/21/2026	South	Spec

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
49		W18017R-052125-01	Lateral Solutions	316 Sweet Grass	Residential/Single Family 2000-5000 sq ft	5/21/2025	11/21/2026	West	Spec
50		H45042-052205-01	Caledonia Builders, LLC	416 Green Leaf	Residential/Single Family 2000-5000 sq ft	5/22/2025	11/22/2026	Proper	Spec
51		TV128-052725-01	Crescent Estates Customs	105 Via Roma Ct	Residential/Single Family 2000-5000 sq ft	5/27/2025	11/27/2026	Tuscan Village	Spec
52		ES273A-060525-01	Robert Stephen Homes	227 La Serena Loop	Residential/Single Family 2000-5000 sq ft	6/5/2025	12/5/2026	Escondido	Custom
53		ES35A-120924-01	Casa Highland Construction	424 La Serena Loop	Residential/Single Family 5001-9999 sq ft	12/9/2024	12/9/2026	Escondido	Custom
54		Pad Site 127-061025-01	Crescent Estates Customs	103 Via Roma Ct	Residential/Single Family 2000-5000 sq ft	6/10/2025	12/10/2026	Tuscan Village	Spec
55		W18076-061825-01	Irvin Rivera	322 Spider Valley	Residential/Single Family 2000-5000 sq ft	6/18/2025	12/18/2026	West	Spec
56		50-062525-01	Crescent Estates Customs	115 Azalea Loop	Residential/Single Family 2000-5000 sq ft	6/25/2025	12/25/2026	Summit Rock	Spec
57		25-00566-01	K Thompson Homes	1510 Desert Sun	Residential/Single Family 2000-5000 sq ft	7/11/2025	1/11/2027	West	Custom
58		25-00251-01	ACSBLDR, Inc. d/b/a Everview Homes	301 Hi Circle N	Residential/Single Family 2000-5000 sq ft	7/17/2025	1/17/2027	Proper	Custom
59		250012	Jose Cerda	3217 Douglas	Residential/Single Family 2000-5000 sq ft	8/7/2025	2/7/2027	Applehead	Custom
60		250033	Crescent Estates Customs	121 Azalea Loop	Residential/Single Family 2000-5000 sq ft	8/12/2025	2/12/2027	Summit Rock	Custom
61		250022	Crescent Estates Customs	119 Azalea Loop	Residential/Single Family 2000-5000 sq ft	8/12/2025	2/12/2027	Summit Rock	Custom
62		25-00269-01	Silverado Signature Homes	112 Winchester	Residential/Single Family 2000-5000 sq ft	8/14/2025	2/14/2027	Proper	Spec
63		K1011-081525-01	Solid Ground Investing LLC	1713 White Tail	Residential/Single Family 2000-5000 sq ft	8/15/2025	2/15/2027	South	Spec
64		250040	Baker Oliver	109 Big Sky	Residential/Single Family 2000-5000 sq ft	8/22/2025	2/22/2027	Horseshoe Bay West	Custom

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
65		250048	Jennings Homes	1310 Cats Eye	Residential/Sing le Family 2000- 5000 sq ft	9/2/2025	3/2/2027	WEST	Custom
66		250108	Lucas Anthony LLC	211 Florentine	Residential/Sing le Family 2000- 5000 sq ft	9/5/2025	3/4/2027	APPLEHEAD	Custom
67		250119	JW Smith Customs, LLC	105 Bottoms Up	Residential/Sing le Family 2000- 5000 sq ft	9/17/2025	3/16/2027	WEST	Custom
68		250102	SAN GABRIEL BUILDERS / BRUCE KUNZ	604 HI CIRCLE SOUTH	Residential/Sing le Family <2000 sq ft	9/18/2025	3/17/2027	Proper	Spec
69		250107	douglas peterson (Peterson Builders TX)	324 parallel circle	Residential/Sing le Family 2000- 5000 sq ft	9/24/2025	3/23/2027	WEST	Spec
70		250038	David Young	1038 Overlook Parkway	Residential/Sing le Family 5001- 9999 sq ft	9/26/2025	3/25/2027	The Trails	Custom
71		SK3-29- 040225-01	Canyon Creek Homes, LP	136 Nightshade	Residential/Sing le Family 5001- 9999 sq ft	4/2/2025	4/2/2027	Summit Rock	Spec
72		250149	Texas Hill Country Customs	100 Skylark	Residential/Sing le Family 2000- 5000 sq ft	10/6/2025	4/6/2027	WEST	Custom
73		250179	Ramiro Pallares	105 Barefoot, Horseshoe Bay, TX. 78657	Residential/Sing le Family 2000- 5000 sq ft	10/10/2025	4/9/2027	WEST	Custom
74		250122	Blake Smith	104 Ridgeway	Residential/Sing le Family 2000- 5000 sq ft	10/13/2025	4/13/2027	WEST	Spec
75		250020	TJ Dressler	208 Keel Way	Residential/Sing le Family 2000- 5000 sq ft	10/13/2025	4/13/2027	PROPER	Custom
76		250186	Jose Cerda	605 Apache Tears	Residential/Sing le Family 2000- 5000 sq ft	10/20/2025	4/19/2027	West	Spec
77		250173	Mozzafiato Homes LLC	505 Nugget Cir	Residential/Sing le Family 2000- 5000 sq ft	10/20/2025	4/20/2027	WEST	Spec
78		BC0001R- 050125-01	Pura Vida Homes & Designs	121 Bay Country Dr	Residential/Sing le Family 5001- 9999 sq ft	5/1/2025	5/1/2027	Bay Country	Custom
79		250176	ML GENERAL CONTRACTOR LLC	120 GOLDEN HARVEST	Residential/Sing le Family <2000 sq ft	11/4/2025	5/3/2027	WEST	Custom
80		250118	Modern Homestead, LLC	138 Paintbrush	Residential/Sing le Family 2000- 5000 sq ft	11/4/2025	5/4/2027	Summit Rock	Custom

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
81		250259	Crescent Estates Customs	165 Gallia Bend	Residential/Single Family 2000-5000 sq ft	11/5/2025	5/5/2027	Tuscan Village	Spec
82		W29032A-050724-01	Jeff Jackson Customs, Inc.	306 Wennmohs Place	Residential/Single Family 2000-5000 sq ft	11/7/2025	5/7/2027	West	Custom
83		SK3-12-050825-01	Modern Homestead	108 Honeysuckle	Residential/Single Family 5001-9999 sq ft	5/8/2025	5/8/2027	Summit Rock	Custom
84		250292	Riverbend Homes	144 Westgate Loop	Residential/Single Family 2000-5000 sq ft	11/13/2025	5/12/2027	West	Spec
85		250199	Anderson Construction Group Inc	807 Silverhill Horseshoe Bay 78657	Residential/Single Family <2000 sq ft	11/14/2025	5/13/2027	WEST	Custom
86		250297	ZH Central Texas, Ltd	120 Encantada	Residential/Single Family 2000-5000 sq ft	11/17/2025	5/17/2027	Escondido	Custom
87		ES255-052225-01	Voltaire, LLC	218 La Serena Loop	Residential/Single Family 5001-9999 sq ft	5/22/2025	5/22/2027	Escondido	Custom
88		W01903-052824-01	Jim Haire Enterprises LLC	101 Silverway	Residential/Single Family 2000-5000 sq ft	11/25/2025	5/25/2027	West	Spec
89		250303	Crescent Estates Customs	119 Via Roma Court	Residential/Single Family 2000-5000 sq ft	11/25/2025	5/25/2027	Tuscan Village	Spec
90		SK239-060525-01	Modern Homestead	103 Feathergrass	Residential/Single Family 5001-9999 sq ft	6/5/2025	6/5/2027	Summit Rock	Spec
91		W3501-060925-01	Spivey Customs	121 Lost Nugget	Residential/Single Family 5001-9999 sq ft	6/9/2025	6/9/2027	West	Custom
92		250311	Crescent Estates Customs	126 Via Roma Ct	Residential/Single Family 2000-5000 sq ft	12/10/2025	6/9/2027	summit rock	Spec
93		250305	duffy company llc	107 fox fur	Residential/Single Family 2000-5000 sq ft	12/16/2025	6/16/2027	APPLEHEAD	Spec
94		250363	Spivey Customs	99 Sunshine	Residential/Single Family 2000-5000 sq ft	12/18/2025	6/17/2027	WEST	Custom
95		250350	ML GENERAL CONTRACTOR LLC	1204 HI MESA	Residential/Single Family 2000-5000 sq ft	12/18/2025	6/18/2027	Proper	Custom
96		250271	ZH Central Texas, Ltd.	236 La Serena Loop	Residential/Single Family 2000-5000 sq ft	12/19/2025	6/18/2027	Escondido	Custom

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
97		250354	Lucas Anthony LLC	100 Nattie Woods	Residential/Sing le Family 2000- 5000 sq ft	12/22/2025	6/22/2027	Summit Rock	Spec
98		250378	Lake Country Homes L.L.C.	1008 Cats Eye	Residential/Sing le Family 2000- 5000 sq ft	12/30/2025	6/30/2027	WEST	Spec
99		250335	LS Contracting INC	12 Applehead Island Dr	Residential/Sing le Family 2000- 5000 sq ft	1/6/2026	7/6/2027	APPLEHEAD ISLAND	Custom
100		250332	Jodi Martin	1007 cats eye st	Residential/Sing le Family 2000- 5000 sq ft	1/12/2026	7/12/2027	West	Custom
101		25-00586-01	JB REI, LLC	109 Golden Sun	Residential/Sing le Family 5001- 9999 sq ft	7/14/2025	7/14/2027	West	Custom
102		250377	Modern Homestead LLC	105 Nattie Woods	Residential/Sing le Family 2000- 5000 sq ft	1/28/2026	7/28/2027	Summit Rock	Custom
103		250347	AV Ortega Homes	205 Colt	Residential/Sing le Family 2000- 5000 sq ft	1/29/2026	7/30/2027	PROPER	Custom
104		250131	Turrentine Properties, Inc.	136 Encantada	Residential/Sing le Family 5001- 9999 sq ft	8/26/2025	8/26/2027	Escondido	Custom
105		250023	Sendero Development	246 La Serena Loop	Residential/Sing le Family 5001- 9999 sq ft	8/28/2025	8/29/2027	Escondido	Custom
106		250164	Tom Classen	416 Passion Flower	Residential/Sing le Family 5001- 9999 sq ft	10/13/2025	10/13/2027	SUMMIT ROCK	Custom
107		250248	Modern Homestead LLC	300 Passion Flower	Residential/Sing le Family 2000- 5000 sq ft	10/24/2025	10/23/2027	SUMMIT ROCK	Custom
108		250051	Canyon Creek Homes LP	321 La Serena Loop	Residential/Sing le Family 5001- 9999 sq ft	11/10/2025	11/10/2027	Escondido	Custom

Permit Type Count

2/2/2026 3:16:48 PM

Permit Type	Count	Permit Amount	Adjusted Amount	Paid Amount	Balance
Residential/Single Family 2000-5000 sq ft	46	\$270,562.20	\$48,520.20	\$313,932.40	\$5,150.00
Residential/Single Family 5001-9999 sq ft	15	\$146,574.00	\$10,789.90	\$147,363.90	\$10,000.00
Residential/Single Family <2000 sq ft	3	\$14,055.00	\$1,158.80	\$13,213.80	\$2,000.00
Manufactured Home - New	1	\$1,972.00	\$0.00	\$1,972.00	\$0.00
Totals	65	\$433,163.20	\$60,468.90	\$476,482.10	\$17,150.00

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Extension	Extension Expiration
1	1	W05031-050422-01	Deltex Construction	1902 Bay West Blvd	Residential/Single Family 2000-5000 sq ft	5/4/2022	11/4/2023	Council Approved Extension	2/28/2026
2	2	W35051-010324-01	KA Construction, LLC	613 Apache Tears	Residential/Single Family 2000-5000 sq ft	1/3/2024	7/3/2025	Stop work order has been issued	
3	3	ESC158-072423-01	Allen and Lucchi, RLLP	109 Plaza Escondido	Residential/Single Family 5001-9999 sq ft	7/24/2023	7/24/2025	Stop work order has been issued	Pending Council approval 2/17/2026
4	4	H47076-100124-01	Genesis Made Construction	911 Sharp Rock	Residential/Single Family <2000 sq ft	10/1/2024	10/1/2025	Stop work order has been issued	
5	5	H47075-100124-01	Genesis Made Construction	909 Sharp Rock	Residential/Single Family <2000 sq ft	10/1/2024	10/1/2025	Stop work order has been issued	
6	6	K01120-101524-01	Juan Rodriguez	1407 Swallow	Residential/Single Family <2000 sq ft	10/15/2024	10/15/2025	Pending Council approval 2/17/2026	2/15/2026
7	7	TH17-122323-01	Diamante Luxury Homes LLC	908 CR 311	Residential/Single Family 5001-9999 sq ft	12/22/2023	12/22/2025	2nd Permit Extension	2/20/2026
8	8	W19054-082924-01	Brian South	104 Ventura	Residential/Single Family 2000-5000 sq ft	8/29/2024	2/28/2026	Pending CO Inspection	

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
1	1	W05031-050422-01	Deltex Construction	1902 Bay West Blvd	Residential/Single Family 2000-5000 sq ft	5/4/2022	11/4/2023	West	Spec
2	2	W35051-010324-01	KA Constructions, LLC	613 Apache Tears	Residential/Single Family 2000-5000 sq ft	1/3/2024	7/3/2025	West	Custom
3	3	ESC158-072423-01	Allen and Lucchi, RLLP	109 Plaza Escondido	Residential/Single Family 5001-9999 sq ft	7/24/2023	7/24/2025	Escondido	Custom
4	4	H47076-100124-01	Genesis Made Construction	911 Sharp Rock	Residential/Single Family <2000 sq ft	10/1/2024	10/1/2025	Proper	Spec
5	5	H47075-100124-01	Genesis Made Construction	909 Sharp Rock	Residential/Single Family <2000 sq ft	10/1/2024	10/1/2025	Proper	Spec
6	6	K01120-101524-01	Juan Rodriguez	1407 Swallow	Residential/Single Family <2000 sq ft	10/15/2024	10/15/2025	South	Spec
7	7	TH17-122323-01	Diamante Luxury Homes LLC	908 CR 311	Residential/Single Family 5001-9999 sq ft	12/22/2023	12/22/2025	The Hills	Custom
8	8	W19054-082924-01	Brian South	104 Ventura	Residential/Single Family 2000-5000 sq ft	8/29/2024	2/28/2026	West	Custom
9		H47077-100124-01	Dominion Renovation & Builders	903 Deep Shadows	Residential/Single Family 2000-5000 sq ft	10/1/2024	4/1/2026	Proper	Spec
10		ES69-100724-01	Steve Hughes Customs	150 Encantada	Residential/Single Family 2000-5000 sq ft	10/7/2024	4/7/2026	Escondido	Custom
11		A6017-101824-01	Westway Custom Builders	117 Diamond Hill	Residential/Single Family 2000-5000 sq ft	10/18/2024	4/18/2026	Applehead West	Custom
12		K07169-080425-1-01	A6 Logistics	2210 Lamplighter Cir	Manufactured Home - New	8/4/2025	5/4/2026	South	Custom
13		W4113A-110824-01	AWJ Homes	108 Iron Rose	Residential/Single Family 2000-5000 sq ft	11/8/2024	5/8/2026	West	Custom
14		WSG27-111924-01	Creekwater Homes	119 Westgate Loop	Residential/Single Family 2000-5000 sq ft	11/19/2024	5/19/2026	West	Spec
15		H27022-112224-01	Colin McGonagle	718 Hart	Residential/Single Family 2000-5000 sq ft	11/22/2024	5/22/2026	Proper	Custom
16		TV125-120124-01	Crescent Estates Customs	564 Mayapple	Residential/Single Family 2000-5000 sq ft	12/2/2024	6/2/2026	Tuscan Village	Spec

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
17		ES243-121124-01	Turrentine Properties, Inc.	244 La Serena Loop	Residential/Single Family 2000-5000 sq ft	12/11/2024	6/11/2026	Escondido	Custom
18		W12035-B-121324-01	Wolfrom Homes, Inc	1317 Cats Eye	Residential/Single Family 2000-5000 sq ft	12/13/2024	6/13/2026	West	Spec
19		SR186-121324-01	Sitterle Homes-Austin, LLC	104 Nattie Woods	Residential/Single Family 2000-5000 sq ft	12/13/2024	6/13/2026	Crescent Pass	Spec
20		ES207-070224-01	Turrentine Properties, Inc.	112 La Bonita	Residential/Single Family 5001-9999 sq ft	7/2/2024	7/2/2026	Escondido	Custom
21		ES88-010825-01	Voltaire, LLC	173 Encantada	Residential/Single Family 2000-5000 sq ft	1/8/2025	7/8/2026	Escondido	Custom
22		TV155-011525-01	Crescent Estates Customs	101 Manciano Drive	Residential/Single Family 2000-5000 sq ft	1/15/2025	7/15/2026	Tuscan Village	Spec
23		TV154-011525-01	Crescent Estates Customs	105 Manciano Drive	Residential/Single Family 2000-5000 sq ft	1/15/2025	7/15/2026	Tuscan Village	Spec
24		TV156-011525-01	Crescent Estates Customs	549 Mayapple	Residential/Single Family 2000-5000 sq ft	1/15/2025	7/15/2026	Tuscan Village	Spec
25		ESC10-012925-01	Allen and Lucchi, RLLP	109 Las Puertas	Residential/Single Family 2000-5000 sq ft	1/29/2025	7/29/2026	Escondido	Spec
26		SK238-013025-01	KCE Homes LLC	107 Feathergrass	Residential/Single Family 2000-5000 sq ft	1/30/2025	7/30/2026	Summit Rock	Custom
27		250260	A6 Logistics LLC	105 61st Street	Residential/Single Family <2000 sq ft	10/30/2025	7/30/2026	South	Spec
28		A2003-021025-01	VS Enterprises	3504 Bay West Blvd	Residential/Single Family 2000-5000 sq ft	2/10/2025	8/10/2026	Applehead West	Spec
29		ESC31-021325-01	Group Three Builders	123 La Lucita	Residential/Single Family 2000-5000 sq ft	2/13/2025	8/13/2026	Escondido	Custom
30		ES226A-081924-01	Voltaire, LLC	259 La Serena Loop	Residential/Single Family 5001-9999 sq ft	8/19/2024	8/19/2026	Escondido	Custom
31		H12060-090424-01	Gingerwood Construction, LLC	207 Lighthouse Drive	Residential/Single Family 5001-9999 sq ft	9/4/2024	9/4/2026	Proper	Custom
32		250021	Sherif Ghaly	3608 Mountain Dew Road	Residential/Single Family <2000 sq ft	9/12/2025	9/11/2026	SOUTH	Custom

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
33		K01021-031225-01	Lateral Solutions	1615 White Tail	Residential/Single Family 2000-5000 sq ft	3/12/2025	9/12/2026	South	Spec
34		W22064-031425-01	Seleste and Andrew Kos	515 Sun Ray	Residential/Single Family 2000-5000 sq ft	3/14/2025	9/14/2026	West	Custom
35		250103	Jarrold Covey	104 Menard Court	Residential/Single Family 2000-5000 sq ft	9/16/2025	9/15/2026	PECAN CREEK	Custom
36		PC0117-040225-01	Treo Signature Homes	100 Bowers Circle	Residential/Single Family 2000-5000 sq ft	4/2/2025	10/2/2026	Pecan Creek	Spec
37		W28047A-101024-01	Lake Country Homes	103 Horned Frog	Residential/Single Family 5001-9999 sq ft	10/10/2024	10/10/2026	West	Custom
38		A01081R-041025-01	Neiman-Foster Customs	110 Nichola Gay	Residential/Single Family 2000-5000 sq ft	4/10/2025	10/10/2026	Applehead West	Custom
39		TE30-041525-01	Young Homes, LLC	705 The Trails	Residential/Single Family 2000-5000 sq ft	4/15/2025	10/15/2026	The Trails	Custom
40		ES252-041725-01	Steve Hughes Customs	224 La Serena Loop	Residential/Single Family 2000-5000 sq ft	4/17/2025	10/17/2026	Escondido	Custom
41		W16036RA-042125-01	Neiman-Foster Customs	312 Red Wine	Residential/Single Family 2000-5000 sq ft	4/21/2025	10/21/2026	West	Custom
42		A06024-043025-01	Jennings Homes	108 Shadow Mtn	Residential/Single Family 2000-5000 sq ft	4/30/2025	10/30/2026	Applehead West	Custom
43		W14023-050525-01	Christopher's Customs	122 Hi Valley	Residential/Single Family 2000-5000 sq ft	5/5/2025	11/5/2026	Proper	Custom
44		250195	CTEX Investors LLC	2808 Aurora Horseshoebay Texas	Residential/Single Family 2000-5000 sq ft	11/7/2025	11/7/2026	Applehead	Custom
45		ES245-111524-01	Keith Wing Austin Builders LLC	240 La Serena Loop	Residential/Single Family 5001-9999 sq ft	11/15/2024	11/15/2026	Escondido	Custom
46		W11041-051525-01	Christopher's Customs	1636 Sapphire	Residential/Single Family 2000-5000 sq ft	5/15/2025	11/15/2026	West	Custom
47		H23070-051925-01	Red Letter Customs dba UBuild It	1399 Hi Circle S	Residential/Single Family 2000-5000 sq ft	5/19/2025	11/19/2026	Summit Rock	Spec
48		K09032-052125-01	San Gabriel Builders	112 Broken Bow	Residential/Single Family 2000-5000 sq ft	5/21/2025	11/21/2026	South	Spec

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
49		W18017R-052125-01	Lateral Solutions	316 Sweet Grass	Residential/Single Family 2000-5000 sq ft	5/21/2025	11/21/2026	West	Spec
50		H45042-052205-01	Caledonia Builders, LLC	416 Green Leaf	Residential/Single Family 2000-5000 sq ft	5/22/2025	11/22/2026	Proper	Spec
51		TV128-052725-01	Crescent Estates Customs	105 Via Roma Ct	Residential/Single Family 2000-5000 sq ft	5/27/2025	11/27/2026	Tuscan Village	Spec
52		ES273A-060525-01	Robert Stephen Homes	227 La Serena Loop	Residential/Single Family 2000-5000 sq ft	6/5/2025	12/5/2026	Escondido	Custom
53		ES35A-120924-01	Casa Highland Construction	424 La Serena Loop	Residential/Single Family 5001-9999 sq ft	12/9/2024	12/9/2026	Escondido	Custom
54		Pad Site 127-061025-01	Crescent Estates Customs	103 Via Roma Ct	Residential/Single Family 2000-5000 sq ft	6/10/2025	12/10/2026	Tuscan Village	Spec
55		W18076-061825-01	Irvin Rivera	322 Spider Valley	Residential/Single Family 2000-5000 sq ft	6/18/2025	12/18/2026	West	Spec
56		50-062525-01	Crescent Estates Customs	115 Azalea Loop	Residential/Single Family 2000-5000 sq ft	6/25/2025	12/25/2026	Summit Rock	Spec
57		25-00566-01	K Thompson Homes	1510 Desert Sun	Residential/Single Family 2000-5000 sq ft	7/11/2025	1/11/2027	West	Custom
58		25-00251-01	ACSBLDR, Inc. d/b/a Everview Homes	301 Hi Circle N	Residential/Single Family 2000-5000 sq ft	7/17/2025	1/17/2027	Proper	Custom
59		250012	Jose Cerda	3217 Douglas	Residential/Single Family 2000-5000 sq ft	8/7/2025	2/7/2027	Applehead	Custom
60		250033	Crescent Estates Customs	121 Azalea Loop	Residential/Single Family 2000-5000 sq ft	8/12/2025	2/12/2027	Summit Rock	Custom
61		250022	Crescent Estates Customs	119 Azalea Loop	Residential/Single Family 2000-5000 sq ft	8/12/2025	2/12/2027	Summit Rock	Custom
62		25-00269-01	Silverado Signature Homes	112 Winchester	Residential/Single Family 2000-5000 sq ft	8/14/2025	2/14/2027	Proper	Spec
63		K1011-081525-01	Solid Ground Investing LLC	1713 White Tail	Residential/Single Family 2000-5000 sq ft	8/15/2025	2/15/2027	South	Spec
64		250040	Baker Oliver	109 Big Sky	Residential/Single Family 2000-5000 sq ft	8/22/2025	2/22/2027	Horseshoe Bay West	Custom

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
65		250048	Jennings Homes	1310 Cats Eye	Residential/Sing le Family 2000- 5000 sq ft	9/2/2025	3/2/2027	WEST	Custom
66		250108	Lucas Anthony LLC	211 Florentine	Residential/Sing le Family 2000- 5000 sq ft	9/5/2025	3/4/2027	APPLEHEAD	Custom
67		250119	JW Smith Customs, LLC	105 Bottoms Up	Residential/Sing le Family 2000- 5000 sq ft	9/17/2025	3/16/2027	WEST	Custom
68		250102	SAN GABRIEL BUILDERS / BRUCE KUNZ	604 HI CIRCLE SOUTH	Residential/Sing le Family <2000 sq ft	9/18/2025	3/17/2027	Proper	Spec
69		250107	douglas peterson (Peterson Builders TX)	324 parallel circle	Residential/Sing le Family 2000- 5000 sq ft	9/24/2025	3/23/2027	WEST	Spec
70		250038	David Young	1038 Overlook Parkway	Residential/Sing le Family 5001- 9999 sq ft	9/26/2025	3/25/2027	The Trails	Custom
71		SK3-29- 040225-01	Canyon Creek Homes, LP	136 Nightshade	Residential/Sing le Family 5001- 9999 sq ft	4/2/2025	4/2/2027	Summit Rock	Spec
72		250149	Texas Hill Country Customs	100 Skylark	Residential/Sing le Family 2000- 5000 sq ft	10/6/2025	4/6/2027	WEST	Custom
73		250179	Ramiro Pallares	105 Barefoot, Horseshoe Bay, TX. 78657	Residential/Sing le Family 2000- 5000 sq ft	10/10/2025	4/9/2027	WEST	Custom
74		250122	Blake Smith	104 Ridgeway	Residential/Sing le Family 2000- 5000 sq ft	10/13/2025	4/13/2027	WEST	Spec
75		250020	TJ Dressler	208 Keel Way	Residential/Sing le Family 2000- 5000 sq ft	10/13/2025	4/13/2027	PROPER	Custom
76		250186	Jose Cerda	605 Apache Tears	Residential/Sing le Family 2000- 5000 sq ft	10/20/2025	4/19/2027	West	Spec
77		250173	Mozzafiato Homes LLC	505 Nugget Cir	Residential/Sing le Family 2000- 5000 sq ft	10/20/2025	4/20/2027	WEST	Spec
78		BC0001R- 050125-01	Pura Vida Homes & Designs	121 Bay Country Dr	Residential/Sing le Family 5001- 9999 sq ft	5/1/2025	5/1/2027	Bay Country	Custom
79		250176	ML GENERAL CONTRACTOR LLC	120 GOLDEN HARVEST	Residential/Sing le Family <2000 sq ft	11/4/2025	5/3/2027	WEST	Custom
80		250118	Modern Homestead, LLC	138 Paintbrush	Residential/Sing le Family 2000- 5000 sq ft	11/4/2025	5/4/2027	Summit Rock	Custom

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
81		250259	Crescent Estates Customs	165 Gallia Bend	Residential/Sing le Family 2000- 5000 sq ft	11/5/2025	5/5/2027	Tuscan Village	Spec
82		W29032A-050724-01	Jeff Jackson Customs, Inc.	306 Wennmohs Place	Residential/Sing le Family 2000- 5000 sq ft	11/7/2025	5/7/2027	West	Custom
83		SK3-12-050825-01	Modern Homestead	108 Honeysuckle	Residential/Sing le Family 5001- 9999 sq ft	5/8/2025	5/8/2027	Summit Rock	Custom
84		250292	Riverbend Homes	144 Westgate Loop	Residential/Sing le Family 2000- 5000 sq ft	11/13/2025	5/12/2027	West	Spec
85		250199	Anderson Construction Group Inc	807 Silverhill Horseshoe Bay 78657	Residential/Sing le Family <2000 sq ft	11/14/2025	5/13/2027	WEST	Custom
86		250297	ZH Central Texas, Ltd	120 Encantada	Residential/Sing le Family 2000- 5000 sq ft	11/17/2025	5/17/2027	Escondido	Custom
87		ES255-052225-01	Voltaire, LLC	218 La Serena Loop	Residential/Sing le Family 5001- 9999 sq ft	5/22/2025	5/22/2027	Escondido	Custom
88		W01903-052824-01	Jim Haire Enterprises LLC	101 Silverway	Residential/Sing le Family 2000- 5000 sq ft	11/25/2025	5/25/2027	West	Spec
89		250303	Crescent Estates Customs	119 Via Roma Court	Residential/Sing le Family 2000- 5000 sq ft	11/25/2025	5/25/2027	Tuscan Village	Spec
90		SK239-060525-01	Modern Homestead	103 Feathergrass	Residential/Sing le Family 5001- 9999 sq ft	6/5/2025	6/5/2027	Summit Rock	Spec
91		W3501-060925-01	Spivey Customs	121 Lost Nugget	Residential/Sing le Family 5001- 9999 sq ft	6/9/2025	6/9/2027	West	Custom
92		250311	Crescent Estates Customs	126 Via Roma Ct	Residential/Sing le Family 2000- 5000 sq ft	12/10/2025	6/9/2027	summit rock	Spec
93		250305	duffy company llc	107 fox fur	Residential/Sing le Family 2000- 5000 sq ft	12/16/2025	6/16/2027	APPLEHEAD	Spec
94		250363	Spivey Customs	99 Sunshine	Residential/Sing le Family 2000- 5000 sq ft	12/18/2025	6/17/2027	WEST	Custom
95		250350	ML GENERAL CONTRACTOR LLC	1204 HI MESA	Residential/Sing le Family 2000- 5000 sq ft	12/18/2025	6/18/2027	Proper	Custom
96		250271	ZH Central Texas, Ltd.	236 La Serena Loop	Residential/Sing le Family 2000- 5000 sq ft	12/19/2025	6/18/2027	Escondido	Custom

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
97		250354	Lucas Anthony LLC	100 Nattie Woods	Residential/Sing le Family 2000- 5000 sq ft	12/22/2025	6/22/2027	Summit Rock	Spec
98		250378	Lake Country Homes L.L.C.	1008 Cats Eye	Residential/Sing le Family 2000- 5000 sq ft	12/30/2025	6/30/2027	WEST	Spec
99		250335	LS Contracting INC	12 Applehead Island Dr	Residential/Sing le Family 2000- 5000 sq ft	1/6/2026	7/6/2027	APPLEHEAD ISLAND	Custom
100		250332	Jodi Martin	1007 cats eye st	Residential/Sing le Family 2000- 5000 sq ft	1/12/2026	7/12/2027	West	Custom
101		25-00586-01	JB REI, LLC	109 Golden Sun	Residential/Sing le Family 5001- 9999 sq ft	7/14/2025	7/14/2027	West	Custom
102		250377	Modern Homestead LLC	105 Nattie Woods	Residential/Sing le Family 2000- 5000 sq ft	1/28/2026	7/28/2027	Summit Rock	Custom
103		250347	AV Ortega Homes	205 Colt	Residential/Sing le Family 2000- 5000 sq ft	1/29/2026	7/30/2027	PROPER	Custom
104		250131	Turrentine Properties, Inc.	136 Encantada	Residential/Sing le Family 5001- 9999 sq ft	8/26/2025	8/26/2027	Escondido	Custom
105		250023	Sendero Development	246 La Serena Loop	Residential/Sing le Family 5001- 9999 sq ft	8/28/2025	8/29/2027	Escondido	Custom
106		250164	Tom Classen	416 Passion Flower	Residential/Sing le Family 5001- 9999 sq ft	10/13/2025	10/13/2027	SUMMIT ROCK	Custom
107		250248	Modern Homestead LLC	300 Passion Flower	Residential/Sing le Family 2000- 5000 sq ft	10/24/2025	10/23/2027	SUMMIT ROCK	Custom
108		250051	Canyon Creek Homes LP	321 La Serena Loop	Residential/Sing le Family 5001- 9999 sq ft	11/10/2025	11/10/2027	Escondido	Custom

Permit Type Count

2/2/2026 3:16:48 PM

Permit Type	Count	Permit Amount	Adjusted Amount	Paid Amount	Balance
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Residential/Single Family <2000 sq ft	3	\$14,055.00	\$1,158.80	\$13,213.80	\$2,000.00
Manufactured Home - New	1	\$1,972.00	\$0.00	\$1,972.00	\$0.00
Totals	65	\$433,163.20	\$60,468.90	\$476,482.10	\$17,150.00



CITY OF HORSESHOE BAY
1 Community Drive
P.O. Box 7765
Horseshoe Bay, Tx 78657
830-598-9959

DEVELOPMENT SERVICES DEPARTMENT
DEVELOPMENT PROJECTS/PERMITS/INSPECTIONS
PLATTING/PLANNING & ZONING/BOARD OF ADJUSTMENT
CODE ENFORCEMENT

January 2026
Residential Construction Site Tracking Report

NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Subdivision	Custom/ Spec
1	1	W05031-050422-01	Deltex Construction	1902 Bay West Blvd	Residential/Single Family 2000-5000 sq ft	5/4/2022	11/4/2023	West	Spec
2	2	W35051-010324-01	KA Constructions, LLC	613 Apache Tears	Residential/Single Family 2000-5000 sq ft	1/3/2024	7/3/2025	West	Custom
3	3	ESC158-072423-01	Allen and Lucchi, RLLP	109 Plaza Escondido	Residential/Single Family 5001-9999 sq ft	7/24/2023	7/24/2025	Escondido	Custom
4	4	H47076-100124-01	Genesis Made Construction	911 Sharp Rock	Residential/Single Family <2000 sq ft	10/1/2024	10/1/2025	Proper	Spec
5	5	H47075-100124-01	Genesis Made Construction	909 Sharp Rock	Residential/Single Family <2000 sq ft	10/1/2024	10/1/2025	Proper	Spec
6	6	K01120-101524-01	Juan Rodriguez	1407 Swallow	Residential/Single Family <2000 sq ft	10/15/2024	10/15/2025	South	Spec
7	7	TH17-122323-01	Diamante Luxury Homes LLC	908 CR 311	Residential/Single Family 5001-9999 sq ft	12/22/2023	12/22/2025	The Hills	Custom
8	8	W19054-082924-01	Brian South	104 Ventura	Residential/Single Family 2000-5000 sq ft	8/29/2024	2/28/2026	West	Custom
9		H47077-100124-01	Dominion Renovation & Builders	903 Deep Shadows	Residential/Single Family 2000-5000 sq ft	10/1/2024	4/1/2026	Proper	Spec
10		ES69-100724-01	Steve Hughes Customs	150 Encantada	Residential/Single Family 2000-5000 sq ft	10/7/2024	4/7/2026	Escondido	Custom
11		A6017-101824-01	Westway Custom Builders	117 Diamond Hill	Residential/Single Family 2000-5000 sq ft	10/18/2024	4/18/2026	Applehead West	Custom

12		K07169-080425-1-01	A6 Logistics	2210 Lamplighter Cir	Manufactured Home - New	8/4/2025	5/4/2026	South	Custom
13		W4113A-110824-01	AWJ Homes	108 Iron Rose	Residential/Single Family 2000-5000 sq ft	11/8/2024	5/8/2026	West	Custom
14		WSG27-111924-01	Creekwater Homes	119 Westgate Loop	Residential/Single Family 2000-5000 sq ft	11/19/2024	5/19/2026	West	Spec
15		H27022-112224-01	Colin McGonagle	718 Hart	Residential/Single Family 2000-5000 sq ft	11/22/2024	5/22/2026	Proper	Custom
16		TV125-120124-01	Crescent Estates Customs	564 Mayapple	Residential/Single Family 2000-5000 sq ft	12/2/2024	6/2/2026	Tuscan Village	Spec
17		ES243-121124-01	Turrentine Properties, Inc.	244 La Serena Loop	Residential/Single Family 2000-5000 sq ft	12/11/2024	6/11/2026	Escondido	Custom
18		W12035-B-121324-01	Wolfrom Homes, Inc	1317 Cats Eye	Residential/Single Family 2000-5000 sq ft	12/13/2024	6/13/2026	West	Spec
19		SR186-121324-01	Sitterle Homes-Austin, LLC	104 Nattie Woods	Residential/Single Family 2000-5000 sq ft	12/13/2024	6/13/2026	Crescent Pass	Spec
20		ES207-070224-01	Turrentine Properties, Inc.	112 La Bonita	Residential/Single Family 5001-9999 sq ft	7/2/2024	7/2/2026	Escondido	Custom
21		ES88-010825-01	Voltaire, LLC	173 Encantada	Residential/Single Family 2000-5000 sq ft	1/8/2025	7/8/2026	Escondido	Custom
22		TV155-011525-01	Crescent Estates Customs	101 Manciano Drive	Residential/Single Family 2000-5000 sq ft	1/15/2025	7/15/2026	Tuscan Village	Spec
23		TV154-011525-01	Crescent Estates Customs	105 Manciano Drive	Residential/Single Family 2000-5000 sq ft	1/15/2025	7/15/2026	Tuscan Village	Spec
24		TV156-011525-01	Crescent Estates Customs	549 Mayapple	Residential/Single Family 2000-5000 sq ft	1/15/2025	7/15/2026	Tuscan Village	Spec
25		ESC10-012925-01	Allen and Lucchi, RLLP	109 Las Puertas	Residential/Single Family 2000-5000 sq ft	1/29/2025	7/29/2026	Escondido	Spec
26		SK238-013025-01	KCE Homes LLC	107 Feathergrass	Residential/Single Family 2000-5000 sq ft	1/30/2025	7/30/2026	Summit Rock	Custom

27		250260	A6 Logistics LLC	105 61st Street	Residential/Single Family <2000 sq ft	10/30/2025	7/30/2026	South	Spec
28		A2003-021025-01	VS Enterprises	3504 Bay West Blvd	Residential/Single Family 2000-5000 sq ft	2/10/2025	8/10/2026	Applehead West	Spec
29		ESC31-021325-01	Group Three Builders	123 La Lucita	Residential/Single Family 2000-5000 sq ft	2/13/2025	8/13/2026	Escondido	Custom
30		ES226A-081924-01	Voltaire, LLC	259 La Serena Loop	Residential/Single Family 5001-9999 sq ft	8/19/2024	8/19/2026	Escondido	Custom
31		H12060-090424-01	Gingerwood Construction, LLC	207 Lighthouse Drive	Residential/Single Family 5001-9999 sq ft	9/4/2024	9/4/2026	Proper	Custom
32		250021	Sherif Ghaly	3608 Mountain Dew Road	Residential/Single Family <2000 sq ft	9/12/2025	9/11/2026	SOUTH	Custom
33		K01021-031225-01	Lateral Solutions	1615 White Tail	Residential/Single Family 2000-5000 sq ft	3/12/2025	9/12/2026	South	Spec
34		W22064-031425-01	Seleste and Andrew Kos	515 Sun Ray	Residential/Single Family 2000-5000 sq ft	3/14/2025	9/14/2026	West	Custom
35		250103	Jarrold Covey	104 Menard Court	Residential/Single Family 2000-5000 sq ft	9/16/2025	9/15/2026	PECAN CREEK	Custom
36		PC0117-040225-01	Treo Signature Homes	100 Bowers Circle	Residential/Single Family 2000-5000 sq ft	4/2/2025	10/2/2026	Pecan Creek	Spec
37		W28047A-101024-01	Lake Country Homes	103 Horned Frog	Residential/Single Family 5001-9999 sq ft	10/10/2024	10/10/2026	West	Custom
38		A01081R-041025-01	Neiman-Foster Customs	110 Nichola Gay	Residential/Single Family 2000-5000 sq ft	4/10/2025	10/10/2026	Applehead West	Custom
39		TE30-041525-01	Young Homes, LLC	705 The Trails	Residential/Single Family 2000-5000 sq ft	4/15/2025	10/15/2026	The Trails	Custom
40		ES252-041725-01	Steve Hughes Customs	224 La Serena Loop	Residential/Single Family 2000-5000 sq ft	4/17/2025	10/17/2026	Escondido	Custom

41		W16036RA-042125-01	Neiman-Foster Customs	312 Red Wine	Residential/Single Family 2000-5000 sq ft	4/21/2025	10/21/2026	West	Custom
42		A06024-043025-01	Jennings Homes	108 Shadow Mtn	Residential/Single Family 2000-5000 sq ft	4/30/2025	10/30/2026	Applehead West	Custom
43		W14023-050525-01	Christopher's Customs	122 Hi Valley	Residential/Single Family 2000-5000 sq ft	5/5/2025	11/5/2026	Proper	Custom
44		250195	CTEX Investors LLC	2808 Aurora	Residential/Single Family 2000-5000 sq ft	11/7/2025	11/7/2026	Applehead	Custom
45		ES245-111524-01	Keith Wing Austin Builders LLC	240 La Serena Loop	Residential/Single Family 5001-9999 sq ft	11/15/2024	11/15/2026	Escondido	Custom
46		W11041-051525-01	Christopher's Customs	1636 Sapphire	Residential/Single Family 2000-5000 sq ft	5/15/2025	11/15/2026	West	Custom
47		H23070-051925-01	Red Letter Customs dba UBuild It	1399 Hi Circle S	Residential/Single Family 2000-5000 sq ft	5/19/2025	11/19/2026	Summit Rock	Spec
48		K09032-052125-01	San Gabriel Builders	112 Broken Bow	Residential/Single Family 2000-5000 sq ft	5/21/2025	11/21/2026	South	Spec
49		W18017R-052125-01	Lateral Solutions	316 Sweet Grass	Residential/Single Family 2000-5000 sq ft	5/21/2025	11/21/2026	West	Spec
50		H45042-052205-01	Caledonia Builders, LLC	416 Green Leaf	Residential/Single Family 2000-5000 sq ft	5/22/2025	11/22/2026	Proper	Spec
51		TV128-052725-01	Crescent Estates Customs	105 Via Roma Ct	Residential/Single Family 2000-5000 sq ft	5/27/2025	11/27/2026	Tuscan Village	Spec
52		ES273A-060525-01	Robert Stephen Homes	227 La Serena Loop	Residential/Single Family 2000-5000 sq ft	6/5/2025	12/5/2026	Escondido	Custom
53		ES35A-120924-01	Casa Highland Construction	424 La Serena Loop	Residential/Single Family 5001-9999 sq ft	12/9/2024	12/9/2026	Escondido	Custom
54		Pad Site 127-061025-01	Crescent Estates Customs	103 Via Roma Ct	Residential/Single Family 2000-5000 sq ft	6/10/2025	12/10/2026	Tuscan Village	Spec

55		W18076-061825-01	Irvin Rivera	322 Spider Valley	Residential/Single Family 2000-5000 sq ft	6/18/2025	12/18/2026	West	Spec
56		50-062525-01	Crescent Estates Customs	115 Azalea Loop	Residential/Single Family 2000-5000 sq ft	6/25/2025	12/25/2026	Summit Rock	Spec
57		25-00566-01	K Thompson Homes	1510 Desert Sun	Residential/Single Family 2000-5000 sq ft	7/11/2025	1/11/2027	West	Custom
58		25-00251-01	ACSBLDR, Inc. d/b/a Everview Homes	301 Hi Circle N	Residential/Single Family 2000-5000 sq ft	7/17/2025	1/17/2027	Proper	Custom
59		250012	Jose Cerda	3217 Douglas	Residential/Single Family 2000-5000 sq ft	8/7/2025	2/7/2027	Applehead	Custom
60		250033	Crescent Estates Customs	121 Azalea Loop	Residential/Single Family 2000-5000 sq ft	8/12/2025	2/12/2027	Summit Rock	Custom
61		250022	Crescent Estates Customs	119 Azalea Loop	Residential/Single Family 2000-5000 sq ft	8/12/2025	2/12/2027	Summit Rock	Custom
62		25-00269-01	Silverado Signature Homes	112 Winchester	Residential/Single Family 2000-5000 sq ft	8/14/2025	2/14/2027	Proper	Spec
63		K1011-081525-01	Solid Ground Investing LLC	1713 White Tail	Residential/Single Family 2000-5000 sq ft	8/15/2025	2/15/2027	South	Spec
64		250040	Baker Oliver	109 Big Sky	Residential/Single Family 2000-5000 sq ft	8/22/2025	2/22/2027	Horseshoe Bay West	Custom
65		250048	Jennings Homes	1310 Cats Eye	Residential/Single Family 2000-5000 sq ft	9/2/2025	3/2/2027	WEST	Custom
66		250108	Lucas Anthony LLC	211 Florentine	Residential/Single Family 2000-5000 sq ft	9/5/2025	3/4/2027	APPLEHEAD	Custom
67		250119	JW Smith Customs, LLC	105 Bottoms Up	Residential/Single Family 2000-5000 sq ft	9/17/2025	3/16/2027	WEST	Custom
68		250102	SAN GABRIEL BUILDERS / BRUCE KUNZ	604 HI CIRCLE SOUTH	Residential/Single Family <2000 sq ft	9/18/2025	3/17/2027	Proper	Spec

69		250107	Douglas Peterson (Peterson Builders TX)	324 parallel circle	Residential/Single Family 2000-5000 sq ft	9/24/2025	3/23/2027	WEST	Spec
70		250038	David Young	1038 Overlook Parkway	Residential/Single Family 5001-9999 sq ft	9/26/2025	3/25/2027	The Trails	Custom
71		SK3-29-040225-01	Canyon Creek Homes, LP	136 Nightshade	Residential/Single Family 5001-9999 sq ft	4/2/2025	4/2/2027	Summit Rock	Spec
72		250149	Texas Hill Country Customs	100 Skylark	Residential/Single Family 2000-5000 sq ft	10/6/2025	4/6/2027	WEST	Custom
73		250179	Ramiro Pallares	105 Barefoot, Horseshoe Bay, TX. 78657	Residential/Single Family 2000-5000 sq ft	10/10/2025	4/9/2027	WEST	Custom
74		250122	Blake Smith	104 Ridgeway	Residential/Single Family 2000-5000 sq ft	10/13/2025	4/13/2027	WEST	Spec
75		250020	TJ Dressler	208 Keel Way	Residential/Single Family 2000-5000 sq ft	10/13/2025	4/13/2027	PROPER	Custom
76		250186	Jose Cerda	605 Apache Tears	Residential/Single Family 2000-5000 sq ft	10/20/2025	4/19/2027	West	Spec
77		250173	Mozzafiato Homes LLC	505 Nugget Cir	Residential/Single Family 2000-5000 sq ft	10/20/2025	4/20/2027	WEST	Spec
78		BC0001R-050125-01	Pura Vida Homes & Designs	121 Bay Country Dr	Residential/Single Family 5001-9999 sq ft	5/1/2025	5/1/2027	Bay Country	Custom
79		250176	ML GENERAL CONTRACTOR LLC	120 GOLDEN HARVEST	Residential/Single Family <2000 sq ft	11/4/2025	5/3/2027	WEST	Custom
80		250118	Modern Homestead, LLC	138 Paintbrush	Residential/Single Family 2000-5000 sq ft	11/4/2025	5/4/2027	Summit Rock	Custom
81		250259	Crescent Estates Customs	165 Gallia Bend	Residential/Single Family 2000-5000 sq ft	11/5/2025	5/5/2027	Tuscan Village	Spec
82		W29032A-050724-01	Jeff Jackson Customs, Inc.	306 Wennmohs Place	Residential/Single Family 2000-5000 sq ft	11/7/2025	5/7/2027	West	Custom

83		SK3-12-050825-01	Modern Homestead	108 Honeysuckle	Residential/Single Family 5001-9999 sq ft	5/8/2025	5/8/2027	Summit Rock	Custom
84		250292	Riverbend Homes	144 Westgate Loop	Residential/Single Family 2000-5000 sq ft	11/13/2025	5/12/2027	West	Spec
85		250199	Anderson Construction Group Inc	807 Silverhill Horseshoe Bay 78657	Residential/Single Family <2000 sq ft	11/14/2025	5/13/2027	WEST	Custom
86		250297	ZH Central Texas, Ltd	120 Encantada	Residential/Single Family 2000-5000 sq ft	11/17/2025	5/17/2027	Escondido	Custom
87		ES255-052225-01	Voltaire, LLC	218 La Serena Loop	Residential/Single Family 5001-9999 sq ft	5/22/2025	5/22/2027	Escondido	Custom
88		W01903-052824-01	Jim Haire Enterprises LLC	101 Silverway	Residential/Single Family 2000-5000 sq ft	11/25/2025	5/25/2027	West	Spec
89		250303	Crescent Estates Customs	119 Via Roma Court	Residential/Single Family 2000-5000 sq ft	11/25/2025	5/25/2027	Tuscan Village	Spec
90		SK239-060525-01	Modern Homestead	103 Feathergrass	Residential/Single Family 5001-9999 sq ft	6/5/2025	6/5/2027	Summit Rock	Spec
91		W3501-060925-01	Spivey Customs	121 Lost Nugget	Residential/Single Family 5001-9999 sq ft	6/9/2025	6/9/2027	West	Custom
92		250311	Crescent Estates Customs	126 Via Roma Ct	Residential/Single Family 2000-5000 sq ft	12/10/2025	6/9/2027	summit rock	Spec
93		250305	Duffy Company LLC	107 fox fur	Residential/Single Family 2000-5000 sq ft	12/16/2025	6/16/2027	APPLEHEAD	Spec
94		250363	Spivey Customs	99 Sunshine	Residential/Single Family 2000-5000 sq ft	12/18/2025	6/17/2027	WEST	Custom
95		250350	ML GENERAL CONTRACTOR LLC	1204 HI MESA	Residential/Single Family 2000-5000 sq ft	12/18/2025	6/18/2027	Proper	Custom
96		250271	ZH Central Texas, Ltd.	236 La Serena Loop	Residential/Single Family 2000-5000 sq ft	12/19/2025	6/18/2027	Escondido	Custom

97		250354	Lucas Anthony LLC	100 Nattie Woods	Residential/Single Family 2000-5000 sq ft	12/22/2025	6/22/2027	Summit Rock	Spec
98		250378	Lake Country Homes L.L.C.	1008 Cats Eye	Residential/Single Family 2000-5000 sq ft	12/30/2025	6/30/2027	WEST	Spec
99		250335	LS Contracting INC	12 Applehead Island Dr	Residential/Single Family 2000-5000 sq ft	1/6/2026	7/6/2027	APPLEHEAD ISLAND	Custom
100		250332	Jodi Martin	1007 Cats Eye	Residential/Single Family 2000-5000 sq ft	1/12/2026	7/12/2027	West	Custom
101		25-00586-01	JB REI, LLC	109 Golden Sun	Residential/Single Family 5001-9999 sq ft	7/14/2025	7/14/2027	West	Custom
102		250377	Modern Homestead LLC	105 Nattie Woods	Residential/Single Family 2000-5000 sq ft	1/28/2026	7/28/2027	Summit Rock	Custom
103		250347	AV Ortega Homes	205 Colt	Residential/Single Family 2000-5000 sq ft	1/29/2026	7/30/2027	PROPER	Custom
104		250131	Turrentine Properties, Inc.	136 Encantada	Residential/Single Family 5001-9999 sq ft	8/26/2025	8/26/2027	Escondido	Custom
105		250023	Sendero Development	246 La Serena Loop	Residential/Single Family 5001-9999 sq ft	8/28/2025	8/29/2027	Escondido	Custom
106		250164	Tom Classen	416 Passion Flower	Residential/Single Family 5001-9999 sq ft	10/13/2025	10/13/2027	SUMMIT ROCK	Custom
107		250248	Modern Homestead LLC	300 Passion Flower	Residential/Single Family 2000-5000 sq ft	10/24/2025	10/23/2027	SUMMIT ROCK	Custom
108		250051	Canyon Creek Homes LP	321 La Serena Loop	Residential/Single Family 5001-9999 sq ft	11/10/2025	11/10/2027	Escondido	Custom

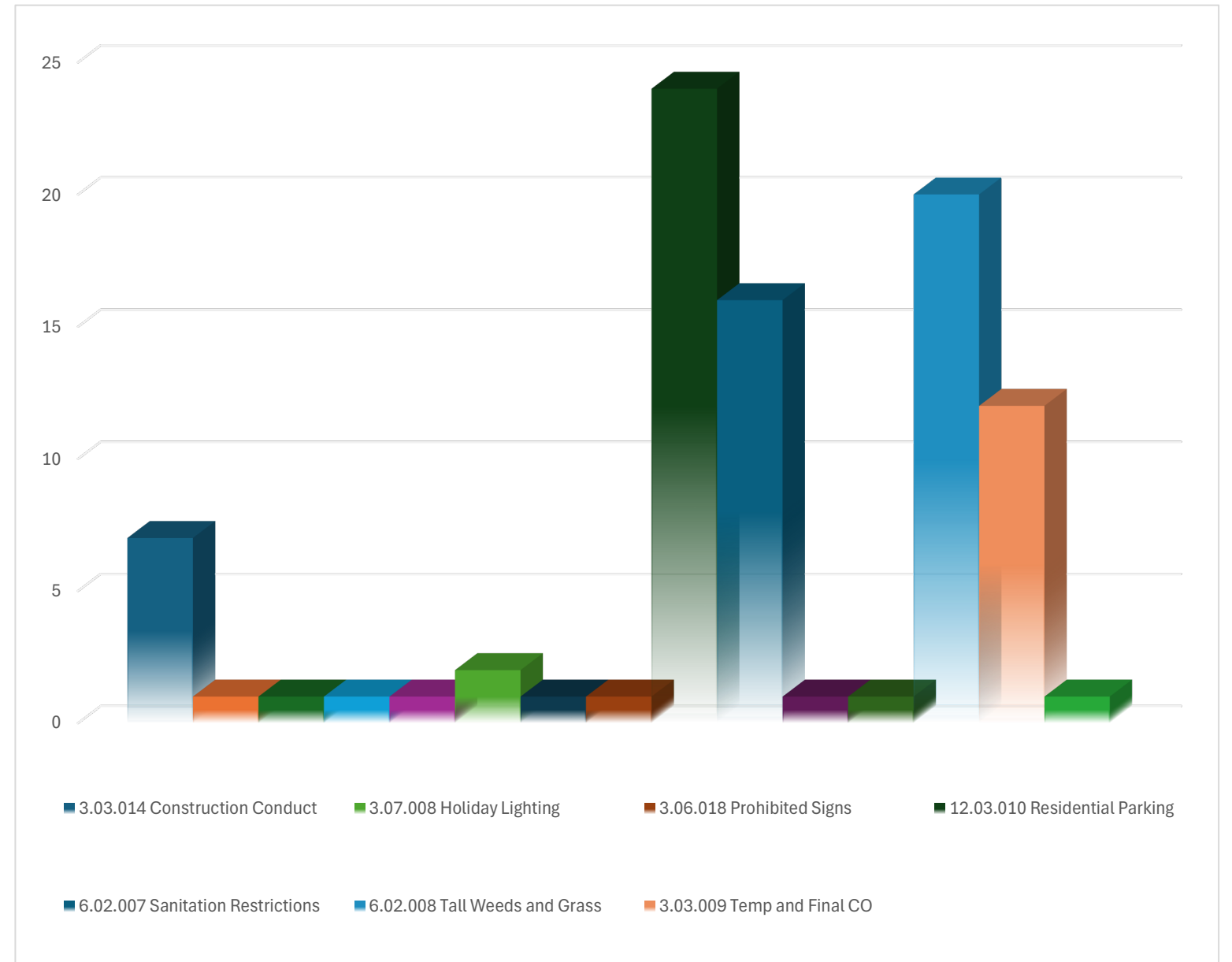
NO.	Notes	Permit #	Contact	Property	Permit Type	Issued Date	Expired Date	Extension	Extension Expiration
1	1	W05031-050422-01	Deltex Construction	1902 Bay West Blvd	Residential/Single Family 2000-5000 sq ft	5/4/2022	11/4/2023	Council Approved Extension	2/28/2026
2	2	W35051-010324-01	KA Constructions, LLC	613 Apache Tears	Residential/Single Family 2000-5000 sq ft	1/3/2024	7/3/2025	Stop work order has been issued	
3	3	ESC158-072423-01	Allen and Lucchi, RLLP	109 Plaza Escondido	Residential/Single Family 5001-9999 sq ft	7/24/2023	7/24/2025	Stop work order has been issued	Pending Council approval 2/17/2026
4	4	H47076-100124-01	Genesis Made Construction	911 Sharp Rock	Residential/Single Family <2000 sq ft	10/1/2024	10/1/2025	Stop work order has been issued	
5	5	H47075-100124-01	Genesis Made Construction	909 Sharp Rock	Residential/Single Family <2000 sq ft	10/1/2024	10/1/2025	Stop work order has been issued	
6	6	K01120-101524-01	Juan Rodriguez	1407 Swallow	Residential/Single Family <2000 sq ft	10/15/2024	10/15/2025	Pending Council approval 2/17/2026	2/15/2026
7	7	TH17-122323-01	Diamante Luxury Homes LLC	908 CR 311	Residential/Single Family 5001-9999 sq ft	12/22/2023	12/22/2025	2nd Permit Extension	2/20/2026
8	8	W19054-082924-01	Brian South	104 Ventura	Residential/Single Family 2000-5000 sq ft	8/29/2024	2/28/2026	Pending CO Inspection	

New Residential Permit Count	FY 20	FY 21	FY 22	FY 23	FY 24	FY25
October	5	6	27	12	10	17
November	12	8	15	14	10	11
December	8	10	13	15	6	7
January	13	5	11	13	9	4
February	7	4	24	14	7	
March	5	23	37	14	11	
April	7	16	21	8	13	
May	4	18	18	12	7	
June	4	25	18	8	6	
July	2	16	14	10	3	
August	8	19	18	13	8	
September	10	19	7	16	8	
FY Total	85	169	223	149	98	39



**Code Enforcement Activity
January 2026**

Violations	Count
3.03.014 Construction Conduct	7
3.03.008 No Permit	9
13.09.006 Construction Obligations	3
3.07.008 Holiday Lighting	2
3.06.018 Prohibited Signs	1
12.03.010 Residential Parking	24
6.02.007 Sanitation Restrictions	16
6.02.008 Tall Weeds and Grass	20
3.03.009 Temp and Final CO	12
1.07.003 Stop work order	1
6.02.009 Fire Safety and Nuisance Animals	18
8.02.001 Junk Motor Vehicle	4
3.04.004 Substandard Building	6
2021 ISPSC 305 Swimming pool barrier	1
3.06.016 Construction Signs	2
Total	126





CITY OF HORSESHOE BAY



PUBLIC WORKS DEPARTMENT

January 2026 Activity Report

- Managing all other programs: Safety cuts, litter control, islands mowing, City Hall mowing, and fall mowing.
- Street upgrade for 2025 have been surveyed and staked off; work is complete around White Tail/Mt. Dew. Deep Canyon and Swear Injun have been completed. Currently working on change order addition of Mt. Dew/Dew Drop to Stage Coach and last of Colonneh.
- A new street upgrade list has started as of June 1st, 2025 for 2026. Currently 10 streets on list which have been sent to engineers.
- Meetings with Rio are being continued current locations working up Mt Dew towards South area and Bay West Blvd. Have given them future street upgrades to get them on those streets prior to new street construction.
- In progress of permanent signage around the new hiking trail up at city center.
- Have attended meetings on water plants new trunk line and awaiting street repair plan. Have met with Ray and Cody and the engineers on pavement restoration plan.
- Working on take down and storage of holidays event.
- Talk of installing reflectors on bay west shared path.
- Winter storm preparations and management.

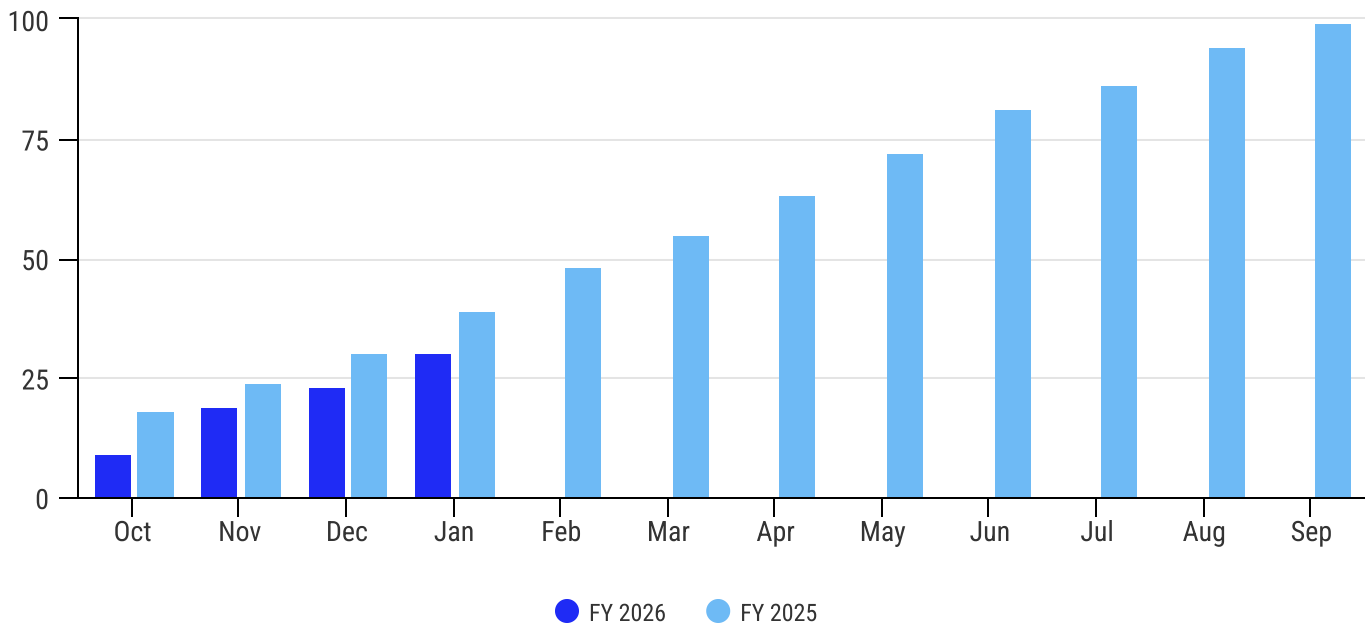
Pending

- Workshop
- Butterfly garden (Martin Park)

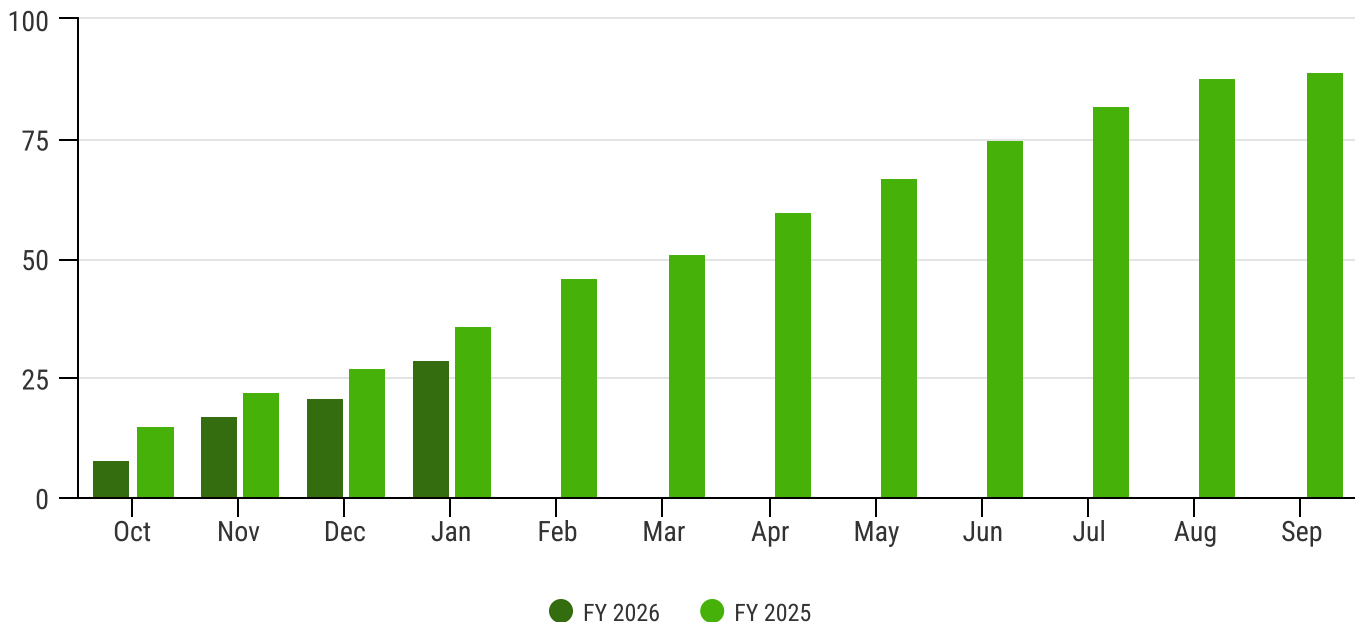


FY26 January Utility Report

Water Taps (Cumulative Fiscal Year to Date)

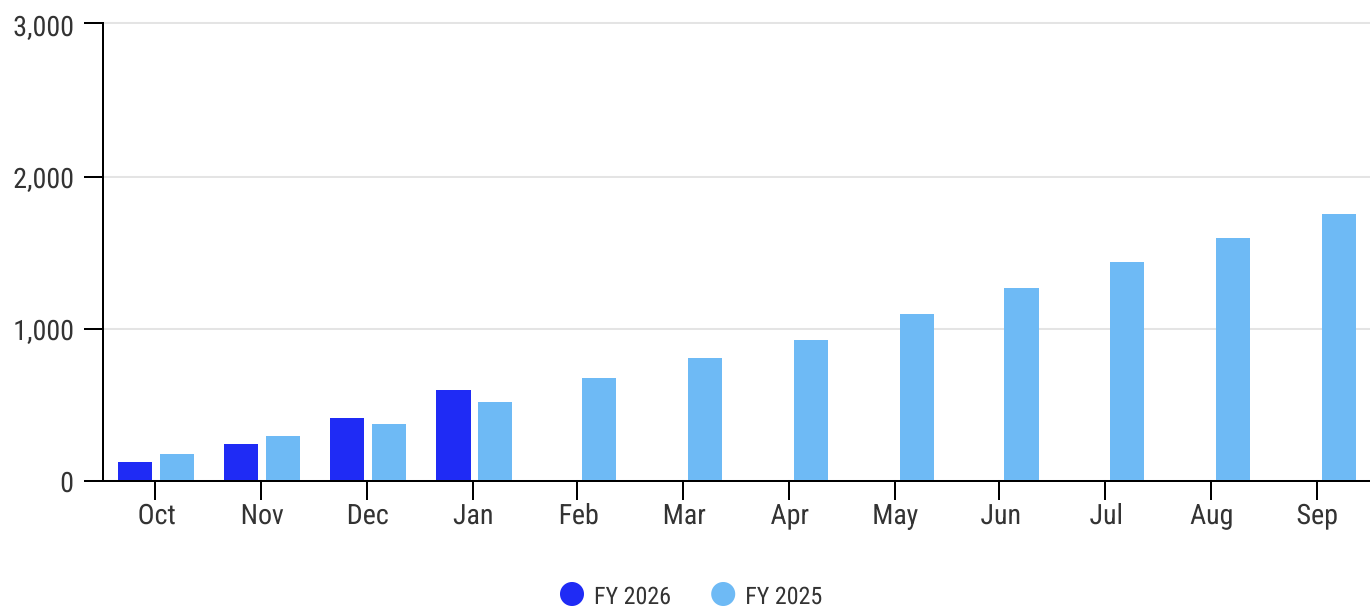


Sewer Taps (Cumulative Fiscal Year to Date)

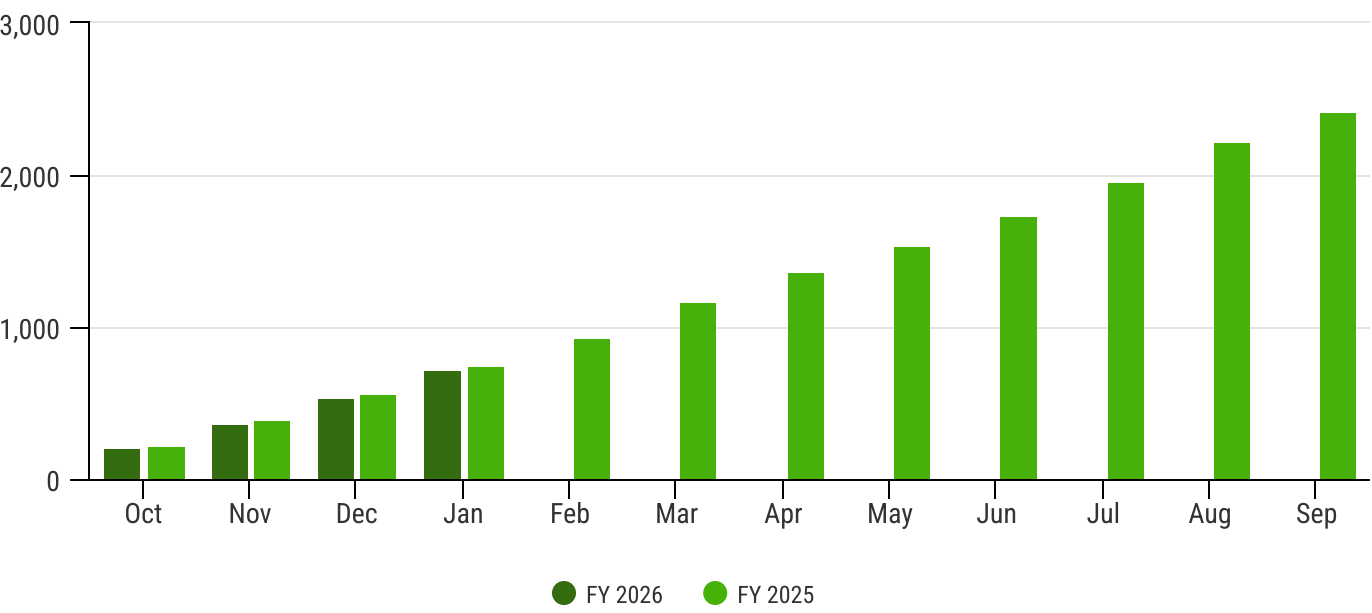




Water Service Calls (Cumulative Fiscal Year to Date)

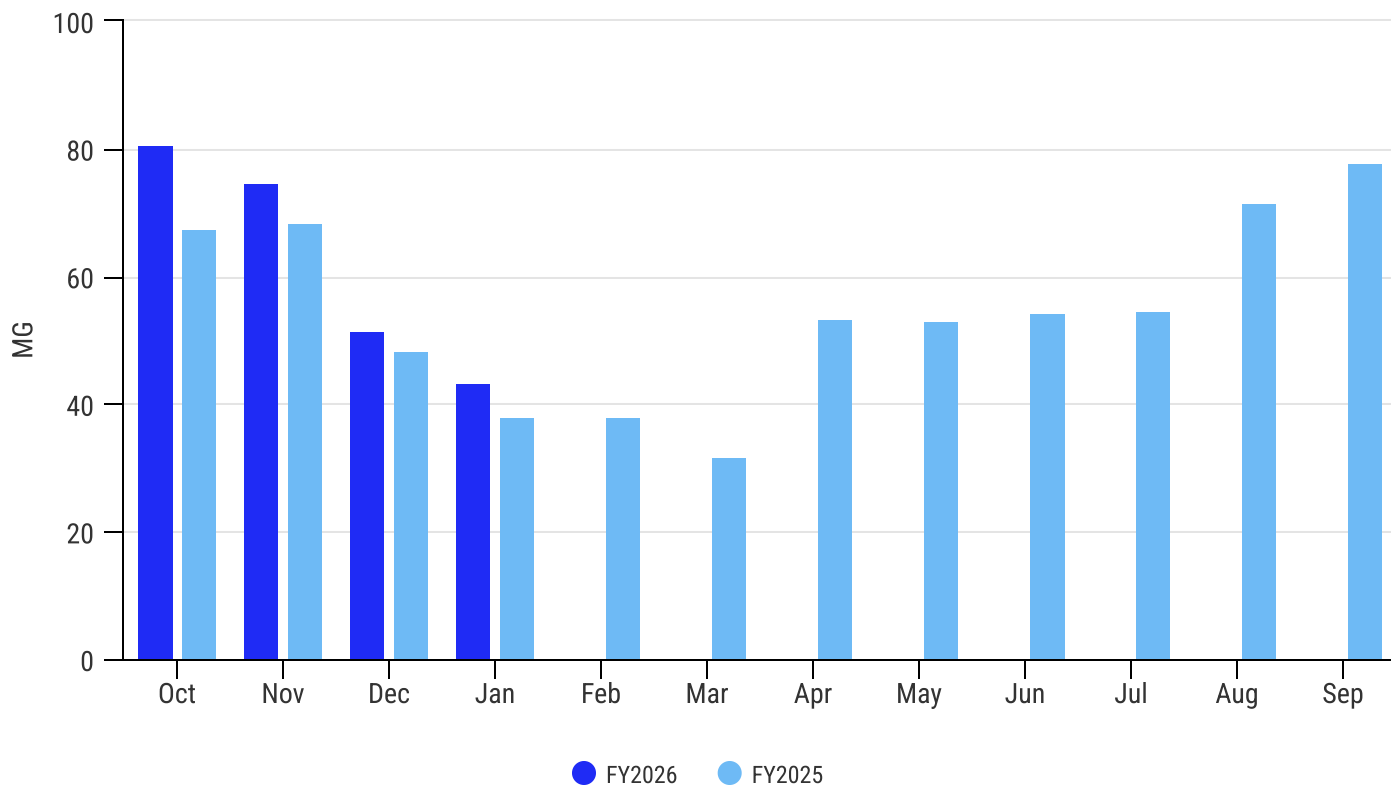


Sewer Service Calls (Cumulative Fiscal Year to Date)

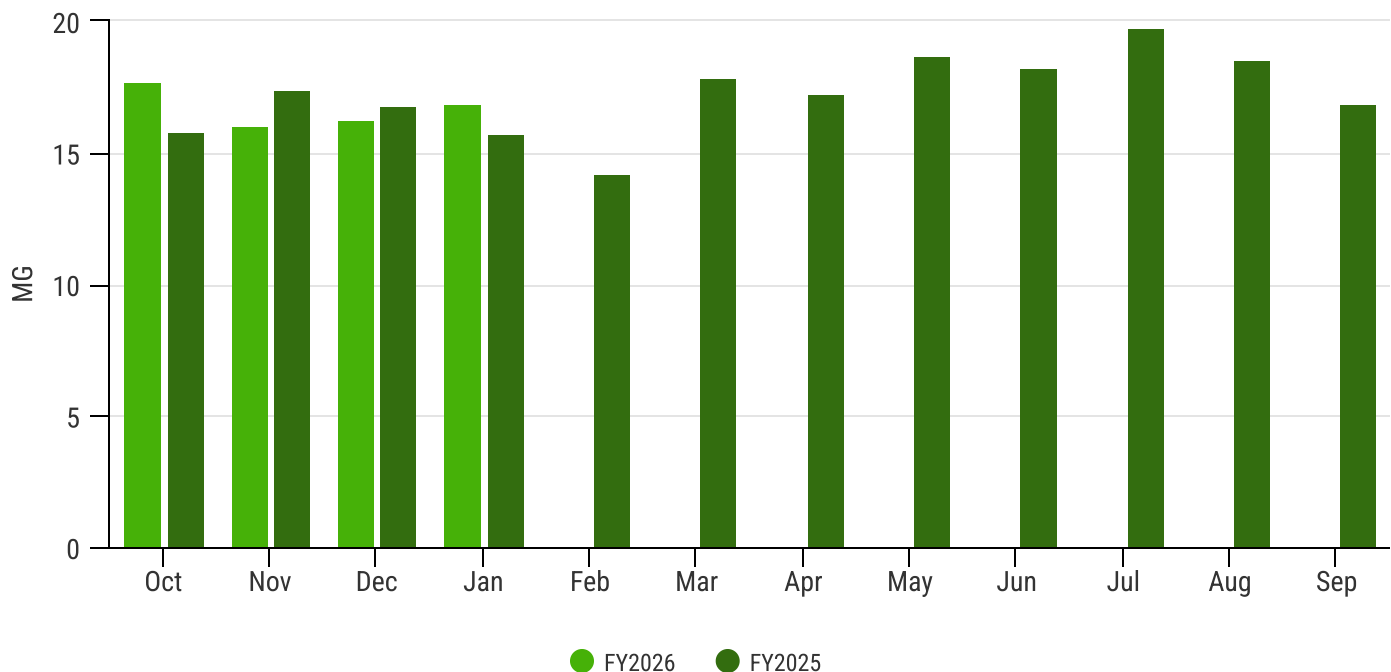




Water Sold by Month

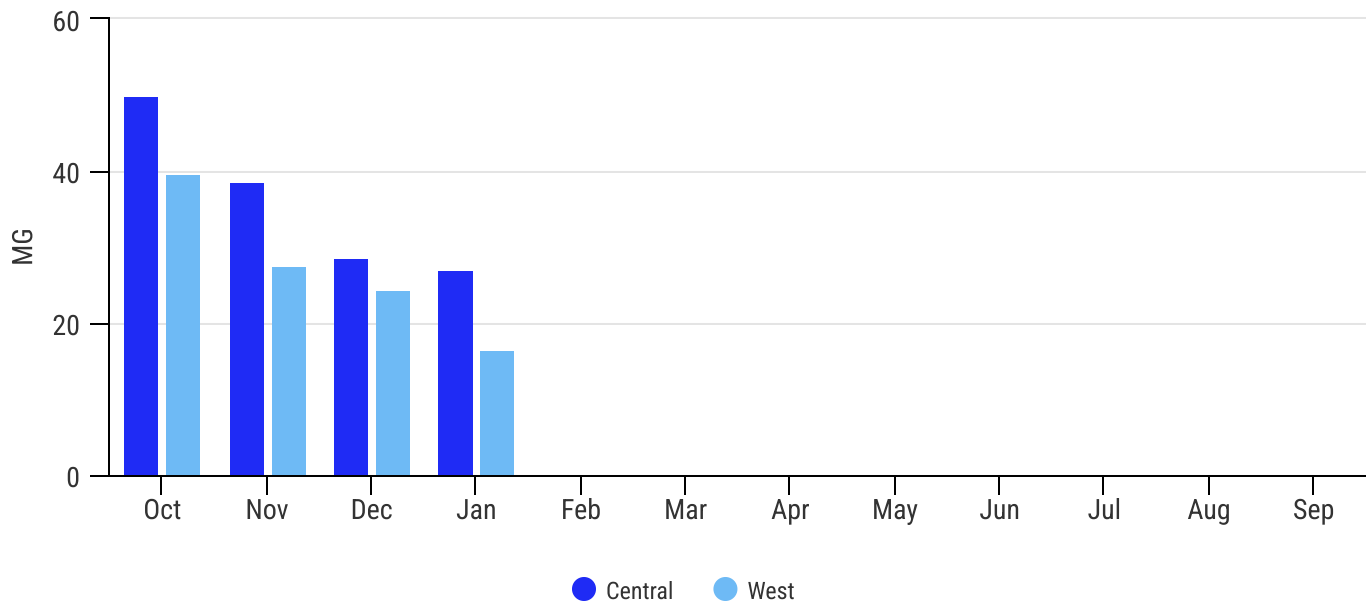


Treated Wastewater by Month

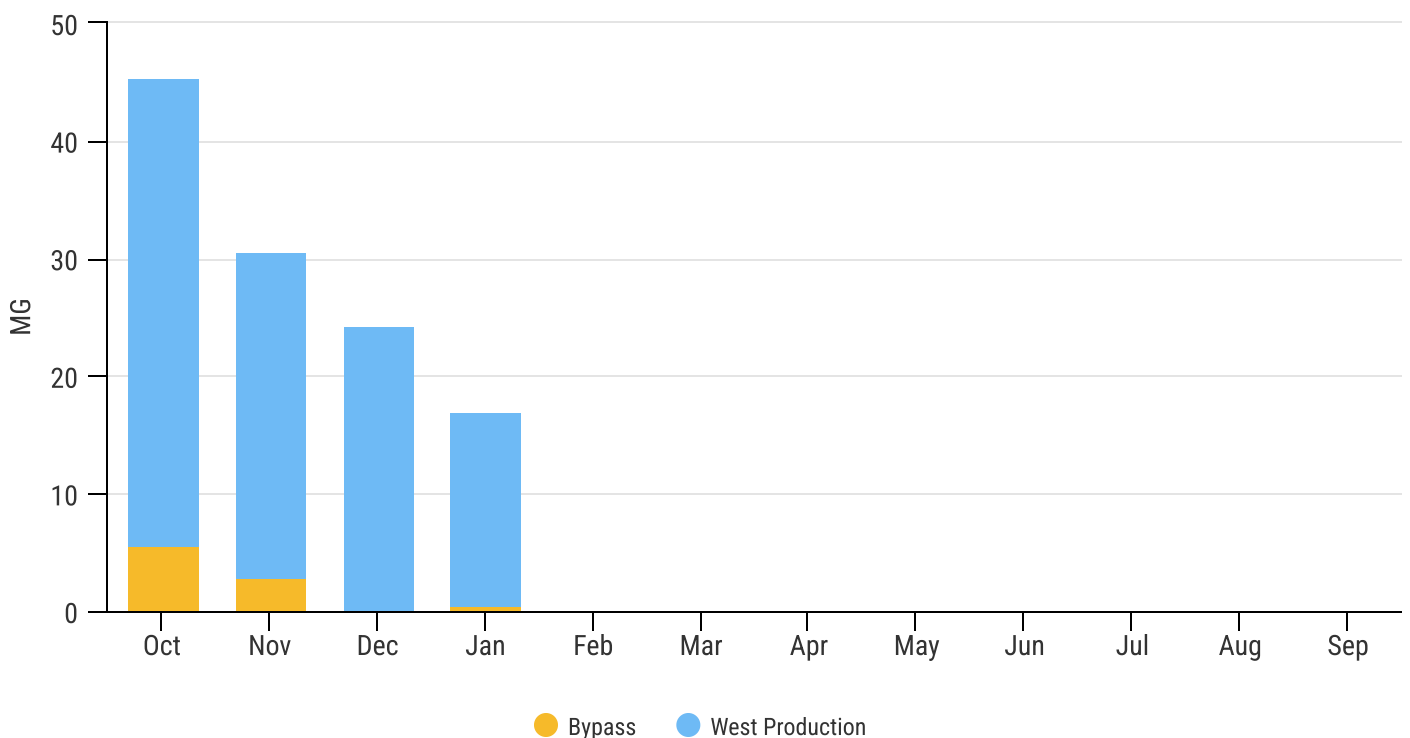




Monthly Water Production by Plant

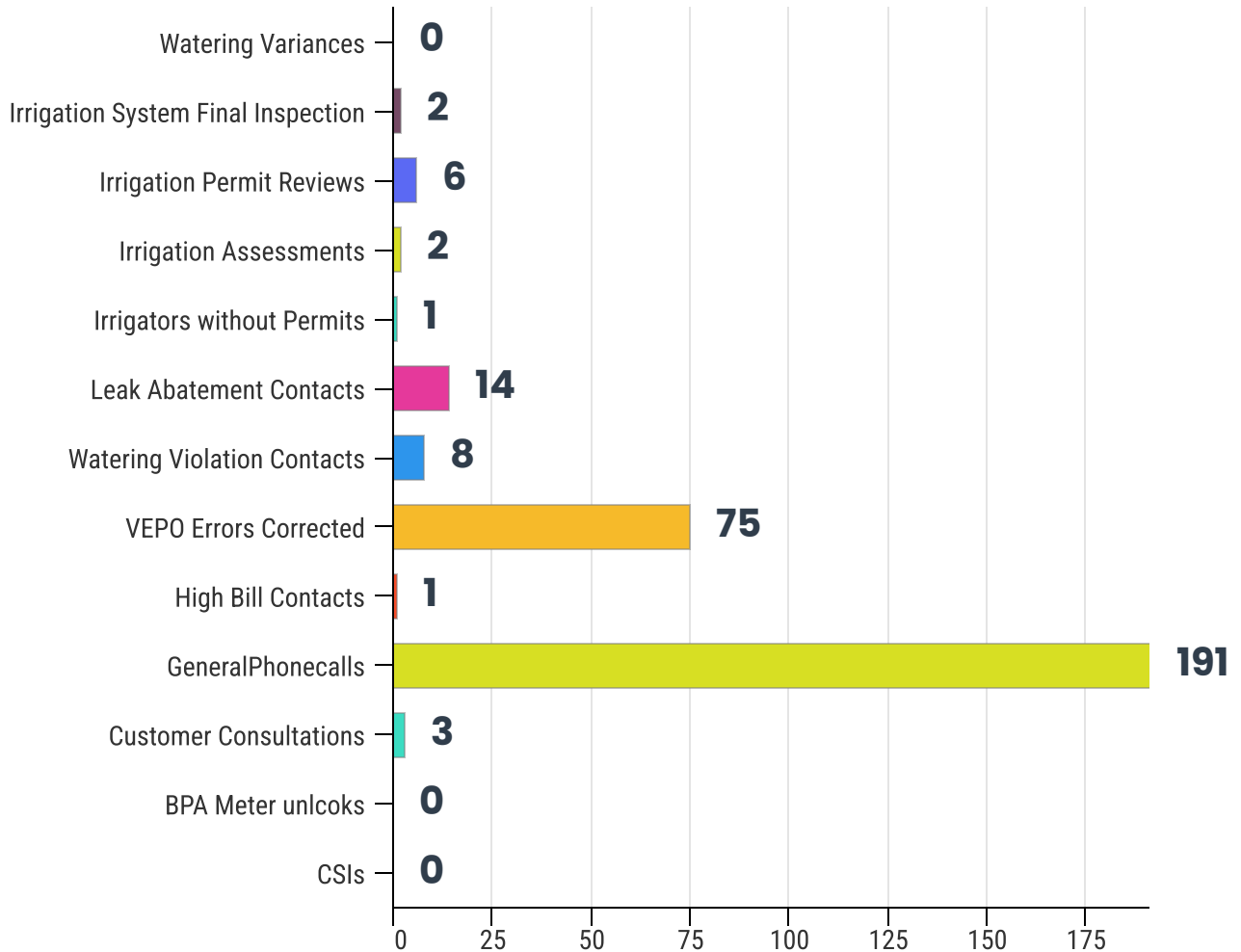


West Plant Production & Supplemental Flow from Central Water Plant



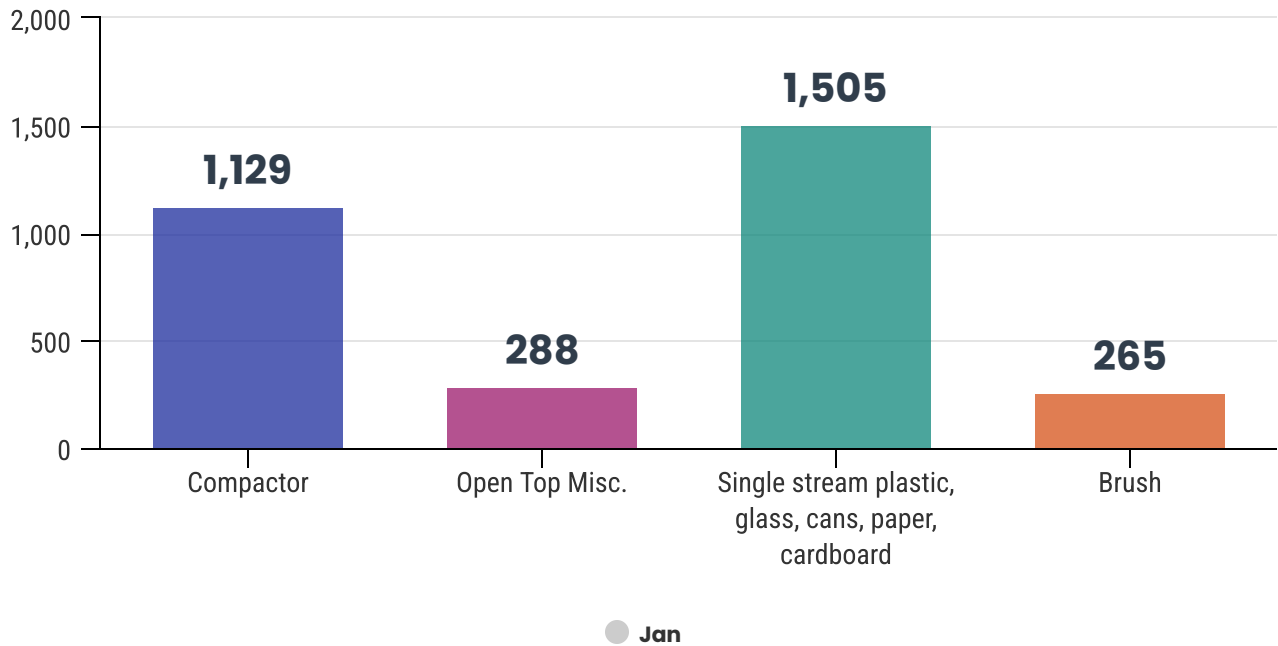


January Water Conservation Numbers

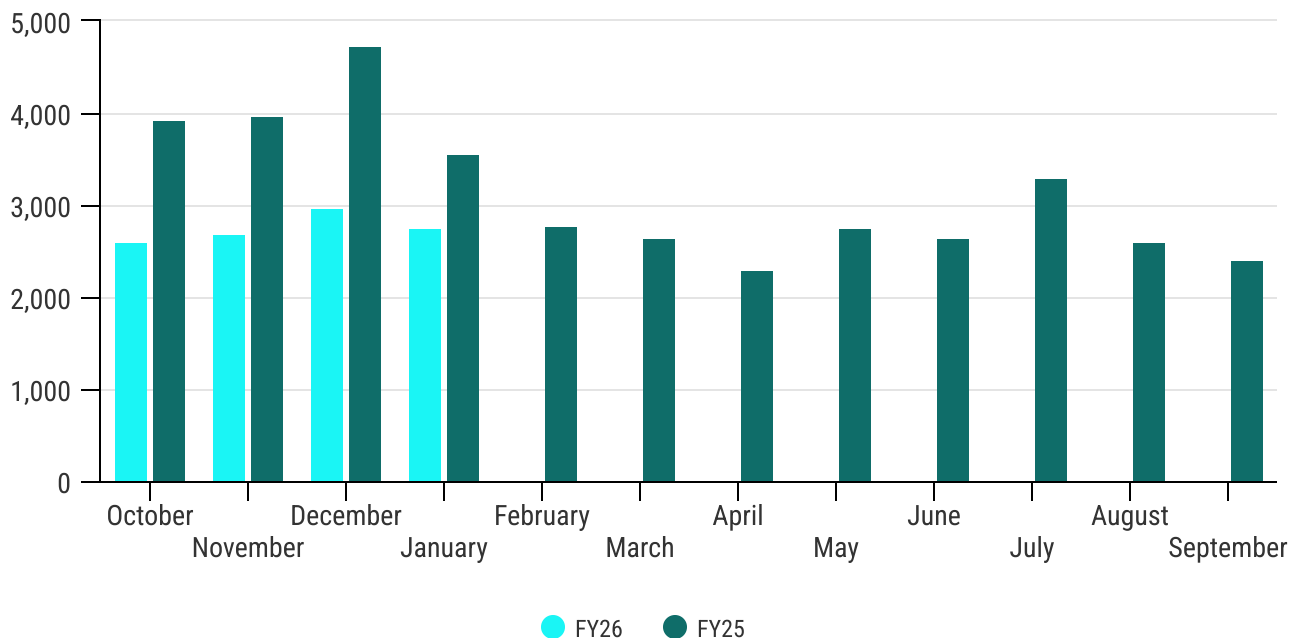




Reclamation Center Numbers (Count by customer volume)



Visitors Per Month





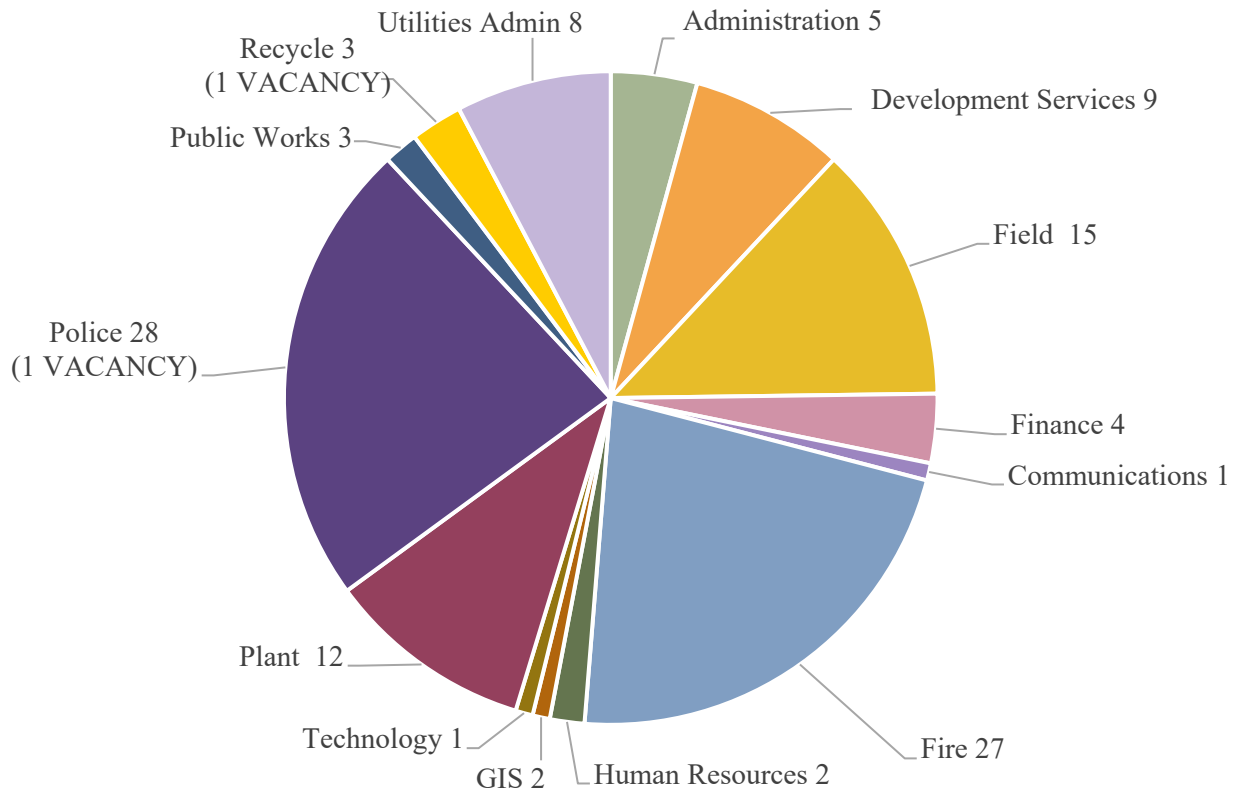
CITY OF HORSESHOE BAY

HUMAN RESOURCES DEPARTMENT

January 2026 AND FY 2026 ACTIVITY REPORT

Employee Head Count as of January 31st, 2026.

By Department



Turnover

- 1 termination for the month of January 2026.
- Total of 2 terminations for FY26 YTD.

*Termination includes voluntary or involuntary separation.

Recruitment

- 1 position filled for the month of January 2026.

Active Employee Count

116

Full-Time Employees

- Total Budgeted Staff: 118 Full-Time





CITY OF HORSESHOE BAY

Technology – January 2026 Monthly Report

The Technology Department is dedicated to building a “digital city” to connect people and government with technology that is flexible and responsive to the city employees and the citizens we serve.

- Cybersecurity
 - Phish rate for month at 1.6 percent (two employee clicked)
 - Endpoint detection and remediation for month at 51 potential threats
 - Global Blocklist for malicious senders updated daily
 - Filter and moderation of 8000+ inbound / external emails
 - Evolve specific email filters to allow manual evaluation / approval
 - Numerous threats stopped prior to reaching employees
- Network / Infrastructure
 - Upgrade firmware on multiple network appliances
 - Reconfigure Geo/IP filter as necessary for specific applications
 - Met with engineering firm to improve lightning surge mitigation
 - Investigation and implementation measures ongoing
 - Infrastructure implementation at City Center ongoing
- City Equipment and Software
 - Repair and replace hardware as needed
 - Resolve numerous software issues as they occur (daily)
 - Employee software use consulting and training as appropriate (daily)
 - City Center technology solutions and planning ongoing



■ Communications Department ■

January 2026 Report

by Cindee Sharp

Projects

- Comprehensive Plan Survey Promotion:
 - [Survey Link](#)
 - [Presentation Link](#)
 - [Facebook/Instagram Post 1](#)
 - [Facebook/Instagram Post 2](#)
- Assisted Utilities Department with [Winterizing Your Home video](#)

Beacon Articles

- December 11: [Council Comments](#)
- December 18: [Citizens Academy Graduates Another Class of Super Citizens](#)
- December 25: [Recycling, Brush Disposal, and Bulk Pick-Up for Horseshoe Bay Residents](#)
- January 1: [Helpful Tips for Winterizing Your Home](#)
- January 8: [Law Enforcement Appreciation Day](#)
- January 15: [City Developing Comprehensive Growth Plan: Resident Input Needed](#)
- January 22: [Horseshoe Bay Fire Department Fall Prevention Program](#)
- January 22: [Council Comments](#)
- January 30: [Trash Collection Delays, Weather Resources for Residents](#)
- January 30: [Mayor Jeff Jones Newsletter: Our Town, Our Tomorrow](#)

Beacon Christmas Guide Article and Ad

- December 18:
 - Article: [Reflecting on a Year of Accomplishments and Goals for the Future](#)
 - Ad: [Merry Christmas from the City of Horseshoe Bay](#)

Alerts Sent through CivicReady

- December 15 at 3:23 p.m.: [Scheduled Water Service Interruption](#)
- December 18 at 8:00 a.m.: [Maintenance Scheduled at City Hall](#)
- December 23 at 11:15 a.m.: [Holiday Closure](#)
- December 31 at 10:30 a.m.: [City Closed for New Year's Day](#)
- January 21 at 11:30 a.m.: [Inclement Weather This Weekend!](#)
- January 23 at 11:30 a.m.: [Take Precautions During Inclement Weather](#)
- January 23 at 3:00 p.m.: [City Offices Closed Monday, Information for Residents](#)
- January 24 at 9:30 a.m.: [Reminder City Offices, Recycling Center Closures](#)
- January 24 at 12:44 p.m.: [Temporary Road Closure at Clayton Nolen and Quick Draw](#)
- January 25 at 10:28 a.m.: [PEC Working to Restore Power in HSB West](#)
- January 25 at 6:54 p.m.: [Please Avoid Travel, Roads Are Icy!](#)
- January 26 at 9:16 a.m.: [Roads Remain Icy, Please Avoid Traveling](#)
- January 26 at 4:02 p.m.: [City Offices Opening at 1 p.m. January 27](#)
- January 26 at 5:26 p.m.: [Trash Collection Delays](#)

Social Media

- Facebook (www.facebook.com/horseshoebaygov), 1,635 followers
- Instagram (www.instagram.com/horseshoebaygov), 290 followers

Training

- January 21-23: Completed “L:105 Public Information Basics” (FEMA PIO course)
- January 27: Attended webinar “Countdown to DOJ Compliance: Ask the Web Accessibility Experts”

Website Updates

- Procured software overlay AudioEye for City of Horseshoe Bay website as part of ongoing efforts to meet federal compliance guidelines for Americans with Disabilities Act (ADA)
 - Coordinated agreement with CivicReady to install the software for free until the next website renewal in November 2026

Events

- December 11: Hosted Fall 2025 Citizens Academy Graduation and Alumni Reunion at Horseshoe Bay Resort Yacht Club ([photos may be found here](#))