

STAFF

CITY HALL



City Administration Report

WARREN ESCOVY

JULY 25

BLANCO CITY COUNCIL

26' budget

- Tuesday July 8 First Budget Workshop
3:00 pm



Blanco Comprehensive Plan Update

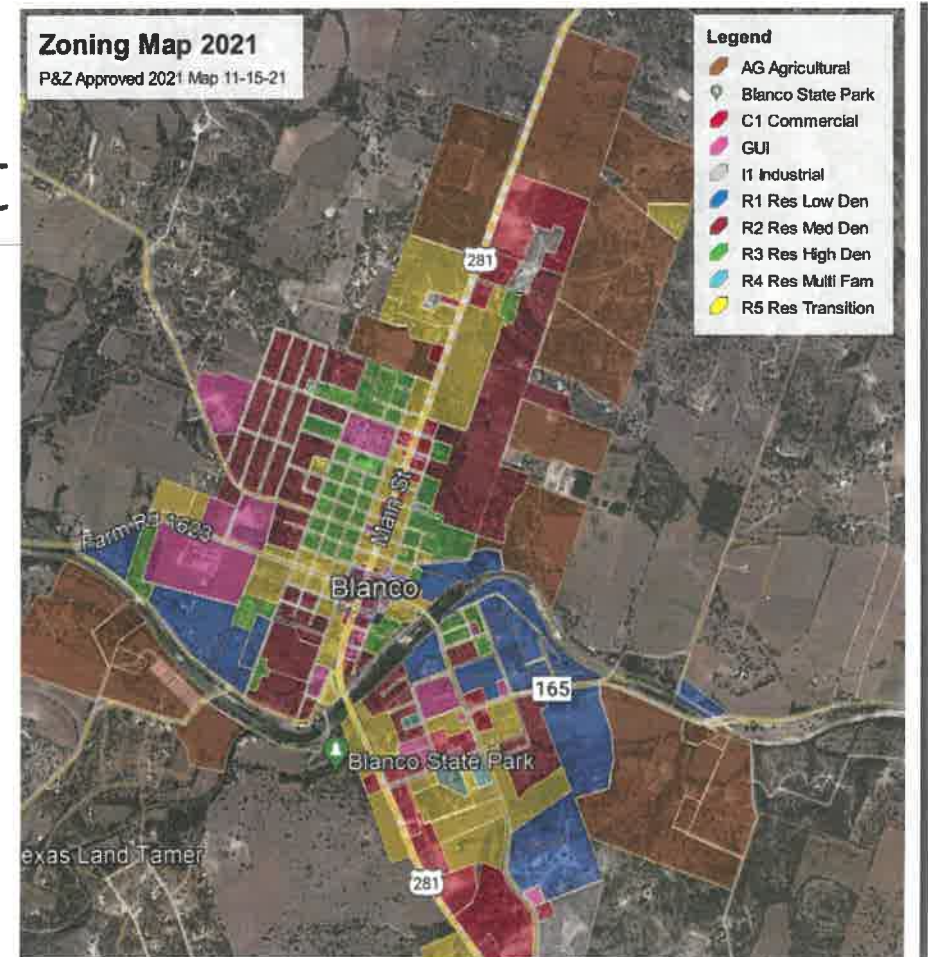
\$300,000 Resilient Communities grant awarded to the City of Blanco

First RCP Key Stake
Holder meeting



Uniform Development

- Re-write of the plan
- Look at the current zoning map



CIP Final Draft

- 5 year CIP plan





Thank you

WARREN ESCOVY

JULY 25

BLANCO CITY COUNCIL

**STAFF
POLICE
DEPARTMENT**



City of Blanco Police Department Chief's Monthly Report June 2025

Jerry Thornhill,
Chief of Police

Disclosure

Many data collection sources were utilized to compile the presented information to include Record Management System reporting and administrative logs. In our continued effort to report accurate and transparent numbers, the department discloses that the RMS system is continuously updated, and reports run at various times, sometimes producing different results. Care should be taken when comparing this monthly report to other data reports as different data collection methods and data sources may be used. The data provided is for informational use only.



BLANCO POLICE DEPARTMENT



Jerry Thornhill, B.A.S.
Chief of Police

437 Blanco Avenue
Blanco, Texas 78606

Office: (830) 833-4375
Fax: (830) 833-4975

Chief's Monthly Report — June 2025

Department News

The Blanco Police Department remains committed to maintaining the highest standards of professionalism by ensuring all officers meet and exceed their mandated training requirements. Our department has been diligently working to complete all in-service training necessary for full compliance with the Texas Commission on Law Enforcement (TCOLE) four-year training cycle, which concludes on August 31, 2025.

In addition to required coursework, officers are regularly participating in ongoing professional development and are strongly encouraged to pursue additional specialized training that will enhance their skills, broaden their knowledge, and support their individual career advancement in the field of law enforcement.

These ongoing efforts reflect our dedication to providing the residents and visitors of Blanco with exceptional public safety services. By investing in continuous officer education and development, we ensure our community benefits from well-trained, highly capable, and professional law enforcement personnel prepared to meet today's challenges.

Community Events & Involvement

The 20th Annual Lavender Festival was held during the first weekend of June. Despite a significant increase in both vehicle and pedestrian traffic, the event was a success, with no major incidents reported in connection with the festival.

Staffing

The Blanco Police Department is currently staffed with a total of ten personnel. The leadership team includes the Police Chief and an Operations Lieutenant, with administrative support provided by one administrative assistant. The patrol division is comprised of two Corporals and five patrol officers.

Administrative Operations

○ **Chief Activities**

Chief Jerry Thornhill has been actively engaged in researching grant opportunities aimed at enhancing critical traffic safety initiatives to protect both motorists and pedestrians throughout the city. Additionally, Chief Thornhill and Lt. Griffin have been focusing on preparations for upcoming special events that present unique traffic safety challenges, including the Real Ale Bike Ride, the Annual Trail Ride, and other community events

○ **Records Requests**







The Police Department received and fulfilled a total of 2 records requests in June 2025.

Department Statistics

Patrol Operations

Total Calls for Service	April 2025	+/- Previous Month
-In city	556	 41.1% Increase
-Out of city	21	 61.8% Decrease
Agency Assist	4	 No Increase / Decrease





It is important to note these statistics represent reported Calls for Service and not verified offenses or incidents

Traffic Stops	April 2025	+/- Previous Month
Total Vehicles Stopped	329	 68.7% Increase
Resulting Citations	54	 107.6% Increase
Resulting Warnings	275	 62.7% Increase
Arrests	April 2025	+/- Previous Month
On view	3	 33.3% Increase
Warrants	0	 No Increase / Decrease
Motor Vehicle Collisions	5	 150.0% Increase

Fleet Updates

Fleet IN COMMISSION	6	
Fleet IN REPAIR	1	182
Fleet OUT OF COMMISSION	2	171 & 181

Criminal Investigations Division

Number of Reports Taken	Total	+/- Previous Month
-resulting in offense report	9	 No Increase / Decrease
-resulting in informational/other report	20	 17.6% Increase
Offenses Filed		
-felony	0	 No Increase / Decrease
-misdemeanor	3	 33.3% Increase

Detailed Statistics

Total Traffic Stops: 329

Total Violations: 387

Traffic Violations by Type	Resulting in Citation	Resulting in Warning
Moving Violation	54	273
Non-Traffic Violation	0	2
School Zone Violation	0	0

**Some traffic stops resulted in multiple citations/warnings if the officer addressed more than one violation.*



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Arrests Made by Month

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Adult	2	1	1	7	4	3						
Juvenile	0	0	0	0	0	0						
Total	2	1	1	7	4	3						

Calls for Service by Month

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total	258	249	238	398	486	577						

Offenses by Month

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total	4	4	7	14	9	8						

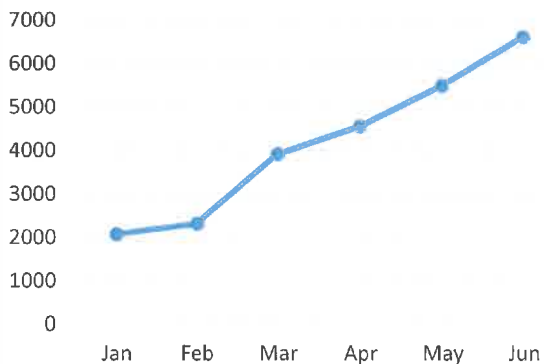
Motor Vehicle Collisions by Month

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total	6	6	2	7	2	5						

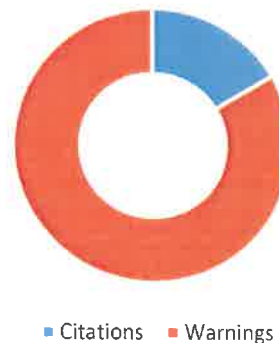
Miles Patrolled by Month

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total	2079	2326	3925	4561	5505	6624						

Monthly Mileage Statistics



May 2025: Citations Vs. Warnings



Monthly Report of Incident by Incident Type

Call Type	No. of Calls
911 Open Line	3
Abandoned Vehicle	1
Alarm - Business	15
Alarm - Residential	1
Altered Mental Status	1
Animal Complaint	3
ASSAULT	1
Assist Public	3
Burglary	2
Business Check	31
Civil	1
CP	68
Criminal Mischief	1
Death	1
Disturbance - Physical	3
Disturbance - Verbal	4
Domestic Violent	1
Emotion Dist Person	2
Fall - Injury	3
Follow Up	7
Fraud	2
Informational	2
Investigations	1
Juvenile Complaint	1
Loose Livestock	4
Motorist Assist	7
MVA - Non Injury	6
MVA - Unknown Injury	2
Noise Complaint	4
Parking	1
Pursuit	1
Reckless Driver	17
Special Assignment	3
Stolen Vehicle	1
Structure Fire - Residential	1
Suicidal Person	1
Suspicious Circumstance	7
Suspicious Person	3
Suspicious Vehicle	4
Theft	2
Traffic Hazard	2
Traffic Stop	341
Unconscious	1
Warrant Service	1
Welfare Check	9
Wires Down	1
TOTAL:	577

**Note, numbers reflect the incident type the call was dispatched as, not necessarily what the incident type and/or offense was determined to be. Additionally, some incidents required multiple incident codes and can be listed under many categories.*



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Summary

The Blanco Police Department remains focused on professionalism, accountability, and community service. Our commitment to officer development continues, with all personnel actively engaged in meeting and exceeding state-mandated TCOLE training requirements ahead of the August 2025 deadline. Officers are also encouraged to pursue specialized training to enhance their skillsets and career growth.

The department successfully supported the 20th Annual Lavender Festival, ensuring public safety during increased traffic and attendance without any major incidents. Preparations are underway for upcoming events, including the Real Ale Bike Ride and the Annual Trail Ride, with a particular focus on traffic safety.

Operationally, the department experienced significant activity increases in April and May, reflected by a 41% rise in in-city calls for service, a nearly 69% increase in traffic stops, and a 107% jump in resulting citations. Patrol officers collectively logged over 6,600 miles in June, demonstrating strong coverage and visibility throughout the community.

The department remains staffed with ten personnel, including administrative, patrol, and supervisory positions. Our criminal investigations saw a slight increase in informational reports, while arrests and misdemeanor filings also trended upward.

Notably, motor vehicle collisions increased in recent months, reinforcing the need for proactive traffic safety efforts. Chief Thornhill continues to pursue grant opportunities to enhance roadway safety for residents and visitors alike.

Overall, the department's dedication to professional development, public safety, and responsive service ensures we remain prepared to meet the evolving needs of the Blanco community.

CONSENT AGENDA

ITEM #1

**REGULAR MEETING
OF THE GOVERNING BODY OF
THE CITY OF BLANCO**

**Meeting Minutes
June 10, 2025**

A regular meeting of the City Council, City of Blanco, Texas was held on June 10, 2025, at 6:00 pm at the Byars Building, 308 Pecan Street, Blanco, Texas.

The meeting was called to order at 6:00 pm by Mayor Cargill, followed by roll call announcing a quorum was present. The Invocation and the Pledge of Allegiance was led by Father Kyle Nesrsta, St. Ferdinand Catholic Church. The Council members present: Mayor Cargill, Mayor Pro-Tem Moore and Council Members Mack-McClung, Thrailkill, and Moses. Council Member Behrends, Jr. was absent.

City staff present: Warren Escovy, City Administrator, Laurie Cassidy, City Secretary, Jose Martinez, Finance Director, and Chief Jerry Thornhill.

Public Comments:

- Waymond Lightfoot, City of Blanco resident, spoke in opposition of the proposed bypass routes, New Business Item 10.
- Collin Corbet, City of Blanco resident, spoke in opposition of the current proposed bypass routes, one of which would go through his property. He is also opposed to the route going through the ETJ and suggested the Council send a message to TxDOT. New Business Item 10.
- Jay Palmer, Blanco County resident, spoke regarding the Council's communications with TxDOT regarding the proposed bypass routes. He wants the Council to reaffirm a unanimous decision. Need one voice speaking clearly and unified. New Business Item 10.
- Libbey Aly, Blanco County resident spoke extending a big thanks from herself and the Chamber board, to the Council, Staff, and Police Department for their hard work during the 20th annual Lavender Festival. Note for next year, Thursday evening parking closes at 5:00 pm sharp.
- Mike Ethridge, Blanco County resident, spoke in opposition of the proposed bypass routes, saying this will ruin his property if the bypass were to go through. TxDOT needs to make a decision sooner rather than later, New Business Item 10.
- JoNell Haas, Blanco County resident, spoke regarding work the Transportation Committee (TPAC) has been doing regarding documenting for TxDOT and the County, historical data and they currently have over 900 entries documented that they have sent to TxDOT. Also, she is currently working on documenting Pittsburg, first Black slave properties. She attended the Texas Historical Commission Conference, many free things we can do such as Texas Archives, free digitalization, History Harvest, scan, digitization of photos, records, traveling Smithsonian museum, and digitizing the history we have. Texas Trail Region, 19 Hill Country counties, tourism.

- Bill Depew, City of Blanco resident, said he was disappointed that he did not win a seat on the Council. He spoke in favor of the reappointment of Planning & Zoning and Historic Preservation Commission commissioners, New Business Items 2 and 3. TPAC, He spoke in favor of Ken Welch stepping up as Chair of TPAC, New Business Item 7. Lastly, he spoke in regard to the monthly staff reports and suggested the Council add one for updates from the Utility/Public Works Department.

PRESENTATION (First Public Meeting):

General Land Office (GLO-CDBG-MIT) Resilient Communities Program (RCP) Comprehensive Plan – Presentation by Jerri Conrado, Langford Community Management Services, Inc.

\$300,000 grant awarded with no matching fee for the revision of the Comprehensive Master Plan. Ms. Conrado shared information on the team, schedule of activities, goals and objectives, plan development, GIS, and the community engagement portal.

Staff Presentations:

1. City Hall, Warren Escovy, City Administrator shared information on the Comprehensive Master Plan, UDC revisions, FY 26 Budget, July 3 to Council and first workshop, July 8 at 3:00 pm, and CIP presentation. Also, around town, this weekend PEC was in Blanco trimming trees. The contractor did not follow proper protocol with sealant and PEC is removing the crews and will reschedule remainder of the work for later in July.
2. City Hall, Jose Martinez, Finance Director, presented the May Monthly Financial Report to the Council. Eight months through the year. We have received about 95% of the Ad Valorem fees for the year. The Council discussed and asked questions. Audit update, working with Crowe, plan on having completed audit by the end of June. Just began the budget process, trying to hold the line this year and keep the budget as it was last year.
3. Police Department, Chief Thornhill, presented the May 2024 monthly report.
4. City Attorney, Tim Tuggey, gave a preliminary summary of the 89th Legislative action with possible impacts on the City of Blanco.

Consent Agenda: *The following items may be acted upon in one motion.* No separate discussion or action is necessary unless requested by the Mayor or a Council Member, in which those items will be pulled for separate consideration.

1. Approval of Minutes from the May 13, 2025, Regular Meeting.

A motion was made by Council Member Thrailkill to approve consent agenda item one as presented and pull item two and move to new business item 11, seconded by Council Member Mack-McClung all in favor, motion carried unanimously.

NEW BUSINESS: Consider, discuss, and take appropriate action on the following:

1. Consideration, Discussion, and Take Possible Action on Approval of Appeal of sign permit that was denied from the applicant Jon Brieger, RedBud Café (Warren Escovy, City Administrator). **A motion was made by Mayor Pro-Tem Moore to approve appeal of sign permit for applicant Jon Brieger, RedBud Cafe, seconded by Council Member Thrailkill, all in favor, the motion carried unanimously.**

2. Consideration, Discussion, and Take Possible Action on approval of Planning & Zoning Commissioners (term is July 1, 2025 to June 30, 2027--- 2 year term). **A motion was made by Council Member Mack-McClung to approved Planning & Zoning Commissioners for a new two-year term, July 1, 2025 to June 30, 2027, second by Mayor Pro-Tem Moore, all in favor, motion carried unanimously.**
3. Consideration, Discussion, and Take Possible Action on approval of Blanco Historic Preservation Commissioners (term is July 1, 2025 to June 30, 2027--- 2 year term). **A motion was made by Mayor Pro-Tem Moore to approve the current Historic Preservation Commissioners with the addition of Beth Andrew, for a new two-year term, July 1, 2025 to June 30, 2027, seconded by Council Member Mack-McClung, all in favor, motion carried unanimously.**
4. Consideration, Discussion, and Take Possible Action on approval to install signs as needed to enforce the Jake Brake Ordinance (Mayor Pro-Tem Dennis Moore, Jr.). We have a current ordinance in place but need approval to add the signs to enforce the ordinance at a cost of approximately \$1,500. **A motion was made by Mayor Pro-Tem Moore to approve the two signs at a cost not to exceed \$2,000, seconded by Council Member Mack-McClung, all in favor, motion carried unanimously.**
5. Consideration, Discussion, and Take Possible Action on approval of Blanco Celebration of Excellence and Key to the City. Mayor Cargill proposed creating a program to issue “Key to the City” to recognize individuals who contribute to the community, starting with Marlene from Milam & Green for her induction into the Whiskey Hall of Fame. Cost of giant key, \$136.00, plaque, \$33.00. The Council discussed **A motion was made by Council Member Mack-McClung, to initiate the “Key to the City” program with the first recipient being Marlene at Milam & Green, seconded by Mayor Pro-Tem Moore, all in favor, motion carried unanimously.**
6. Consideration, Discussion, and Take Possible Action on approval of Pay Increase for City Prosecutor from \$100.00 to \$150.00 per hour. Laurie Cassidy presented a request to increase the city prosecutor Doug Montgomery’s hourly rate from \$100 to \$150. The Council discussed. **A motion was made by Mayor Pro-Tem Moore to approve the increase in the city prosecutor’s pay from \$100 to \$150 per hour, seconded by Council Member Mack-McClung, all in favor, motion carried unanimously.**
7. Consideration, Discussion, and Take Possible Action on approval of Ken Welch to Chair the Transportation Planning and Advisory Committee. Dennis Moore, Jr. to remain the Council liaison. **A motion was made by Council Member Thrailkill to approve the appointment of Ken Welch as Chair of the Transportation Planning and Advisory Committee, seconded by Council Member Moses, all in favor, motion carried unanimously.**
8. Discussion (No Action) on Review of five Year Capital Improvement Plan (CIP) (Warren Escovy, City Administrator). John Schmeling with SPI presented a draft CIP Projects Map (2026-2030), Other Projects (not on the map), and draft CIP Budget by Asset graphs (Street, Water, Wastewater). **No Action Taken.**

9. Consideration, Discussion, and Take Possible Action on approval of Resolution 2025-R-00X Declaring Certain Personal Property Surplus and Authorizing Sale. The Council discussed the list of property and vehicles provided by Warren Escovy and Chief Thornhill. **A motion was made by Council Member Moses to approve Resolution 2025-R-009 Declaring Certain Personal Property Surplus and Authorizing Sale, seconded by Council Member Thrailkill, all in favor, motion carried unanimously.**
10. Consideration, Discussion and Take Possible Action on City Communications with TXDOT on Planning for Highway 281 Relief Route. The Council discussed. A motion was made by Council Member Thrailkill to **Table Item, seconded by Council Member Mack-McClung, all in favor, motion carried unanimously.**
11. *(Moved from the Consent Agenda)* Approval to Dissolve the Bond Oversight Committee. Mayor Pro-Tem Moore abstained from the vote. Bond Oversight Committee was formed. The Mayor would like to open the committee for applications for financial oversight. Keep continuity, take applications for additional members and reaffirm committee in approximately two months. **A motion was made by Council Member Moses to table this item and bring back for retooling and taking of applications immediately, seconded by Council Member Thrailkill, motion carried 3-0 with Mayor Pro-Tem Moore abstained from the vote.**

Closed regular meeting 8:05 pm and convened into executive session.

Executive Session in accordance with Texas Government Code: in accordance with the authority contained in the Texas Government Code, Sections 551.071, 551.072, and 551.074.

1. Texas Government Code Section 551.071 (Consultation with City Attorney) and Section 1.05, Texas Disciplinary Rules of Professional Conduct. Confer with City Attorney regarding legal issues associated with the Water Treatment Plant Project; Bids, Contract. Award and Notice to Proceed.
2. Texas Government Code Sections 551.071 (Consultation with City Attorney) and Section 1.05, Texas Disciplinary Rules of Professional Conduct; Consultation with City Attorney regarding Economic Development Project.

Closed executive session at 9:13 pm and convened into regular meeting.:

Executive Session Item 1:

1. Texas Government Code Section 551.071 (Consultation with City Attorney) and Section 1.05, Texas Disciplinary Rules of Professional Conduct. Confer with City Attorney regarding legal issues associated with the Water Treatment Plant Project; Bids, Contract. Award and Notice to Proceed.

A motion was made by Council Member Moses to authorize Jeff Chapman to retain expert witness services not to exceed \$25,000, seconded by Mayor Pro-Tem Moore, all in favor, motion carried unanimously.

Adjournment:

A motion was made by Council Member Mack-McClung to adjourn the meeting, seconded by Mayor Pro-Tem Moore, all in favor.

The meeting was adjourned at 9:14 pm.

Respectfully submitted,

Candy Cargill, Mayor

ATTEST:

Laurie Cassidy, TRMC, CMC
City Secretary

These minutes were approved on the _____ day of _____, 2025.

NEW BUSINESS

ITEM #1



City of Blanco

P.O. Box 750 Blanco, Texas 78606
Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7/8/25

DESCRIPTION: FY 24 AUDIT as performed by Crowe LLP

ANALYSIS: Every year the City Finance Department works with our auditors towards the end of the year on the audit for the fiscal year that just ended. In January of this year we started on the audit for FY 2024 that ended on September 30, 2024. Council has been provided the draft/final audit with the supporting documents for the FY 24 audit.

A representative of Crowe LLP (auditor) will present the finding to City Council.

FISCAL IMPACT: N/A

RECOMMENDATION: Staff recommendation is to approve the FY 24 audit from Crowe LLP.



City of Blanco

P.O. Box 750
Blanco, Texas 78606

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Fax (830)833-4121

July 7, 2025

Crowe LLP
9 Greenway Plaza #2100
Houston, TX 77046

Ladies and Gentlemen:

We are providing this letter in connection with your audit(s) of the financial statements of City of Blanco, Texas (the "City") as of September 30, 2024 for the purpose of expressing an opinion as to whether the 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, and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$11,000 for Governmental Activities, \$55,000 for Business-Type Activities and the utility operations fund, \$8,000 for General Fund, \$700 for Aggregate Remaining Fund Information, and \$1,900 for Debt Service Fund collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit(s):

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 17, 2024 for the preparation and fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States, and we believe the financial statements are fairly presented and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles be included in the financial reporting entity.
2. In regard to the assistance with preparation of financial statements, assistance with pension/OPEB calculations, adjustments, and disclosures, assistance with lease schedules, adjustments, and disclosures, and assistance with debt amortization schedules and disclosure non-attest service(s) performed by you, we acknowledge the following:
 - a. We assume all management responsibilities for these services;
 - b. We oversaw these services by designating an individual within senior management who possessed suitable skill, knowledge, or experience;

- c. We have evaluated the adequacy and results of the services performed; and
 - d. We accept responsibility for the results of these services.
- 3. We are responsible for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 5. We have provided you:
 - a. Access to all financial records, documentation and other information that is relevant to the preparation and fair presentation of the financial statements;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
 - d. All minutes of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared;
 - e. Audit or relevant monitoring reports, if any, received from funding sources;
 - f. Results of the assessment of risk that the financial statements may be materially misstated as a result of fraud.
- 6. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 7. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
- 8. We have no plans or intentions that might materially affect the carrying value or classification of assets, deferred outflows, liabilities, and deferred inflows.
- 9. We have identified all accounting estimates that materially affect recorded amounts and disclosures in the financial statements, and the key factors and significant assumptions underlying those estimates. We believe the methods, data, and significant assumptions used in developing the accounting estimates and the related disclosures are appropriate in the circumstances. These estimates include:
 - a. Allowance for doubtful accounts;
 - b. Valuation of long-lived assets;
 - c. Disclosure of pension plans or other post-retirement benefits;
 - d. Valuation and disclosure of lease liability and right-to-use assets.
- 10. Adequate consideration and provision has been made, when necessary, for any material losses likely to be sustained from:
 - a. Sales commitments;
 - b. Sale of inventory, including excess or obsolete inventories on hand;

- c. Purchase commitments for inventory quantities in excess of normal requirements or at a price in excess of market;
 - d. Impairment of long-lived assets when the carrying amount may not be recoverable;
 - e. Collection of receivables;
 - f. Environmental remediation liabilities.
11. Except as disclosed in the financial statements, or directly to you, there are or have been no material:
- a. Arrangements, either written or oral, with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements;
 - b. Oral or written guarantees under which the entity is contingently liable;
 - c. Other financial instruments with significant "off-balance-sheet" risk of accounting loss to which the entity is a party;
 - d. Concentrations that make the entity vulnerable to the risk of a severe impact within one year from the balance sheet date (including, for example, individual or group concentrations of customers, suppliers, lenders, products, services, sources of labor or materials, licenses or other rights, operating areas, or markets);
 - e. Significant accounting estimates that are susceptible to changing materially as a result of an event or change in conditions that is reasonably possible of occurrence within one year from the balance sheet date;
 - f. Liens, encumbrances, or other title impairments, such as pledges as collateral, on entity assets at the balance sheet date;
 - g. Restrictions under borrowing agreements;
 - h. Unrecorded transactions;
 - i. Significant events that have occurred subsequent to the balance sheet date through the date of this letter that would require adjustment to, or disclosure in, the financial statements;
 - j. Declines in market value of investments that are not temporary;
 - k. Financial instruments, such as loans and securities, with significant individual or group concentration of credit risk.
12. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered by management when preparing the financial statements. These matters have been accounted for and disclosed in conformity with accounting principles generally accepted in the United States and GASB 62.
13. All related parties and all related party relationships and transactions, and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, have been disclosed to you and have been appropriately accounted for and disclosed in the financial statements in accordance with the requirements of accounting principles generally accepted in the United States.
14. Except as disclosed to you, we have no knowledge of any fraud or suspected fraud affecting the entity involving:
- a. Management, whether material or not;
 - b. Employees who have significant roles in internal control, whether material or not;
 - c. Others when the fraud could have a material effect on the financial statements.

15. Except as disclosed to you, we believe the effects of cybersecurity risks and actual breaches are properly accounted for and disclosed in the financial statements.
16. Except as disclosed to you, we have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, or others.
17. Except as disclosed to you, there have been no:
 - a. Instances of non-compliance or suspected non-compliance with budget ordinances, laws or regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered when preparing the financial statements;
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62;
 - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements;
 - d. Reservations or designations of fund equity that were not properly authorized and approved;
 - e. Side agreements or other arrangements (either written or oral).
18. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

SUPPLEMENTARY INFORMATION

19. We are responsible for the presentation of the supplementary information in accordance with the applicable criteria and believe the supplementary information, including its form and content, is fairly presented in accordance with these criteria. The methods of measurement and presentation have not changed from those used in the prior period. All significant assumptions or interpretations underlying the measurement and presentation of the supplementary information have been identified and disclosed to you. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

REQUIRED SUPPLEMENTARY INFORMATION

20. We are responsible for the required supplementary information, including that such information is measured and presented in accordance with prescribed guidelines. The methods of measurement or presentation have not changed from those used in the prior period. All significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information have been disclosed to you.
21. We understand that during the course of your audit, you have relied on work performed by the following specialists. We confirm that we have no relationships with those specialists that may bear on their objectivity, such as the ability through employment, ownership, contractual right, family relationship or otherwise to directly or indirectly control or significantly influence the specialist.
 - Gabriel, Roeder, Smith & Company (GRS)
22. We agree with the findings of specialists in evaluating the net pension and OPEB liabilities and have adequately considered the qualifications of the specialist in determining the amounts and

disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of matters that have had an effect on the independence or objectivity of the specialists.

23. During the course of your audit, we have provided to you physical or electronic copies of various original documents. We understand that you are relying on such copies as audit evidence in your audit and represent that the copies provided are an accurate and complete representation of the original documentation and that the copies have not been modified from their original version.
24. The financial statements include all component units that meet the criteria of financial accountability or which are otherwise considered misleading to exclude, the classification of these component units as discretely presented or blended is appropriate, and the relationships and criteria for inclusion are properly disclosed.
25. The financial statements properly classify all funds and activities.
26. All funds that meet the quantitative criteria in GASB Statements Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to the financial statement users.
27. Net position components (invested in capital assets, restricted, and unrestricted) are properly classified and fund balance types (including minimum fund balance policies and/or stabilization agreements, if applicable) are properly presented and disclosed pursuant to GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
28. Expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
29. Revenues are properly classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
30. Interfund, internal, and intra-entity activity and balances have been properly classified and reported.
31. Special and extraordinary items are properly classified and reported.
32. Deposits and investment securities are properly classified in category of custodial credit risk.
33. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
34. All suggested adjusting journal entries, as discussed and approved, will be recorded in the accounting records.
35. We understand that you have assisted us with the preparation of our financial statements and footnotes and we have reviewed and approved the financial statements and footnotes and take full responsibility for them.

Warren Escovy, City Administrator

Jose Martinez, Finance Director

CITY OF BLANCO, TEXAS
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2024

CITY OF BLANCO, TEXAS
ANNUAL FINANCIAL REPORT
For the year ended September 30, 2024

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
City Council Members of the
City of Blanco, Texas:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

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 generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefit liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on pages 4 through 10 and 52 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

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



Houston, Texas

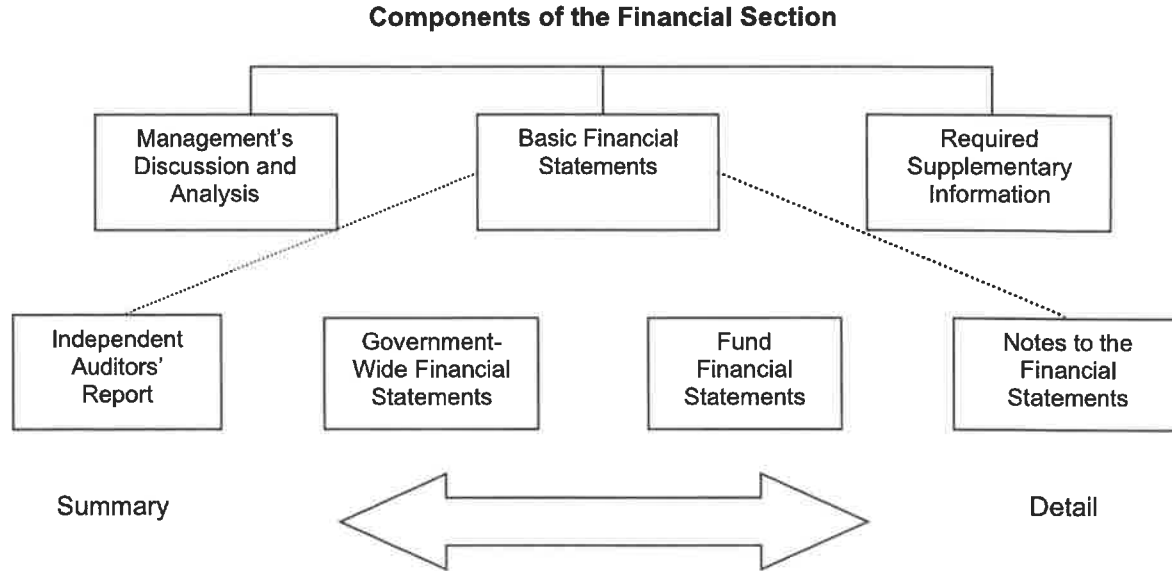


MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BLANCO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Blanco, Texas (the "City") for the year ended September 30, 2024. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All of the current year revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, 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 nonfinancial 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.

(Continued)

CITY OF BLANCO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including city hall, code compliance, police, mayor and council, municipal court, streets and parks, tourism, and community aid. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water distribution, wastewater collection/treatment, and sanitation collection.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City 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 so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, which are considered to be major funds for reporting purposes.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with the budget.

(Continued)

CITY OF BLANCO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Proprietary Funds

The City maintains one type of proprietary fund, an enterprise fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water distribution, wastewater collection/treatment, and sanitation collection services. The proprietary fund financial statements can be found in the basic financial statements of this report.

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 basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). RSI includes a budgetary comparison schedule for the general fund and schedules of changes in net pension and total other postemployment benefits liability and related ratios and the schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$11,281,336 as of year end. The largest portion of the City's net position (73%) reflects its investments in capital assets (e.g., land, City hall, fleet equipment, streets, and drainage systems, as well as the public works facilities) less any debt used to acquire those assets that is 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.

(Continued)

CITY OF BLANCO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	September 30, 2024			September 30, 2023		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS						
Current and other assets	\$ 1,265,002	\$ 7,836,520	\$ 9,101,522	\$ 1,165,641	\$ 3,699,740	\$ 4,865,381
Capital assets, net	2,325,051	19,322,777	21,647,828	2,417,832	17,915,675	20,333,507
Total assets	3,590,053	27,159,297	30,749,350	3,583,473	21,615,415	25,198,888
DEFERRED OUTFLOWS ON RESOURCES						
Deferred charge on refunding	-	12,496	12,496	-	16,661	16,661
Deferred outflows - pension	83,004	3,196	86,200	149,769	6,056	155,825
Deferred outflows - OPEB	14,845	593	15,438	17,933	725	18,658
Total deferred outflows on resources	97,849	16,285	114,134	167,702	23,442	191,144
LIABILITIES						
Long-term liabilities	182,808	17,876,699	18,059,507	210,291	13,128,511	13,338,802
Other liabilities	98,816	1,328,036	1,426,852	299,188	605,717	904,905
Total liabilities	281,624	19,204,735	19,486,359	509,479	13,734,228	14,243,707
DEFERRED INFLOWS ON RESOURCES						
Deferred inflows - pension	68,519	2,640	71,159	122,908	4,970	127,878
Deferred inflows - OPEB	23,689	941	24,630	30,549	1,235	31,784
Total deferred inflows on resources	92,208	3,581	95,789	153,457	6,205	159,662
NET POSITION						
Net investment in capital assets	2,247,768	5,983,163	8,230,931	2,309,950	6,020,004	8,329,954
Restricted	513,464	272,571	786,035	413,193	268,921	682,114
Unrestricted	552,838	1,711,532	2,264,370	365,096	1,609,499	1,974,595
Total net position	\$ 3,314,070	\$ 7,967,266	\$ 11,281,336	\$ 3,088,239	\$ 7,898,424	\$ 10,986,663

A portion of the primary government's net position, \$786,035, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position, \$2,264,370, may be used to meet the City's ongoing obligation to citizens and creditors.

There was an increase in total net position of \$294,673, which was due to revenues exceeding expenses. The total assets of \$30,749,350 was an increase of \$5,550,462 compared to prior year with current and other assets increasing by \$4,236,141 and capital assets increasing by \$1,314,321. The increase in current and other assets was primarily due to an increase in unspent debt proceeds to be used for capital projects in future years. Increases in capital assets was mainly due to an increase in improvements for the City's water and sewer system. Total liabilities are \$19,486,359 which was an increase of \$5,242,652 compared to prior year. The increase in total liabilities includes an increase in long-term liabilities due mainly to the issuance of debt during the fiscal year for construction projects and purchase of and installation of water meters and an increase in other liabilities from an increase in construction costs that was payable at the end of the fiscal year along with an increase in unearned revenue from advance federal funding for capital projects. The fiscal year end 2024 balances for deferred outflows and inflows of resources decreased from prior year end balances. There was a decrease in deferred outflows of resources of \$77,010 which was primarily due to a decrease in deferred outflows in the net difference between projected and investment earnings that is related to the pension plan. There was a decrease in total deferred inflows of resources of \$63,873 which was primarily due to a decrease in deferred differences between expected and actual economic experience that is related to the pension plan.

(Continued)

CITY OF BLANCO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Activities

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

	For the Year Ended September 30 ,2024			For the Year Ended September 30, 2023		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities	Primary Government	Activities	Activities	Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 312,682	\$ 2,605,736	\$ 2,918,418	\$ 328,386	\$ 2,222,213	\$ 2,550,599
Operating grants and contributions	127,738	-	127,738	227,857	-	227,857
Capital grants and contributions	-	437,672	437,672	-	190,165	190,165
General revenues:						
Property taxes	1,227,604	-	1,227,604	968,038	-	968,038
Sales taxes	1,112,861	-	1,112,861	1,037,064	-	1,037,064
Hotel taxes	83,556	-	83,556	108,136	-	108,136
Franchise fees	105,232	-	105,232	108,040	-	108,040
Interest earnings	116,446	116,067	232,513	66,899	71,624	138,523
Other	12,758	979	13,737	4,721	7,054	11,775
Total revenues	<u>3,098,877</u>	<u>3,160,454</u>	<u>6,259,331</u>	<u>2,849,141</u>	<u>2,491,056</u>	<u>5,340,197</u>
Expenses						
General government	699,212	-	699,212	710,083	-	710,083
Public safety	1,290,047	-	1,290,047	1,441,143	-	1,441,143
Public works	73,374	-	73,374	48,808	-	48,808
Community development	292,022	-	292,022	252,284	-	252,284
Interest and fiscal charges	4,481	-	4,481	3,519	-	3,519
Utility operations	-	3,605,522	3,605,522	-	2,804,590	2,804,590
Total expenses	<u>2,359,136</u>	<u>3,605,522</u>	<u>5,964,658</u>	<u>2,455,837</u>	<u>2,804,590</u>	<u>5,260,427</u>
Increase (decrease) in net position before transfers	739,741	(445,068)	294,673	393,304	(313,534)	79,770
Transfers in (out)	(513,910)	513,910	-	(455,126)	455,126	-
Change in net position	225,831	68,842	294,673	(61,822)	141,592	79,770
Net position beginning of year	<u>3,088,239</u>	<u>7,898,424</u>	<u>10,986,663</u>	<u>3,150,061</u>	<u>7,756,832</u>	<u>10,906,893</u>
Net position-end of year	\$ <u>3,314,070</u>	\$ <u>7,967,266</u>	\$ <u>11,281,336</u>	\$ <u>3,088,239</u>	\$ <u>7,898,424</u>	\$ <u>10,986,663</u>

(Continued)

CITY OF BLANCO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

For the year, revenues from governmental activities totaled \$3,098,877, an increase of \$249,736 compared to the prior year which was primarily due to the net result of increases in property and sales taxes and decreases in operating grants and contributions. The increase in property taxes of \$259,566 was primarily due to an increase in property values and the increase in sales taxes of \$75,797 was due to an increase in economic activity. The decrease in operating grants and contributions of \$100,119 was from less federal grant revenue. Expenses from governmental activities totaled \$2,359,136, an overall decrease of 4% compared to the prior year which consist of decreases in general government and public safety expenses and an increase in public works and community development expenses. The decrease in general government and public safety expenses was mainly due to a decrease in personnel costs. The increase in public works expenses was primarily due to an increase in expenses related to code inspections and the increase in community development was primarily due to an increase in costs related to projects to encourage tourism.

Revenues from business-type activities totaled \$3,160,454, an increase of 27% compared to the prior year. This increase was largely related to an increase charges for services due mainly to an increase in utility rates and an increase in capital grants and contributions related to grant awards for water and sewer system capital improvements. Expenses from business-type activities increased by \$800,932 compared to the prior year. The increase in business-type activities expenses was primarily due to an increase in operational costs for Inframark, LLC.

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

The City's governmental funds reflect a combined fund balance of \$992,880, of which \$55,085 is restricted for debt service, \$299,028 is restricted for enabling legislation, and \$638,767 is reported as unassigned fund balance.

There was an increase in the combined fund balance of \$222,668 from the prior year, which included a transfer to the utility fund of \$513,910 and revenues in excess of expenditures of \$736,578.

The general fund is the chief operating fund of the City. At the end of the current year, the general fund reported an increase in fund balance of \$199,707. The general fund's revenue increased by \$168,980 from the prior year which was mainly due to the net result of increases in property and sale tax revenue and decrease in intergovernmental revenue. The general fund expenditures decreased by \$382,439 from the prior year which was mainly due to a decrease in personnel costs and decrease in capital outlay.

The debt service fund reported a net increase in fund balance of \$27,597 after transfers to the utility fund for debt service costs. The debt service fund includes an increase in revenue of \$80,504 which was primarily due to an increase in property tax collections.

Proprietary Fund – The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

(Continued)

CITY OF BLANCO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned increase in general fund balance of \$131,774. The general fund actual net increase in fund balance was \$199,707. Budgeted general fund revenues were greater than actual general fund revenues by \$27,641 during the year due mainly to less anticipated intergovernmental revenue from grants. General fund expenditures were less than the final budget by \$95,574. The general fund expenditures include a positive budget variance for general government expenditures from City Hall and Mayor and Council costs, public safety from police and municipal court costs, and community development from streets and parks and community aid costs.

CAPITAL ASSETS

At the end of the year, the City's governmental and business-type activities had invested \$21,647,828 in a variety of capital assets (net of accumulated depreciation). Capital assets reported also include right-to-use assets from leases and software subscription assets (net of accumulated amortization). The increase in capital assets of \$1,314,321 includes capital additions of \$2,326,809, net of depreciation and amortization expense of \$1,012,488. The capital additions were primarily from an increase in improvements for the City's water and sewer system of \$2,234,043.

More detailed information on the City's capital assets is presented in note 3. to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total long-term debt of \$17,950,358. Included within total long-term debt were certificates of obligation of \$13,995,000, general obligation refunding bonds of \$730,000, notes payable for \$1,275,000, loans for equipment purchases of \$1,888,787, lease payable of \$24,149, and liabilities from software subscription arrangements of \$37,422.

More detailed information about the City's long-term liabilities is presented in note 3. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City adopted a budget for the fiscal year ending September 30, 2025 that included general fund revenues of \$2,126,675 and expenditures of \$2,107,591. The City also budgeted \$855,998 in property tax revenues to secure debt payments and transfers out to the utility fund of \$856,648 for debt service costs within the debt service fund for fiscal year ending September 30, 2025. The total property tax rate for fiscal year ended September 30, 2025 was approved at \$0.4094 per \$100 assessed property value which was a \$0.0562 increase from prior year. The maintenance and operations portion of the total property tax rate is \$0.1700 and debt service portion of the total property tax rate is \$0.2394.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City of Blanco Finance Department at 300 Pecan Street, Blanco, Texas 78606

BASIC FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 845,176	\$ 1,395,012	\$ 2,240,188
Receivables, net of allowance	225,791	457,771	683,562
Inventory	-	19,060	19,060
Restricted assets			
Cash and cash equivalents	44,831	541,517	586,348
Investments	-	5,416,966	5,416,966
Net pension asset	149,204	6,194	155,398
Capital assets:			
Nondepreciable	140,892	1,117,866	1,258,758
Net depreciable capital assets	2,117,599	18,204,911	20,322,510
Net amortizable right-to-use assets	66,560	-	66,560
Total assets	<u>3,590,053</u>	<u>27,159,297</u>	<u>30,749,350</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	12,496	12,496
Deferred outflows - pensions	83,004	3,196	86,200
Deferred outflows - OPEB	14,845	593	15,438
Total deferred outflows of resources	<u>97,849</u>	<u>16,285</u>	<u>114,134</u>

(Continued)

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

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
LIABILITIES			
Accounts payable	53,985	711,139	765,124
Accrued interest	-	73,849	73,849
Customer deposits	-	124,599	124,599
Unearned revenue	44,831	418,449	463,280
Noncurrent liabilities			
Long-term liabilities due within one year	68,712	710,889	779,601
Long-term liabilities due in more than one year	49,323	17,163,174	17,212,497
Total OPEB liability	64,773	2,636	67,409
Total liabilities	281,624	19,204,735	19,486,359
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	68,519	2,640	71,159
Deferred inflows - OPEB	23,689	941	24,630
Total deferred inflows of resources	92,208	3,581	95,789
NET POSITION			
Net investment in capital assets	2,247,768	5,983,163	8,230,931
Restricted for:			
Net pension asset	149,204	6,194	155,398
Enabling legislation	299,028	-	299,028
Debt service	65,232	266,377	331,609
Unrestricted	552,838	1,711,532	2,264,370
Total net position	\$ 3,314,070	\$ 7,967,266	\$ 11,281,336

See notes to financial statements.

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

Functions/Programs Primary Government	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
	Expenses			Government Activities	Business-Type Activities	Total
Governmental activities						
General government	\$ 699,212	\$ 107,939	\$ -	\$ (591,273)	\$ -	\$ (591,273)
Public safety	1,290,047	204,743	-	(1,085,304)	-	(1,085,304)
Public works	73,374	-	-	(73,374)	-	(73,374)
Community development	292,022	-	-	(164,284)	-	(164,284)
Interest and fees on long-term debt	4,481	127,738	-	(4,481)	-	(4,481)
Total governmental activities	2,359,136	312,682	127,738	(1,918,716)	-	(1,918,716)
Business-type activities						
Utility operations	3,605,522	2,605,736	437,672	-	(562,114)	(562,114)
Total business-type activities	3,605,522	2,605,736	437,672	-	(562,114)	(562,114)
Total primary government	\$ 5,964,658	\$ 2,918,418	\$ 437,672	(1,918,716)	(562,114)	(2,480,830)
General revenues						
Property taxes				1,227,604	-	1,227,604
Sales taxes				1,112,861	-	1,112,861
Hotel taxes				83,556	-	83,556
Franchise fees				105,232	-	105,232
Investment income				116,446	116,067	232,513
Other revenue				12,758	979	13,737
Transfers				(513,910)	513,910	-
Total general revenues and transfers				2,144,547	630,956	2,775,503
Change in net position				225,831	68,842	294,673
Beginning net position				3,088,239	7,898,424	10,986,663
Ending net position				\$ 3,314,070	\$ 7,967,266	\$ 11,281,336

See notes to financial statements.

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

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 504,111	\$ 55,085	\$ 285,980	\$ 845,176
Receivables, net	202,596	10,147	13,048	225,791
Restricted:				
Cash and cash equivalents	<u>44,831</u>	<u>-</u>	<u>-</u>	<u>44,831</u>
Total assets	<u>\$ 751,538</u>	<u>\$ 65,232</u>	<u>\$ 299,028</u>	<u>\$ 1,115,798</u>
LIABILITIES				
Accounts payable	\$ 53,985	\$ -	\$ -	\$ 53,985
Unearned revenue	<u>44,831</u>	<u>-</u>	<u>-</u>	<u>44,831</u>
Total liabilities	<u>98,816</u>	<u>-</u>	<u>-</u>	<u>98,816</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>13,955</u>	<u>10,147</u>	<u>-</u>	<u>24,102</u>
Total deferred inflows of resources	<u>13,955</u>	<u>10,147</u>	<u>-</u>	<u>24,102</u>
FUND BALANCES				
Restricted				
Debt service	-	55,085	-	55,085
Tourism	-	-	204,910	204,910
Municipal court technology	-	-	61,626	61,626
Municipal court security	-	-	32,492	32,492
Unassigned	<u>638,767</u>	<u>-</u>	<u>-</u>	<u>638,767</u>
Total fund balances	<u>638,767</u>	<u>55,085</u>	<u>299,028</u>	<u>992,880</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 751,538</u>	<u>\$ 65,232</u>	<u>\$ 299,028</u>	<u>\$ 1,115,798</u>

See notes to financial statements.

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

Total fund balances for governmental funds	\$ 992,880
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources are not reported in the funds.	
Right-to-use assets, net amortizable	66,560
Capital assets - nondepreciable	140,892
Capital assets - depreciable	2,117,599
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
	24,102
Long-term liabilities, restricted assets and deferred outflows and deferred inflows related to pensions and other postretirement benefits (OPEB) are not due and payable in the current period and, therefore, are not reported in the funds.	
Deferred outflows - pensions	83,004
Deferred outflows - OPEB	14,845
Deferred inflows - pensions	(68,519)
Deferred inflows - OPEB	(23,689)
Net pension asset	149,204
Noncurrent liabilities due in one year	(68,712)
Noncurrent liabilities due in more than one year	(114,096)
Net position of governmental activities	<u>\$ 3,314,070</u>

See notes to financial statements.

CITY OF BLANCO, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the year ended September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 697,772	\$ 519,930	\$ -	\$ 1,217,702
Sales taxes	1,112,861	-	-	1,112,861
Hotel occupancy taxes	-	-	83,556	83,556
Franchise fees	105,232	-	-	105,232
Fines and court costs	101,156	-	7,014	108,170
Licenses and permits	107,939	-	-	107,939
Charges for services	96,573	-	-	96,573
Intergovernmental	127,738	-	-	127,738
Interest earnings	77,075	21,577	17,794	116,446
Miscellaneous	12,758	-	-	12,758
Total revenues	<u>2,439,104</u>	<u>541,507</u>	<u>108,364</u>	<u>3,088,975</u>
Expenditures				
Current:				
General government	701,891	-	-	701,891
Public safety	1,218,721	-	1,729	1,220,450
Public works	73,374	-	-	73,374
Community development	117,565	-	111,271	228,836
Capital outlay	92,766	-	-	92,766
Debt service:				
Principal	30,599	-	-	30,599
Interest and fiscal agent fees	4,481	-	-	4,481
Total expenditures	<u>2,239,397</u>	<u>-</u>	<u>113,000</u>	<u>2,352,397</u>
Total expenditures (deficiency) of revenues (under) revenues	<u>199,707</u>	<u>541,507</u>	<u>(4,636)</u>	<u>736,578</u>
Other Financing (Uses)				
Transfers (out)	-	(513,910)	-	(513,910)
Total other financing sources	<u>-</u>	<u>(513,910)</u>	<u>-</u>	<u>(513,910)</u>
Net change in fund balance	199,707	27,597	(4,636)	222,668
Beginning fund balance	<u>439,060</u>	<u>27,488</u>	<u>303,664</u>	<u>770,212</u>
Ending fund balance	<u>\$ 638,767</u>	<u>\$ 55,085</u>	<u>\$ 299,028</u>	<u>\$ 992,880</u>

See notes to financial statements.

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

For the year ended September 30, 2024

Net changes in fund balances - total governmental funds	\$ 222,668
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital asset additions	92,766
Depreciation/amortization expense	(185,547)
The issuance of long-term debt from vehicle loans, leases, or liabilities from subscription-based information technology arrangements (SBITAs) 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 it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. In addition, pension and other postemployment benefits (OPEB) expenses and the amortization of deferred items are accounted for in the Statement of Activities.	
Principal payment on vehicle loan, lease payable, and SBITAs	30,599
Change in deferred outflows - pensions	(66,765)
Change in deferred inflows - pensions	54,389
Change in net pension asset	67,163
Change in deferred outflows - OPEB	(3,088)
Change in deferred inflows - OPEB	6,860
Change in total OPEB liability	(6,814)
Change in compensated absences	3,698
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	9,902
Change in net position of governmental activities	<u>\$ 225,831</u>

See notes to financial statements.

CITY OF BLANCO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2024

	<u>Enterprise Fund</u>
	<u>Utility Operations</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,395,012
Receivables, net	457,771
Inventory	19,060
Restricted assets	
Cash and cash equivalents	541,517
Investments	5,416,966
Net pension asset	6,194
Total current assets	<u>7,836,520</u>
Noncurrent assets	
Capital assets:	
Nondepreciable	1,117,866
Depreciable capital assets	<u>18,204,911</u>
Total noncurrent assets	<u>19,322,777</u>
Total assets	<u>27,159,297</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	12,496
Deferred outflows - pensions	3,196
Deferred outflows - OPEB	593
Total deferred outflows of resources	<u>16,285</u>

(Continued)

CITY OF BLANCO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2024

	<u>Enterprise Fund</u> <u>Utility Operations</u>
LIABILITIES	
Current liabilities	
Accounts payable	711,139
Accrued interest payable	73,849
Customer deposits	124,599
Unearned revenue	418,449
Debt and other payables - current	710,000
Compensated absences - current	889
Noncurrent liabilities	
Debt and other payables	17,163,075
Compensated absences	99
Total OPEB liability	<u>2,636</u>
Total liabilities	<u>19,204,735</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pensions	2,640
Deferred inflows - OPEB	<u>941</u>
Total deferred inflows of resources	<u>3,581</u>
NET POSITION	
Net investment in capital assets	5,983,163
Restricted	
Net pension asset	6,194
Debt service	266,377
Unrestricted	<u>1,711,532</u>
Total net position	<u>\$ 7,967,266</u>

See notes to financial statements.

CITY OF BLANCO, TEXAS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUND
 For the year ended September 30, 2024

	<u>Enterprise Fund</u> <u>Utility Operations</u>
Operating revenues	
Charges for services	\$ 2,605,736
Other revenues	979
Total operating revenues	<u>2,606,715</u>
Operating expenses	
Payroll costs	60,543
Professional and contractual services	619,684
Other operational expenses	1,633,722
Depreciation	826,941
Total operating expenses	<u>3,140,890</u>
Operating income (loss)	<u>(534,175)</u>
Nonoperating Revenues (Expenses)	
Investment income	116,067
Interest and fiscal agent fees	(464,632)
Total nonoperating revenue (expense)	<u>(348,565)</u>
Income (loss) before other financing sources	<u>(882,740)</u>
Other financing sources	
Capital contributions	437,672
Transfers in	513,910
Total other financing sources	<u>951,582</u>
Net change in fund position	68,842
Beginning net position	<u>7,898,424</u>
Ending net position	<u><u>\$ 7,967,266</u></u>

See notes to financial statements.

CITY OF BLANCO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the year ended September 30, 2024

	<u>Enterprise Fund</u> <u>Utility Operations</u>
Cash flows from operating activities	
Receipts from customers and users	\$ 2,461,271
Payments to suppliers for goods and services	(1,996,076)
Payments to employees for services	(62,939)
Net cash provided by operating activities	<u>402,256</u>
Cash flows from noncapital financing activities	
Transfers from other funds	<u>513,910</u>
Net cash provided by noncapital financing activities	<u>513,910</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(2,234,043)
Contribution for capital construction	856,121
Proceeds from issuance of capital debt	5,263,075
Principal paid on capital debt	(515,000)
Interest and fiscal agent fees paid	(416,212)
Net cash provided (used) by capital and related financing activities	<u>2,953,941</u>
Cash flows from investing activities	
Purchase of investments	(5,416,966)
Earnings on investments	116,067
Net cash provided (used) by investing activities	<u>(5,300,899)</u>
Net Increase (decrease) in cash and cash equivalents	(1,430,792)
Beginning cash and cash equivalents	<u>3,367,321</u>
Ending cash and cash equivalents	<u>\$ 1,936,529</u>
Ending cash and cash equivalents	
Unrestricted cash and cash equivalents	\$ 1,395,012
Restricted cash and cash equivalents	541,517
	<u>\$ 1,936,529</u>

(Continued)

CITY OF BLANCO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the year ended September 30, 2024

	<u>Enterprise Fund</u> <u>Utility Operations</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating (loss)	\$ (534,175)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	826,941
Changes in operating assets and liabilities	
(Increase) decrease in assets	
Accounts receivable	(147,729)
Net pension asset	(2,877)
Deferred outflows of resources - pensions and OPEB	2,992
Increase (decrease) in liabilities	
Accounts payable	257,330
Compensated absences	(179)
Deferred inflows of resources - pensions and OPEB	(2,624)
Total OPEB liability	292
Customer deposits	2,285
	<hr/>
Net cash provided by operating activities	\$ <u>402,256</u>

See notes to financial statements.

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The City of Blanco, Texas (the "City") was incorporated under the laws of the State of Texas (the "State") in 1938 as a general law City.

The City provides the following services: general administration, public safety (police), public works (includes sanitation), parks and recreation, community aid, and water and wastewater services.

The City is an independent political subdivision of the State 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. No other entities have been included in the City's 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 the prescribed criteria 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 it 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.

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 activities of the primary government. *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.

Basis of Presentation – Government-Wide 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 City's enterprise fund. Separate financial statements are provided for governmental and 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 City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements: The fund financial statements provide information about the City'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.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following governmental funds:

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 taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and community development. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds include the hotel/motel occupancy tax fund, the municipal court technology fund, and the municipal court building security fund. The special revenue funds are considered nonmajor funds for reporting purposes.

The City reports the following proprietary fund:

The *enterprise fund* is used to account for the operations that provide water and wastewater collection, wastewater treatment operations, and sanitation collection services. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The utility operations fund is considered a major fund for reporting purposes.

During the course of operations, the City 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 funds) 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 (i.e., the enterprise fund) are eliminated so that only the net amount is included as transfers 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.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and proprietary fund 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions 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 fees, 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 considered to be measurable and available only when cash is received by the City.

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

Cash and Cash Equivalents: 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.

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, 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
- Fully collateralized repurchase agreements that meet certain criteria
- Government investment pools and commercial paper

Inventories: Inventories are valued at cost. The consumption method is used to account for enterprise fund inventories. Under the consumption method, inventories of the enterprise fund are recorded as expenses when consumed rather than when purchased.

Restricted Assets: Certain bond proceeds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Restricted assets of the governmental and enterprise funds are restricted by bond covenants for repayment of debt, to finance construction projects, and the City's pension plan.

Capital Assets: Capital assets, including 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. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful of five years and longer. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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 are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Equipment	7 years
Vehicles	5 years
Infrastructure	20 to 40 years
Utility system	20 to 40 years
Buildings and improvements	30 years

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net 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. In addition to liabilities, the statement of net 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.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that 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 property taxes, which are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Compensated Employee Absences: It is the City's policy to permit employees to accumulate earned but unused vacation time. Vacation amounts accumulated, up to 120 hours, may be paid to employees upon termination of employment. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

Long-Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities Statement of Net Position. 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.

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

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Leases: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements.

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 the 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.

Subscription-Based Information Technology Arrangements: The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City recognizes a liability (the "subscription liability") and an intangible, right-to-use subscription asset (the "subscription asset") in the government-wide financial statements.

At the commencement of the SBITAs, the City initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using either the implicit rate or the City's incremental borrowing rate if the interest rate is not readily determinable. The subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, plus payments made before the commencement of the subscription term and capitalizable implementation costs. The subscription asset is reduced for any vendor incentives received. The subscription asset is amortized on a straight-line basis over the subscription term.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- The City uses the interest rate charged on the SBITAs as the discount rate. When the interest rate charged on the SBITAs is not provided, the City uses its estimated incremental borrowing rate as the discount rate.
- The term includes the noncancellable period of the SBITAs plus options periods, in which one party may exercise, that the City is reasonably certain will be exercised.
- The subscription payments included in the measurement of the subscription liability are composed of fixed or fixed in substance payments and other payments associated with the SBITA that the City is reasonably certain to make based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its subscription arrangements and will remeasure the subscription liability and asset if certain changes occur that are expected to significantly affect the amount of the subscription liability. The subscription liabilities are reported with long-term debt and the subscription assets are reported with other capital assets on the Statement of Net Position.

Net Position Flow Assumption: Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions: Sometimes the City 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 City'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.

Fund Balance Policies: Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 City for specific purposes but do not meet the criteria to be classified as committed. The City 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.

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, liabilities, and disclosure of contingent 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.

Pensions: For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits: The City participates in a defined benefit group-term life insurance plan administered by 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 funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

Revenues and Expenditures/Expenses:

Program Revenues: Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes: Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The City Council adopts an annual operating budget for the City's general fund on a generally accepted accounting principles (GAAP) basis. Adopted budgets can be amended by the City Council throughout the year. The level of budgetary control (the level at which expenditures may not exceed budget) is the fund level. The City Administrator is authorized to approve a transfer of budgeted amounts between departments; however, any revisions that alter the total budgeted expenditures of any fund must be approved by the City Council. Unencumbered appropriations for annual budgets lapse at fiscal year end. Encumbrances outstanding at year end are reported as assigned fund balances and do not constitute expenditures on the budget to actual financial statements. In accordance with GAAP, the City presents the general fund budget to actual financial statements within the Required Supplementary Information to demonstrate that the City is within the legal level of budgetary control.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS

Deposits and Investments: As of September 30, 2024, the carrying amount of the City's bank accounts reported as cash and cash equivalents was \$239,314. The cash deposits held in the bank accounts as of September 30, 2024, and during the year ended September 30, 2024, were covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name. The City's on demand deposits held in Texas CLASS of \$2,587,222 is also reported with cash and cash equivalents.

The City's restricted cash and cash equivalents includes \$195,372 held in the City's bank accounts and \$390,976 held in Texas CLASS. Restricted cash and cash equivalents consist of funds restricted for construction projects, advance grant awards received, debt service covenants, and utility deposits. The U.S. Treasury Securities of \$5,416,966 are reported as investments measured at fair value and are restricted for construction projects.

The City is required by Government Code Chapter 2256, the Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions: 1) obligations of the U.S. Treasury, U.S. agencies, and the State; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

As of September 30, 2024, the City reported the following investment types as cash and cash equivalents and investments.

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Texas CLASS	\$ 2,587,222	0.22
U.S. Treasury Securities	5,416,966	0.10
Total	<u>\$ 8,004,188</u>	
Portfolio weighted average maturity		0.14

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The City's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/P1' as provided by two of the top nationally recognized rating agencies. As of September 30, 2024, the City's investments in Texas CLASS were rated 'AAAm' or 'AAA' by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency.

Custodial credit risk – deposits. In the case of deposits, this is the risk that the City's deposits may not be returned in the event of a bank failure. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2024, fair market values of pledged securities and FDIC coverage exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that 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 in the event of the failure of the counterparty. The City's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

Texas CLASS: The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at www.texasclass.com.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Fair Value Measurements – The Texas CLASS investment is measured at amortized cost and is exempt from fair value reporting. Certificate of deposits are also exempt from fair value reporting since these investments are in nonparticipating interest-earning contracts and reported at cost. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application, provides a framework for measuring fair value establishing a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Fair value is measured in a manner consistent with one of the three approaches: market approach, cost approach, and the income approach. The valuation methodology used is based upon whichever technique is the most appropriate and provides the best representation of fair value for that particular asset or liability. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or groups of assets and liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts, such as cash flows, to a single current (discounted) amount.

The U.S. Treasury Securities investments are categorized as Level 1, since they are traded on active markets. Level 1 investments are subject to market fluctuations that may cause a decline in the value of the investments held at year end.

Receivables: The following comprise receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Utility</u>
Property taxes	\$ 13,955	\$ 10,147	\$ -	\$ -
Sales taxes	186,011	-	-	-
Hotel taxes	-	-	13,048	-
Grants	-	-	-	31,450
Other	2,630	-	-	-
Utilities	-	-	-	426,321
Total	<u>\$ 202,596</u>	<u>\$ 10,147</u>	<u>\$ 13,048</u>	<u>\$ 457,771</u>

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets: A summary of changes in capital assets for governmental activities at year end is as follows:

	Primary Government			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Capital assets not being depreciated/ amortized				
Land	\$ 140,892	\$ -	\$ -	\$ 140,892
Construction in progress	109,745	-	(109,745)	-
Total capital assets not being depreciated/amortized	250,637	-	(109,745)	140,892
Other capital assets				
Buildings and improvements	1,027,694	109,745	-	1,137,439
Streets and infrastructure	2,200,489	-	-	2,200,489
Vehicles, machinery, and equipment	929,832	92,766	-	1,022,598
Right-to-use assets	49,647	-	-	49,647
Subscription assets	62,440	-	-	62,440
Total other capital assets	4,270,102	202,511	-	4,472,613
Less accumulated depreciation/ amortization for				
Buildings and improvements	(616,976)	(58,083)	-	(675,059)
Streets and infrastructure	(652,479)	(31,908)	-	(684,387)
Vehicles, machinery, and equipment	(809,870)	(73,611)	-	(883,481)
Right-to-use assets	(17,338)	(9,457)	-	(26,795)
Subscription assets	(6,244)	(12,488)	-	(18,732)
Total accumulated depreciation/ amortization	(2,102,907)	(185,547)	-	(2,288,454)
Other capital assets, net	2,167,195	16,964	-	2,184,159
Governmental activities capital assets, net	\$ 2,417,832	\$ 16,964	\$ (109,745)	2,325,051
				(77,283)
				Net investment in capital assets
				\$ 2,247,768

Depreciation was charged to governmental functions as follows:

General government	\$ 14,545
Public safety	107,816
Community development	63,186
Total governmental activities depreciation and amortization	\$ 185,547

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

The following is a summary of changes in capital assets for business-type activities for the year:

	Primary Government			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 1,117,866	\$ -	\$ -	\$ 1,117,866
Construction in progress	4,672,382	1,654,542	(6,326,924)	-
Total capital assets not being depreciated	5,790,248	1,654,542	(6,326,924)	1,117,866
Other capital assets				
Water system	6,175,762	579,501	-	6,755,263
Sewer system	10,528,891	6,326,924	-	16,855,815
Dam system	560,514	-	-	560,514
Building and improvements	147,455	-	-	147,455
Tools and equipment	117,759	-	-	117,759
Total other capital assets	17,530,381	6,906,425	-	24,436,806
Less accumulated depreciation for				
Water system	(3,324,220)	(163,619)	-	(3,487,839)
Sewer system	(1,729,770)	(618,426)	-	(2,348,196)
Dam system	(142,277)	(34,279)	-	(176,556)
Building and improvements	(99,483)	(4,915)	-	(104,398)
Tools and equipment	(109,204)	(5,702)	-	(114,906)
Total accumulated depreciation	(5,404,954)	(826,941)	-	(6,231,895)
Other capital assets, net	12,125,427	6,079,484	-	18,204,911
Business-type activities capital assets, net	\$ 17,915,675	\$ 7,734,026	\$ (6,326,924)	19,322,777
				Less associated debt \$ (17,873,075)
				Less construction payable (627,027)
				Plus unspent debt proceeds 5,147,992
				Plus deferred loss on refunding 12,496
				Net investment in capital assets \$ 5,983,163

Depreciation was charged to business-type functions as follows:

Utility operations	\$ 826,941
Total business-type activities depreciation expense	\$ 826,941

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt: The following is a summary of changes in the City's total long-term liabilities for the year. In general, the City uses the general, debt service, and utility fund to liquidate long-term liabilities. There was a net pension asset at the end of fiscal year 2024 due to the pension plan having a surplus. The net pension asset is reported on the Statement of Net Position and not displayed on the schedule below.

	<u>Beginning Balances</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balances</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities</u>					
Debt and other payables					
Equipment loan	\$ 25,498	\$ -	\$ (9,786)	\$ 15,712 *	\$ 10,360
Lease payable	33,480	-	(9,331)	24,149 *	9,711
Subscription liability	48,904	-	(11,482)	37,422 *	11,964
Other liabilities					
Compensated absences	44,450	36,307	(40,005)	40,752	36,677
Total OPEB liability					
- retiree benefits	57,959	6,814	-	64,773	-
Total governmental activities	<u>\$ 210,291</u>	<u>\$ 43,121</u>	<u>\$ (70,604)</u>	<u>\$ 182,808</u>	<u>\$ 68,712</u>

Long-term liabilities due in more than one year \$ 114,096

*Debt associated with governmental capital assets \$ 77,283

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Business-type activities</u>					
Debt and other payables					
Certificates of obligation	\$ 10,890,000	\$ 3,390,000	\$ (285,000)	\$ 13,995,000 *	\$ 285,000
General obligation					
refunding bonds	960,000	-	(230,000)	730,000 *	235,000
Notes payable	1,275,000	-	-	1,275,000 *	190,000
Equipment loan	-	1,873,075	-	1,873,075 *	-
Other liabilities					
Compensated absences	1,167	870	(1,049)	988	889
Total OPEB liability	2,344	292	-	2,636	-
Total business-type activities	<u>\$ 13,128,511</u>	<u>\$ 5,264,237</u>	<u>\$ (516,049)</u>	<u>\$ 17,876,699</u>	<u>\$ 710,889</u>

Long-term liabilities due in more than one year \$ 17,165,810

*Debt associated with business-type capital assets \$ 17,873,075

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

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. The governmental activities' compensated absences are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

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

<u>Description</u>	<u>Interest Rate</u>	<u>Balance</u>
Governmental activities		
Equipment loan	5.75%	\$ 15,712
Leases payable	4.00%	24,149
Subscription liability	4.00%	37,422
Total governmental activities long-term debt		<u>\$ 77,283</u>
Business-type activities		
Certificates of obligation		
Series 2017A	3.00-3.50%	2,570,000
Series 2017B	3.00-4.00%	2,550,000
Series 2019	3.00-4.00%	2,130,000
Series 2020	4.00%	3,355,000
Series 2024	2.78%	3,390,000
Total certificates of obligation		<u>13,995,000</u>
General obligation refunding bonds		
Series 2015	3.58%	<u>730,000</u>
Notes payable		
Series 2023	4.35%	<u>1,275,000</u>
Equipment loan	5.49%	<u>1,873,075</u>
Total business-type activities long-term debt		<u>\$ 17,873,075</u>

Governmental Activities Long-Term Debt: The principal and interest payments on the equipment loan, lease payable, and subscription liability are reported in the general fund. The repayment requirements are considered operational costs to the general fund and are reported as outstanding debt with the governmental activities on the Statement of Net Position.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

The City obtained a loan for public safety equipment and payments are repaid in quarterly installments and the loan carries at an interest rate of 5.75%. The final payment for the loan is due on March 2, 2026. The equipment obtained through the loan agreement is included as depreciable capital assets for \$30,185 and the accumulated depreciation as of year end was \$16,099. The remaining annual requirements to amortize this loan at year end were as follows:

Fiscal Year Ended September 30,	Governmental Activities		
	Equipment Loan		
	Principal	Interest	Total
2025	\$ 10,360	\$ 17,447	\$ 27,807
2026	5,352	11,831	17,183
	<u>\$ 15,712</u>	<u>\$ 29,278</u>	<u>\$ 44,990</u>

The City's lease agreement as a lessee was for the acquisition and use of equipment which is recorded with capital assets. The City made principal and interest payments on the leases in fiscal year 2024 for \$10,500. The City will continue to make principal and interest payments on leases through fiscal year 2027. The interest rate on the equipment is 4.00%. The value of the right-to-use assets for equipment for fiscal year 2024 was \$49,647 and had accumulated amortization of \$26,795. The remaining annual requirements to amortize the lease payable at year end were as follows:

Fiscal Year Ended September 30,	Governmental Activities		
	Leases Payable		
	Principal	Interest	Total
2025	\$ 9,711	\$ 789	\$ 10,500
2026	10,106	394	10,500
2027	4,332	43	4,375
	<u>\$ 24,149</u>	<u>\$ 1,226</u>	<u>\$ 25,375</u>

The City's subscription-based information technology arrangements (SBITAs) are for the right to control the software for public safety equipment. Principal and interest payments of \$13,536 are due annually and paid through the term of the agreement ending in fiscal year 2028. Subscription assets were recorded with capital assets for \$62,440, and the liability for the SBITAs as of September 30, 2024 was \$37,422. The interest rate on the liability for the SBITAs was 4.00%. The accumulated amortization of the subscription assets was \$18,732. The remaining annual requirements to amortize the subscription liability from SBITAs at year end were as follows:

Fiscal Year Ended September 30,	Governmental Activities		
	Subscription Liability		
	Principal	Interest	Total
2025	\$ 11,964	\$ 1,572	\$ 13,536
2026	12,467	1,069	13,536
2027	12,991	545	13,536
	<u>\$ 37,422</u>	<u>\$ 3,186</u>	<u>\$ 40,608</u>

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Business-Type Activities Long-Term Debt: The long-term debt reported with the City's business-type activities are accounted for in the utility fund. The City's debt service fund transferred the property tax revenues that were levied for the fiscal year 2024 principal and interest payments for a portion of the City's business-type activities long-term debt.

The certificates of obligation (the "Certificates") are private placements through the Texas Water Development Board. The repayment of the Certificates is secured by a combination of taxes levied on all taxable property located within the City and a pledge of surplus revenues of the utility system. The City's utility fund had restricted funds of \$266,377 for future debt service payments on the Certificates. The interest expense paid on the certificates was \$158,620 for the year ended September 30, 2024. The remaining annual requirements to amortize the Certificates at year end were as follows:

Fiscal Year Ended September 30,	Business-Type Activities		
	Certificates of Obligation		
	Principal	Interest	Total
2025	\$ 285,000	\$ 244,384	\$ 529,384
2026	285,000	245,316	530,316
2027	285,000	243,123	528,123
2028	385,000	240,622	625,622
2029	500,000	235,398	735,398
2030-2034	2,595,000	1,075,966	3,670,966
2035-2039	2,810,000	865,699	3,675,699
2040-2044	3,080,000	599,871	3,679,871
2045-2049	2,745,000	286,136	3,031,136
2050-2053	1,025,000	58,637	1,083,637
	<u>\$ 13,995,000</u>	<u>\$ 4,095,152</u>	<u>\$ 18,090,152</u>

The City issued combination tax and surplus revenue certificates of obligations series 2024 during the fiscal year for \$3,390,000 in September 2024 to be used for future capital improvements for the water and sewer system.

The general obligation refunding bonds (the "Bonds") are direct obligations of the City for which its full faith and credit are pledged. The repayment of the Bonds are secured by taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt. The interest expense paid on the Bonds was \$22,944 for the year ended September 30, 2024. The remaining annual requirements to amortize the Bonds at year end were as follows:

Fiscal Year Ended September 30,	Business-Type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2025	\$ 235,000	\$ 17,447	\$ 252,447
2026	245,000	11,831	256,831
2027	250,000	5,975	255,975
	<u>\$ 730,000</u>	<u>\$ 35,253</u>	<u>\$ 765,253</u>

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

The limited tax notes payable (the “Notes Payable”) were issued for infrastructure within the utility fund. The repayment of the Notes Payable is secured by taxes levied on all taxable property located within the City. The interest expense paid on the Note Payable was \$55,308 for the year ended September 30, 2024. The first principal repayment of the Notes Payable is scheduled for May 1, 2025. The remaining annual requirements to amortize the Notes Payable at year end were as follows:

Fiscal Year Ended September 30,	Business-Type Activities		
	Limited Tax Notes Payable		
	Principal	Interest	Total
2025	\$ 190,000	\$ 55,462	\$ 245,462
2026	200,000	47,198	247,198
2027	210,000	38,498	248,498
2028	215,000	29,362	244,362
2029	225,000	20,010	245,010
2030	235,000	10,222	245,222
	<u>\$ 1,275,000</u>	<u>\$ 200,752</u>	<u>\$ 1,475,752</u>

The City obtained a loan to replace meters in July 2024 for \$1,873,075 with payments due annually at an interest rate of 5.49%. Funds from the loan are held in a trust account till meters are installed. As of September 30, 2024, the City used \$579,501 of the funds held in a trust to replace meters. The first interest payment is due on June 1, 2025 and first principal payment is due on June 1, 2026. The final payment for the loan is due on June 1, 2044. The remaining annual requirements to amortize this loan at year end were as follows:

Fiscal Year Ended September 30,	Business-Type Activities		
	Equipment Loan		
	Principal	Interest	Total
2025	\$ -	\$ 99,404	\$ 99,404
2026	40,270	102,832	143,102
2027	45,692	100,631	146,323
2028	51,305	98,299	149,604
2029	57,285	95,662	152,947
2030-2034	390,445	426,624	817,069
2035-2039	573,289	303,333	876,622
2040-2044	714,789	127,149	841,938
	<u>\$ 1,873,075</u>	<u>\$ 1,353,934</u>	<u>\$ 3,227,009</u>

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Federal Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions 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 (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Water and sewer	Debt service	\$ 513,910

Amounts transferred to the utility fund from the debt service fund are to pay portions of the interest and principal on bonds.

Fund Equity: As of September 30, 2024, \$299,028 of the City's total fund balance is restricted by enabling legislation for tourism, municipal court technology, and municipal court security.

Restricted Assets: The utility fund has restricted certain cash and cash equivalents for capital projects from unspent Texas Water Development Board debt proceeds, customer deposits, debt service requirements, and monies received in advance for future construction. The general fund has restricted certain cash and cash equivalents for monies received in advance for grant agency purposes.

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 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at a group rate 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 that exceeded coverage amounts for the past three years.

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 that 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. No claim liabilities are reported at year end.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 – OTHER INFORMATION

Pension Plan:

Texas Municipal Retirement System

Plan Description: The City participates as one of 934 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the “TMRS Act”) as an agent multiple employer retirement system for municipal employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member Governor appointed Board of Trustees (the “Board”); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at tmrs.com.

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

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

At retirement, the member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions 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:

	2024	2023
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/hrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	0%	0%
Retiree cost of living adjustment (COLA)	0% of CPI	0% of CPI

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

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

	<u>Primary Government</u>
Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to, but not yet receiving, benefits	29
Active employees	<u>20</u>
Total	<u><u>58</u></u>

Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.55% and 6.06% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2024 were \$70,476, which were equal to the required contributions.

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

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

Actuarial Assumptions

The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 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 is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions 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 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35%	6.7%
Core fixed income	6%	4.7%
Non-core fixed income	20%	8.0%
Other public and private markets	12%	8.0%
Real estate	12%	7.6%
Hedge funds	5%	6.4%
Private equity	<u>10%</u>	11.6%
Total	<u>100%</u>	

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL/(A)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 164,943	\$ -	\$ 164,943
Interest	88,395	-	88,395
Difference between expected and actual experience	3,515	-	3,515
Changes of assumptions	(5,444)	-	(5,444)
Contributions - employer	-	79,264	(79,264)
Contributions - employee	-	84,710	(84,710)
Net investment income	-	158,490	(158,490)
Benefit payments, including refunds of employee contributions	(111,154)	(111,154)	-
Administrative expense	-	(1,007)	1,007
Other changes	-	(8)	8
Net Changes	140,255	210,295	(70,040)
Balance at December 31, 2022	1,282,663	1,368,021	(85,358)
Balance at December 31, 2023	<u>\$ 1,422,918</u>	<u>\$ 1,578,316</u>	<u>\$ (155,398)</u>

Sensitivity of the NPL/(A) to Changes in the Discount Rate: The following presents the NPL/(A) of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL/(A) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City Net Pension Liability (Asset)	<u>\$ 65,986</u>	<u>\$ (155,398)</u>	<u>\$ (331,938)</u>

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

Pension Plan Fiduciary Net Position: Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2024, the City recognized pension expense of \$13,339.

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

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 2,074	\$ (67,946)
Changes in actuarial assumptions	-	(3,213)
Difference between projected and actual investment earnings	33,152	-
Contributions subsequent to the measurement date	50,974	-
Total	<u>\$ 86,200</u>	<u>\$ (71,159)</u>

\$50,974 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year ended September 30,</u>	<u>Pension Expense</u>
2025	\$ (37,844)
2026	(10,202)
2027	25,341
2028	<u>(13,228)</u>
Total	<u>\$ (35,933)</u>

Other Postemployment Benefits

Plan Description: The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers 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.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits: 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). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Participation in the SDBF as of December 31, 2023 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to, but not yet receiving, benefits	9
Active employees	20
	<hr/>
Total	38
	<hr/> <hr/>

Total OPEB Liability: The City's total OPEB liability of \$67,409 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	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 intermediate convergence).
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% 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 intermediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period December 31, 2022.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 2,299
Interest	2,462
Difference between expected and actual experience	(91)
Changes of assumptions	3,767
Benefit payments *	(1,331)
Net changes	7,106
Balance at December 31, 2022	60,303
Balance at December 31, 2023	\$ 67,409

*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the City's yearly contributions for retirees.

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

The discount rate decreased from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's total OPEB liability	\$ 81,686	\$ 67,409	\$ 56,556

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended September 30, 2024, the City recognized OPEB expense of \$4,344.

The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 9,506	\$ (23,201)
Difference between expected and actual experience	5,091	(1,429)
Contributions subsequent to the measurement date	841	-
Total	\$ 15,438	\$ (24,630)

\$841 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2024. Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year ended September 30,</u>	<u>OPEB Expense</u>
2025	\$ (631)
2026	(2,059)
2027	(3,211)
2028	(4,132)
Total	\$ (10,033)

(Continued)

CITY OF BLANCO, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 – OTHER INFORMATION (Continued)

Subsequent Event: On November 26, 2024, the City issued Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024A, in the principal amount of \$1,500,000. The certificates bear interest at rates ranging from 4.00% to 7.00%. The certificates constitute a direct obligation of the City, payable from the levy of an ad valorem tax within the limits prescribed by law and a limited pledge of the surplus revenues of the City's water and sewer system.

Proceeds from the issuance will be used to finance capital improvements to the City's water and sewer system infrastructure. These improvements are intended to support the long-term reliability and capacity of the utility system.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BLANCO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 720,902	\$ 720,952	\$ 697,772	\$ (23,180)
Sales taxes	1,015,000	1,015,000	1,112,861	97,861
Franchise fees	110,000	110,000	105,232	(4,768)
Fines and court costs	112,400	141,400	101,156	(40,244)
Licenses and permits	65,550	65,550	107,939	42,389
Charges for services	65,473	65,473	96,573	31,100
Intergovernmental	265,000	265,000	127,738	(137,262)
Interest earnings	75,000	75,000	77,075	2,075
Miscellaneous	8,370	8,370	12,758	4,388
Total revenues	<u>2,437,695</u>	<u>2,466,745</u>	<u>2,439,104</u>	<u>(27,641)</u>
Expenditures				
Current				
General government				
City hall	727,286	718,004	692,916	25,088
Mayor and council	12,800	12,800	8,975	3,825
Total general government	<u>740,086</u>	<u>730,804</u>	<u>701,891</u>	<u>28,913</u>
Public safety				
Police	1,132,718	1,132,718	1,077,135	55,583
Municipal court	143,913	146,644	141,586	5,058
Total public safety	<u>1,276,631</u>	<u>1,279,362</u>	<u>1,218,721</u>	<u>60,641</u>
Public works				
Code compliance	46,306	73,374	73,374	-
Total public works	<u>46,306</u>	<u>73,374</u>	<u>73,374</u>	<u>-</u>
Community development				
Streets and parks	98,986	98,985	93,866	5,119
Community aid	24,600	24,600	23,699	901
Total community development	<u>123,586</u>	<u>123,585</u>	<u>117,565</u>	<u>6,020</u>
Capital outlay	92,766	92,766	92,766	-
Debt service				
Principal	30,599	30,599	30,599	-
Interest and fiscal agent fees	4,481	4,481	4,481	-
Total expenditures	<u>2,314,455</u>	<u>2,334,971</u>	<u>2,239,397</u>	<u>95,574</u>
Change in fund balance	<u>\$ 123,240</u>	<u>\$ 131,774</u>	<u>199,707</u>	<u>\$ 67,933</u>
Beginning fund balance			<u>439,060</u>	
Ending fund balance			<u>\$ 638,767</u>	

Notes to Required Supplementary Information:

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

CITY OF BLANCO, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Ten Years

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 164,943	\$ 162,740	\$ 163,430	\$ 140,149	\$ 140,923	\$ 125,817	\$ 51,030	\$ 43,816	\$ 33,826	\$ 32,902
Interest (on the total pension liability)	88,395	87,904	76,089	71,460	60,821	55,122	46,454	43,259	41,326	38,715
Change of benefit terms	-	-	-	-	-	44,234	-	-	-	-
Difference between expected and actual experience	3,515	(159,265)	(6,061)	(91,224)	13,114	(50,695)	3,241	5,705	(358)	3,468
Change of assumptions	(5,444)	-	-	-	494	-	-	-	19,462	-
Benefit payments, including refunds of employee contributions	(111,154)	(59,252)	(56,991)	(69,991)	(44,713)	(62,009)	(45,877)	(52,229)	(45,254)	(31,251)
Net change in total pension liability	140,255	32,127	176,551	50,394	170,639	112,469	54,848	40,551	49,002	43,834
Beginning total pension liability	1,282,663	1,250,536	1,073,985	1,023,591	852,952	740,483	685,635	645,084	596,082	552,248
Ending total pension liability	\$ 1,422,918	\$ 1,282,663	\$ 1,250,536	\$ 1,073,985	\$ 1,023,591	\$ 852,952	\$ 740,483	\$ 685,635	\$ 645,084	\$ 596,082
Plan fiduciary net position										
Contributions - employer	\$ 79,264	\$ 70,840	\$ 79,189	\$ 72,169	\$ 69,998	\$ 17,667	\$ 12,558	\$ 9,394	\$ 6,253	\$ 4,750
Contributions - employee	84,710	83,763	88,409	77,126	75,709	52,287	38,484	33,407	25,471	25,814
Net investment income	158,490	(100,201)	145,536	73,120	115,392	(22,898)	92,476	42,865	956	35,125
Benefit payments, including refunds of employee contributions	(111,154)	(59,252)	(56,991)	(69,991)	(44,713)	(62,009)	(45,877)	(52,229)	(45,254)	(31,251)
Administrative expense	(1,007)	(867)	(674)	(474)	(655)	(443)	(480)	(485)	(582)	(367)
Other	(8)	1,035	5	(19)	(20)	(23)	(24)	(26)	(30)	(30)
Net change in plan fiduciary net position	210,295	(4,682)	255,558	151,931	215,711	(15,419)	97,137	32,926	(13,186)	34,041
Beginning plan fiduciary net position	1,368,021	1,372,703	1,117,145	965,214	749,503	764,922	667,785	634,859	648,045	614,004
Ending Plan Fiduciary Net Position	\$ 1,578,316	\$ 1,368,021	\$ 1,372,703	\$ 1,117,145	\$ 965,214	\$ 749,503	\$ 764,922	\$ 667,785	\$ 634,859	\$ 648,045
Net Pension Liability/(Asset)	\$ (155,398)	\$ (85,358)	\$ (122,167)	\$ (43,160)	\$ 58,377	\$ 103,449	\$ (24,439)	\$ 17,850	\$ 10,225	\$ (51,963)
Plan fiduciary net position as a percentage of total pension liability/(Asset)	110.92%	106.65%	109.77%	104.02%	94.30%	87.87%	103.30%	97.40%	98.41%	108.72%
Covered Payroll	\$ 1,210,143	\$ 1,196,620	\$ 1,262,983	\$ 1,101,798	\$ 1,078,219	\$ 962,643	\$ 769,685	\$ 654,942	\$ 509,427	\$ 516,275
Net pension liability/(asset) as a percentage of covered payroll	-12.84%	-7.13%	-9.67%	-3.92%	5.41%	10.75%	-3.18%	2.73%	2.01%	-10.06%

CITY OF BLANCO, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 70,476	\$ 75,851	\$ 79,949	\$ 71,885	\$ 76,526	\$ 59,019	\$ 17,066	\$ 14,201	\$ 7,922	\$ 6,874
Contributions in relation to the actuarially determined contribution	70,476	75,851	79,949	71,885	76,526	59,019	17,066	14,201	7,922	6,874
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,138,899	\$ 1,184,176	\$ 1,326,963	\$ 1,134,609	\$ 1,138,433	\$ 1,062,145	\$ 892,195	\$ 779,240	\$ 606,054	\$ 489,557
Contributions as a percentage of covered payroll	6.19%	6.41%	6.02%	6.34%	6.72%	5.56%	1.91%	1.82%	1.31%	1.40%

Notes to Required Supplementary Information:

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.
2. Methods and Assumptions Used to Determine Contribution Rates:

<p>Actuarial cost method</p> <p>Amortization method</p> <p>Remaining amortization period</p> <p>Asset valuation method</p> <p>Inflation</p> <p>Salary increases</p> <p>Investment rate of return</p> <p>Retirement age</p> <p>Mortality</p>	<p>Entry age normal</p> <p>Level percentage of payroll, closed</p> <p>N/A</p> <p>10 year smoothed market; 12.00% soft corridor</p> <p>2.50%</p> <p>3.60% to 11.85% including inflation</p> <p>6.75%</p> <p>Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.</p> <p>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).</p>
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3. Other Information: There were no benefit changes during the year.

CITY OF BLANCO, TEXAS
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 TEXAS MUNICIPAL RETIREMENT SYSTEM
 SUPPLEMENTAL DEATH BENEFITS FUND
 Last Ten Years

	Measurement Year*					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2017</u>
Total OPEB liability						
Service cost	\$ 2,299	\$ 4,906	\$ 5,305	\$ 3,416	\$ 2,588	\$ 2,848
Interest (on the total pension liability)	2,462	1,570	1,527	1,782	1,867	1,442
Difference between expected and actual experience	(91)	6,529	1,140	(3,365)	(1,083)	3,229
Changes of assumptions	3,767	(34,848)	2,587	9,721	11,117	(3,534)
Benefit payments **	(1,331)	(1,436)	(1,389)	(441)	(431)	(289)
Net change in total OPEB liability	7,106	(23,279)	9,170	11,113	14,058	4,882
Beginning total OPEB liability	60,303	83,582	74,412	63,299	49,241	36,835
Ending total OPEB liability	\$ 67,409	\$ 60,303	\$ 83,582	\$ 74,412	\$ 63,299	\$ 44,359
Covered-employee payroll	\$ 1,210,143	\$ 1,196,620	\$ 1,262,983	\$ 1,101,798	\$ 1,078,219	\$ 962,643
Total OPEB liability as a percentage of covered-employee payroll	5.57%	5.04%	6.62%	6.75%	5.87%	5.12%

* Only seven years of information is currently available. The City will build this schedule over the next three-year period.

** Due to the SDBF being considered an unfunded OPEB plan under GASB Statement No. 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

(Continued)

CITY OF BLANCO, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SUPPLEMENTAL DEATH BENEFITS FUND
Last Ten Years

Notes to Required Supplementary Information:

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.
2. Methods and Assumptions Used to Determine Contribution Rates:
- | | |
|-------------------------------------|---|
| Actuarial cost method | Entry age normal |
| Inflation | 2.50% |
| Salary increases | 3.50% to 11.88% including inflation |
| Discount rate | 3.77% |
| Administrative expenses | All administrative expenses are paid through the PTF and accounted for under reporting requirements of FASB Statement No. 68. |
| Mortality rates – service retirees | 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). |
| Mortality rates – disabled retirees | 2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% 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 floor. |

3. Other Information: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75 to pay related benefits.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period December 22, 2022.

There were no benefit changes during the year.

COMBINING STATEMENTS AND SCHEDULES

CITY OF BLANCO, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL
 DEBT SERVICE FUND
 For the Year Ended September 30, 2024

	Debt Service Fund			Variance with Final Budget Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
Revenues				
Property taxes	\$ 518,759	\$ 518,759	\$ 519,930	\$ 1,171
Interest earnings	29,751	29,751	21,577	(8,174)
Total revenues	<u>548,510</u>	<u>548,510</u>	<u>541,507</u>	<u>(7,003)</u>
Other financing (uses)				
Transfers (out)	(458,602)	(513,910)	(513,910)	-
Total other financing (uses)	<u>(458,602)</u>	<u>(513,910)</u>	<u>(513,910)</u>	<u>-</u>
Change in fund balance	<u>\$ 89,908</u>	<u>\$ 34,600</u>	<u>27,597</u>	<u>\$ (7,003)</u>
Beginning fund balance			<u>27,488</u>	
Ending fund balance			<u>\$ 55,085</u>	

Notes to Supplementary Information:

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

CITY OF BLANCO, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

SPECIAL REVENUE FUNDS: Special revenue funds are used to account for and report specific sources that are restricted to expenditures for specific purposes other than debt service or capital projects. All of the nonmajor governmental funds are special revenue funds.

Hotel/Motel Fund - The Hotel/Motel Fund accounts for revenues generated from hotel occupancy taxes. These funds are restricted for use in promoting tourism and enhancing visitor-related activities within the City, in accordance with applicable legal and statutory requirements.

Restricted Court Funds - The Restricted Court Fund is used to account for revenues from municipal court collections that are restricted for court technology and court security expenditures.

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

	Hotel/ Motel Occupancy <u>Tax</u>	Municipal Court Technology	Municipal Court Building Security	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 191,862	\$ 61,626	\$ 32,492	\$ 285,980
Receivables, net	13,048	-	-	13,048
Total assets	<u>\$ 204,910</u>	<u>\$ 61,626</u>	<u>\$ 32,492</u>	<u>\$ 299,028</u>
FUND BALANCES				
Restricted for:				
Tourism	204,910	-	-	204,910
Municipal court technology	-	61,626	-	61,626
Municipal court security	-	-	32,492	32,492
Total fund balances	<u>204,910</u>	<u>61,626</u>	<u>32,492</u>	<u>299,028</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 204,910</u>	 <u>\$ 61,626</u>	 <u>\$ 32,492</u>	 <u>\$ 299,028</u>

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

	Hotel/ Motel Occupancy <u>Tax</u>	Municipal Court <u>Technology</u>	Municipal Court Building <u>Security</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues				
Hotel occupancy tax	\$ 83,556	\$ -	\$ -	\$ 83,556
Fines and forfeitures	-	3,927	3,087	7,014
Interest earnings	10,747	7,047	-	17,794
Total revenues	<u>94,303</u>	<u>10,974</u>	<u>3,087</u>	<u>108,364</u>
Expenditures				
Public safety	-	1,729	-	1,729
Community development	111,271	-	-	111,271
Total expenditures	<u>111,271</u>	<u>1,729</u>	<u>-</u>	<u>113,000</u>
Net change in fund balance	(16,968)	9,245	3,087	(4,636)
Beginning fund balance	<u>221,878</u>	<u>52,381</u>	<u>29,405</u>	<u>303,664</u>
Ending fund balance	<u>\$ 204,910</u>	<u>\$ 61,626</u>	<u>\$ 32,492</u>	<u>\$ 299,028</u>

NEW BUSINESS

ITEM #2

RESOLUTION No. 2025-R-0__
Regarding Civil Rights

The CITY OF BLANCO, Texas

Whereas, the CITY OF BLANCO, Texas, (hereinafter referred to as "CITY OF BLANCO") has been awarded under the U.S. Department of Housing and Urban Development's Community Development Block Grant Mitigation ("CDBG-MIT") program from the Texas General Land Office (hereinafter referred to as "GLO");

Whereas, the CITY OF BLANCO, in accordance with Section 109 of the Title I of the Housing and Community Development Act. (24 CFR 6); the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107); and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and for construction contracts greater than \$10,000, must take actions to ensure that no person or group is denied benefits such as employment, training, housing, and contracts generated by the CDBG activity, on the basis of race, color, religion, sex, national origin, age, or disability;

Whereas, the CITY OF BLANCO, in consideration for the receipt and acceptance of federal funding, agrees to comply with all federal rules and regulations including those rules and regulations governing citizen participation and civil rights protections;

Whereas, the CITY OF BLANCO, in accordance with Section 3 of the Housing and Urban Development Act of 1968, as amended, and 24 CFR Part 135, is required, to the greatest extent feasible, to provide training and employment opportunities to lower income residents and contract opportunities to businesses in the CDBG project area;

Whereas, the CITY OF BLANCO, in accordance with Section 104(1) of the Housing and Community Development Act, as amended, and State's certification requirements at 24 CFR 91.325(b)(6), must adopt an excessive force policy that prohibits the use of excessive force against non-violent civil rights demonstrations;

Whereas, the CITY OF BLANCO, in accordance with Section 504 of the Rehabilitation Act of 1973, does not discriminate on the basis of disability and agrees to ensure that qualified individuals with disabilities have access to programs and activities that receive federal funds; and

Whereas, the CITY OF BLANCO, in accordance with Section 808(e)(5) of the Fair Housing Act (42 USC 3608(e)(5)) that requires HUD programs and activities be administered in a manner affirmatively to further the policies of the Fair Housing Act, agrees to conduct at least one activity during the contract period of the CDBG contract, to affirmatively further fair housing;

Whereas, the CITY OF BLANCO, agrees to maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLANCO, TEXAS, that the CITY OF BLANCO REAFFIRMS THE FOLLOWING:

1. Citizen Participation Plan and Grievance Procedures;
2. Excessive Force Policy;
3. Section 504 Policy and Grievance Procedures;

Passed and approved this _____ day of _____, 2025.

Candy Cargill,
Mayor
CITY OF BLANCO

ATTEST:

Laurie Cassidy,
City Secretary

10/19/2023

CITIZEN PARTICIPATION PLAN

THE CITY OF BLANCO

REGARDING THE USE OF GRANT FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This Citizen Participation Plan was prepared in accordance with Section 104(a) of the Housing and Community Development Act of 1974, as amended. The 24 CFR 91.105 federal regulations outline the “citizen participation” requirements.

The plan is to be used to address citizen participation in the Community Development Block Grant (CDBG) Program. With receipt of HOME Investment Partnerships (HOME) Program funds, the program will be included under this Citizen Participation Plan.

The Citizen Participation Plan (CPP) sets forth policies and procedures for citizen participation in the development of project specific applications and substantial amendments to these projects with funding.

CERTIFICATION OF COMPLIANCE

The CITY OF BLANCO is certifying to the U. S. Department of Housing and Urban Development (HUD) and State Agencies administering HUD programs that they have an approved Citizen Participation Plan, which:

- provides for and encourages citizen participation with emphasis on participation by persons who are residents of slum and blighted areas, by residents in low- and moderate-income neighborhoods, or targeted revitalization areas.
- provides for and encourages citizen participation of residents of public and assisted housing developments, as well as provides information to the public housing authorities within our jurisdiction activities related to these programs.
- provides for and encourages citizen participation of persons with disabilities as well as provides documents in a format accessible to persons with disabilities, upon request.
- provides for and encourages citizen participation of all citizens, including minorities and non-English speaking persons, and identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.
- provides citizens with reasonable and timely notification and access to local meetings, information, and records relating to the CITY OF BLANCO’s proposed and actual use of federal Community Development Block Grant funds.
- provides for public hearings and/or public postings to obtain citizen views; to respond to proposals and questions at all stages of the community development program, including at least the development of needs; and the review of proposed activities, and review of program annual performance. If hearings are held, they shall be after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodations for the disabled; and,
- provides for a timely written response to written complaints and grievances where applicable.

Note to Grant Recipients regarding Limited English Proficiency (LEP) requirements:

In accordance with federal law, if there is a significant number of the population who are non-English speaking residents and are affected by the CDBG project, such citizens should have 'meaningful access' to all aspects of the CDBG project. To provide 'meaningful access', Grant Recipients may need to provide interpreter services at public hearings or provide non-English written materials that are routinely provided in English. Examples of such vital documents may include Citizen Participation notices (e.g., complaint procedures, hearings notices), civil rights notices, and any other published notice that may allow an eligible person with limited English proficiency to participate in discussing proposed CDBG activities. For more information, see LEP.gov.

COMPLAINT PROCEDURES

These complaint procedures comply with the requirements of HUD's CDBG Program and Local Government Requirements found in 24 CFR §570.486 (Code of Federal Regulations). Citizens can obtain a copy of these procedures at the CITY OF BLANCO, 300 Pecan Street, Blanco, TX 78606, 830-833-4525, during regular business hours.

Below are the formal complaint and grievance procedures regarding the services provided under the CDBG program.

1. A person who has a complaint or grievance about any services or activities with respect to the CDBG project, whether it is a proposed, ongoing, or completed CDBG project, may during regular business hours submit such complaint or grievance, in writing to the CITY OF BLANCO Civil Rights Officer, at 300 Pecan Street, Blanco, TX 78606 or may call 830-833-4525.
2. A copy of the complaint or grievance shall be transmitted by the Civil Rights Officer to the person/division that is the subject of the complaint or grievance and to the Mayor within five (5) working days after the date of the complaint or grievance was received.
3. The Mayor or their representative shall complete an investigation of the complaint or grievance, if practicable, and provide a timely written answer to person who made the complaint or grievance within fifteen (15) days. The response may be a time extension to further review the complaint or grievance.
4. If the investigation cannot be completed within fifteen (15) working days per 3 above, the person who made the grievance or complaint shall be notified, in writing, within twenty (20) days where practicable after receipt of the original complaint or grievance and shall detail when the investigation should be completed.
5. If necessary, the grievance and a written copy of the subsequent investigation shall be forwarded to the CDBG Program Manager for their further review and comment.

If appropriate, provide copies of grievance procedures and responses to grievances in both English and Spanish, or other appropriate language.

TECHNICAL ASSISTANCE

When requested, the CITY OF BLANCO shall provide technical assistance to groups that are representative of persons of low- and moderate-income in developing proposals for the use of CDBG funds. The CITY OF BLANCO, based upon the specific needs of the community's residents at the time of the request, shall determine the level and type of assistance.

PUBLIC OUTREACH AND INVOLVEMENT

Citizens will be provided reasonable advance notice of, and opportunity to comment on proposed activities in an application to the state and for grants already made regarding activities which are proposed to be added, deleted, or substantially changed from the entity's application to the state. The public outreach and notification will be accomplished through one or more of the following methods:

- a) Publication of notice in a local newspaper—a published newspaper article may also be used so long as it provides sufficient information regarding program activities and relevant dates.
- b) Notices prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.
- c) Posting of notice on the local entity website (if available).
- d) Public Hearing; or
- e) Individual notice to eligible cities and other entities as applicable using one or more of the following methods: Certified mail, Electronic mail or fax, First class (regular mail), Personal delivery (e.g., at a Council of Governments meeting).

These details will be included in the Public Comment Version of the Application, prior to submission.

Citizens, with emphasis on persons of low- and moderate-income who are residents of slum and blight areas, shall be encouraged to submit their views and proposals regarding community development and housing needs. Citizens shall be made aware of the location where they may submit their views and proposals.

PUBLIC COMMENT PROVISIONS AS REQUIRED BY CERTAIN STATE AGENCIES IN THE ADMINISTRATION OF FEDERAL PROGRAMS

When public notice is the sole required notification process for the submission of an application from a State agency, the following provisions shall be observed the CITY OF BLANCO

A copy of a substantially complete application will be made available to allow for 14 days of public comment, but are not limited to:

- 1. The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and any anticipated program income).
- 2. The range of activities that may be undertaken with the CDBG funds.

3. The estimated amount of the CDBG- funds proposed to be used for activities that will meet the national objective of benefit to low- and moderate- income persons.
4. The proposed CDBG activities likely to result in displacement and the unit of general local government's anti-displacement and relocation plans required under § 570.488.
5. The development of housing and community development needs

When a public hearing is required for submission of an application from a State agency, the following provisions shall be observed by the CITY OF BLANCO:

1. As stated in the COVID-19 Disaster Declaration Proclamation dated March 13th, 2020; public hearings may be held virtually or in person, pursuant to Section 418.017 of the code; "authorization to use all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster." Public notice of all hearings must be posted at least seventy-two (72) hours prior to the scheduled hearing.
2. When a significant number of non-English speaking residents are a part of the potential service area of the CDBG project, vital documents such as notices should be published in the predominant language of these non-English speaking citizens. An interpreter should be present to accommodate the needs of the non-English speaking residents at all public hearing where applicable.
3. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and the CITY OF BLANCO must plan for individuals who require auxiliary aids or services if contacted at least two days prior to the hearing.
4. A public hearing, when required by a Federal Program, shall be held after 5:00 PM on a weekday or at a convenient time on a Saturday or Sunday.
5. If the agency requires a public hearing for submission, then a public notice shall be posted at and the community's website notifying the public of the project selected at least 5 days prior to the submission of the application.

The CITY OF BLANCO shall retain documentation of the hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the proposed use of funds for three (3) years from closeout of the grant to the state. Such records shall be made available to the public in accordance with Chapter 552, Texas Government Code.

Candy Cargill, Mayor

Date

Excessive Force Policy

In accordance with 24 CFR 91.325(b)(6), the *CITY OF BLANCO* hereby adopts and will enforce the following policy with respect to the use of excessive force:

1. It is the policy of CITY OF BLANCO to prohibit the use of excessive force by the law enforcement agencies within its jurisdiction against any individual engaged in non-violent civil rights demonstrations;
2. It is also the policy of CITY OF BLANCO to enforce applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.
3. CITY OF BLANCO will introduce and pass a resolution adopting this policy.

As officers and representatives of CITY OF BLANCO, we the undersigned have read and fully agree to this plan and become a party to the full implementation of this program.

Candy Cargill, Mayor

Date

09/01/2019

Section 504 Policy Against Discrimination based on Handicap and Grievance Procedures

In accordance with 24 CFR Section 8, Nondiscrimination based on Handicap in federally assisted programs and activities of the Department of Housing and Urban Development, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Section 109 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5309), CITY OF BLANCO hereby adopts the following policy and grievance procedures:

1. Discrimination prohibited. No otherwise qualified individual with handicaps in the United States shall, solely by reason of his or her handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of Housing and Urban Development (HUD).
2. CITY OF BLANCO does not discriminate on the basis of handicap in admission or access to, or treatment or employment in, its federally assisted programs and activities.
3. CITY OF BLANCO's recruitment materials or publications shall include a statement of this policy in 1. above.
4. CITY OF BLANCO shall take continuing steps to notify participants, beneficiaries, applicants and employees, including those with impaired vision or hearing, and unions or professional organizations holding collective bargaining or professional agreements with the recipients that it does not discriminate on the basis of handicap in violation of 24 CFR Part 8.
5. For hearing and visually impaired individuals eligible to be served or likely to be affected by the CDBG program, CITY OF BLANCO shall ensure that they are provided with the information necessary to understand and participate in the CDBG program.
6. Grievances and Complaints
 - a. Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for CITY OF BLANCO to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.
 - b. Complaints should be addressed to: **Candy Cargill, Mayor, 830-833-4525, 300 Pecan Street, Blanco, TX 78606**, who has been designated to coordinate Section 504 compliance efforts.
 - c. A complaint should be filed in writing or verbally, contain the name and address of the person filing it, and briefly describe the alleged violation of the regulations.

- d. A complaint should be filed within thirty (30) working days after the complainant becomes aware of the alleged violation.
- e. An investigation, as may be appropriate, shall follow a filing of a complaint. The investigation will be conducted by **Candy Cargill, Mayor**. Informal but thorough investigations will afford all interested persons and their representatives, if any, an opportunity to submit evidence relevant to a complaint.
- f. A written determination as to the validity of the complaint and description of resolution, if any, shall be issued by **Candy Cargill, Mayor**, and a copy forwarded to the complainant with fifteen (15) working days after the filing of the complaint where practicable.
- g. The Section 504 coordinator shall maintain the files and records of the CITY OF BLANCO relating to the complaints files.
- h. The complainant can request a reconsideration of the case in instances where he or she is dissatisfied with the determination/resolution as described in f. above. The request for reconsideration should be made to the CITY OF BLANCO within ten working days after the receipt of the written determination/resolution.
- i. The right of a person to a prompt and equitable resolution of the complaint filed hereunder shall not be impaired by the person's pursuit of other remedies such as the filing of a Section 504 complaint with the U.S. Department of Housing and Urban Development. Utilization of this grievance procedure is not a prerequisite to the pursuit of other remedies.
- j. These procedures shall be construed to protect the substantive rights of interested persons, to meet appropriate due process standards and assure that the CITY OF BLANCO complies with Section 504 and HUD regulations.

Candy Cargill/Mayor

Date

NEW BUSINESS

ITEM #3



City of Blanco

P.O. Box 750 Blanco, Texas 78606

Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7/8/25

DESCRIPTION: Water Conservation and Drought Contingency plan

ANALYSIS: The City of Blanco approved the current drought Contingency plan on August 6, 2024 because The Texas Water Development Board asked the that the City adopt a new plan as part of the Water PIF that was approved earlier in the year. The 2024 plan was updated from one that was done in 2017. I had requested that our engineer SPI review this 2024 plan to synch up with both the objectives of the Texas Water drought management plan (our main water supplier) as well as the guidance from the Guadalupe Blanco River Authority which governs the our water supply from Canyon Lake.

The Water Conservation and Drought Contingency Plan updated by SPI will provide a more clear understanding of the drought stages and the restrictions that accompany them. This plan is needed as interested citizens, developers, and residents are questioning specific portions of our plan. This should provide clarity and make enforcement easier.

FISCAL IMPACT:

RECOMMENDATION: Adopt the plan as recommended by SPI and the City Administrator.

***City of Blanco
Water Conservation
and
Drought Contingency Plan***

WATER CONSERVATION PLAN

I. Water and Wastewater Systems

The City of Blanco (City) is located in Blanco County, Texas on US Highway 281. Blanco's 2020 US Census population was 1,694 people, down from 2010 US Census population was 1,739 people. The current population within the service area is approximately 1,985 based on best available information. The American Community Survey estimates do not track cities with a population less than 5,000.

II. Water and Wastewater Systems

The City's public water supply system currently serves approximately 1,118 connections. The City's raw water supplies include an adjudicated water right on the Blanco River (600 acre-feet/year) as well as a contracted annual supply from Texas Water (600 acre-feet/year). The City's combined raw water supplies are capable of serving upwards of 3,000 connections.

Treated water supplies include a 1.0 mgd surface water treatment plant on the Blanco River which is owned and operated by the City of Blanco as well as a 0.5 mgd water treatment and delivery contract with Texas Water for treatment of the Canyon Lake water supply.

The City's drinking water distribution system includes high service pump stations and ground storage tanks at each of the treated water entry points, for a combined ground storage volume of 750,000 gallons and high service pump capacity of 2,000 gpm. The City owns a booster pump station along Texas Water delivery pipeline that includes 200,000 gallons of ground storage and two 500 gpm booster pumps. A 200,000 gallon standpipe provides elevated storage capacity for the City's central pressure plane, and a 100,000 gallon elevated storage tank and transfer pump station serves the north pressure plane. In addition, the City operates a small booster pump station with a 20,000 gallon ground storage tank and a 1,600 gallon hydro pneumatic pressure tank, which serves approximately 60 customers in its southern pressure plane.

The City's wastewater system generally includes a system of gravity collection mains that convey wastewater to a main lift station. The main lift station pumps the wastewater to a 0.225 mgd wastewater treatment plant owned and operated by the City. After treatment, the majority of wastewater effluent is being used to irrigate adjacent agricultural fields under a 210 TPDES permit. Excess effluent is discharged to an unnamed tributary which flows to the Blanco River.

III. Specific, Quantified 5 and 10-Year Targets and Goals

The City recognizes the importance of developing effective water conservation and emergency water demand management plans. Proper planning will allow all users in the system to conserve water and ensure a supply during shortages due to system constraints or drought. The Texas Water Development Board 2021 Regional Water Plan water management strategies includes water conservation. The City will establish an overall goal of 1% reduction per year over 10 years. The City will attempt to eventually reduce total per capita water consumption to below 100

gallons per capita, per day. The City has established the following combination of goals to meet state and regional goals for its water conservation plan.

- A. **Reduce per capita consumption.** The City's 5-year average annual per capita treated water use for 2018-2022 was 170 gallons per day. The City's goals are to reduce the gallons consumed per capita per day in the next five years to 161 gallons per day, and in the next ten years to 153 gallons per day.
- B. **Reduce residential per capita consumption.** The City's 5-year average annual per capita treated water use for residential use from 2018-2022 was 99 gallons per day. The City's goals are to reduce the gallons consumed per capita per day for residential uses in the next five years to 94 gallons per day, and in the next ten years to 89 gallons per day.
- C. **Reduce total water loss.** The City's 5-year average per capita water loss for 2018-2022 was 30 gallons per day. The City's goals are to reduce the water losses in the next five years to 26 gallons consumed per capita per day, and in the next ten years to 24 gallons consumed per capita per day.

IV. Master Metering Devices

The City uses master meters at the treated water system entry points to measure the amount of water pumped into the system. The City will have its water meters tested and calibrated annually to maintain its accuracy to within plus or minus 5%.

V. Universal Metering

The water conservation plan must include a program for universal metering of both customer and public uses of water, for meter testing and repair, and periodic meter replacement.

All customer service connections and municipal connections are currently metered. The City has established a plan to replace broken or otherwise malfunctioning meters. Production meters larger than 1 inch will be tested annually, and meters 1 inch and smaller will be tested once every ten years. Residential meters recording greater than 1,000,000 gallons will be replaced, and suspicious meters that record abnormally low usage will be tested or replaced immediately.

VI. Record Management Program

The City maintains a database of all water customers. City personnel use this database to record water sales and to determine the amount of water loss in the system (by comparison to the amount of treated water pumped into the system).

VII. Metering/Leak-Detection and Repair Program

Universal metering of all retail customers is already in place in the water system. The City's current leak detection system consists of the following:

- A. Comparing treated water pumped into the system to potable water metered to customers on a monthly basis.
- B. Visual surveillance by all City employees, daily monitoring of system usage, and tank levels.
- C. Review of water bills to inform users of large increases in water usage.

VIII. Capturing Water Losses

Several methods are used to find and control water losses. City personnel continuously survey along distribution lines for leaks, abandoned services, and illegal connections. A monthly review of water pumped into the system versus water sold to customers is also performed to monitor for excessive losses. Further, the City strives to estimate the amount of unmetered water used for flushing or fire-fighting as accurately as possible.

IX. Continuing Public Education and Information

Through education and information dissemination, the City will continue to inform its water customers of the benefits of water conservation. The City will accomplish this by implementing the following steps:

- A. The City will provide public educational material developed by its staff, materials obtained from the Texas Water Development Board, Texas Commission on Environmental Quality, or other sources annually to its customers. The information will be made available on the City's website and at City Hall.
- B. The City will report annually on the effectiveness of the City's water conservation measures, to include the per capita water usage and the annual water loss. If the Water Conservation Plan is not effective, City staff will make recommendations for modifying the plan to increase its effectiveness. The City will send a copy of an annual report to the executive administrator of the Texas Water Development Board.
- C. The City is committed to partnering with local non-profits and school districts to promote water conservation and water reuse opportunities. The City will host informational tours of the water and wastewater facilities. Facility tours and public education learning opportunities will be managed by the City Secretary and Public Works Director.

X. Non-Promotional Water and Wastewater Rate Structure

The City has adopted a rate structure that does not encourage the excessive use of water. This rate structure is available on the City of Blanco Web site at <https://www.cityofblancotx.gov> or upon request.

XI. Enforcement Procedure and Plan Adoption

This water conservation plan has been implemented through the passage of an ordinance by the City. A copy of this ordinance is available on the City of Blanco Web site at <https://www.cityofblancotx.gov> or upon request.

XII. Contract Requirements for Successive Customer Conservation

The City will require all wholesale public utility, private utility, political subdivision, or private business customers to adopt and implement the City's water conservation plan. As part of any new wholesale customer contract or renewal of an existing wholesale customer contract to purchase water from the City, the City will require that the water conservation plan be adopted.

XIII. Record Management System

The plan must include a record management system to record water pumped, water deliveries, water sales, and water losses which allows for the desegregation of water sales and uses into the following user classes: residential; commercial; public and institutional; and industrial.

The City currently maintains records of water pumped, water sold, and water losses. The accounting system allows for the segregation of water sales and use in categories of residential, commercial, industrial, and public/institutional.

XIV. Plumbing Codes

The City has adopted the 2015 International Building Codes as published by the International Code Council (ICC) as its standard for new construction and remodeling.

XV. Implementation Schedule

- Master meters will be tested and calibrated annually.
- Meters 1 inch and smaller will be monitored for accuracy and replaced on a 10 year cycle.
- Water audits are conducted annually to identify water losses.
- Known water losses are corrected immediately and deteriorating water mains are replaced on an on-going basis.
- Educational materials will be made available on the City's website and at City Hall annually.
- Visual leak detection inspections are performed on an on-going basis.

XVI. Tracking the Implementation and Effectiveness

The City will track the established targets and goals by utilizing the following procedures:

- Logs shall be maintained for meter calibration, meter testing, and meter replacement program.
- Annual water audits shall be documented and kept in the utility department files.
- Ordinance will document all changes in water rates.
- A record of the location of leaks repaired will be maintained in order to identify lines needing replacement.

City of Blanco Drought Contingency Plan

Section I: Declaration of Policy, Purpose, and Intent

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the City of Blanco hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section X of this Plan.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the City of Blanco by means of scheduling and providing public notice of a public meeting to accept input on the plan.

Section III: Public Education

The City of Blanco will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of press releases, utility bill inserts, or website posting.

Section IV: Coordination with Regional Water Planning Groups

The service area of the City of Blanco is located within Region K and City of Blanco has provided a copy of this Plan to the Region K Water Planning Group.

Section V: Authorization

The City Administrator, or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The City Administrator or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: Application

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the City of Blanco. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

Section VII: Definitions

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by the City of Blanco. Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- i) use of water from hydrants for construction purposes or any other purposes other than firefighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

Water Waste: Any intentional, known, or negligent act that results in or causes a non-beneficial use of water. This includes but is not limited to: non-emergency landscape watering outside designated watering times; failure to repair a controllable leak; water runoff or overspray onto impervious surfaces from a sprinkler, irrigation system, or hose; landscape watering during or shortly after a rain; any use that violates or contradicts restrictions imposed under the conditions stated in this Plan.

Section VIII: Criteria for Initiation and Termination of Drought Response Stages

The City Administrator or his/her designee shall monitor water supply and/or demand conditions on a weekly basis and shall determine when conditions warrant initiation of each stage of the Plan based on when specified conditions are reached.

The Requirements for initiation criteria described below are based on criteria levels based on a statistical analysis of the vulnerability of the water source under drought of record conditions, or based on known system capacity limits, and is intended to match or exceed the Requirements for Initiation stated in the Texas Water Company Drought Contingency Plan and Emergency Conditions plan as the plan relates to the county of Blanco, Texas.

Utilization of alternative water sources and/or alternative delivery mechanisms:

Alternative water source(s) for the City of Blanco is Canyon Lake Water Supply Corporation Canyon Lake Shores and the Guadalupe-Blanco River Authority Western Canyon Water Supply.

Best Management Practices for Supply Management:

The City of Blanco will manage limited water supplies and/or reduce water demand by reduced or discontinued flushing of water mains, reduced or discontinues irrigation of public areas; use of an alternate supply source(s); and use of reclaimed water for non-potable purposes.

The City Administrator or his/her designee may amend restrictions in any stage based on existing or anticipated future conditions.

Stages:

Stage 0 – Ongoing Water Management (Year-round rules)

This stage exists in the absence of conditions that would require the initiation of water management activities as prescribed in Drought Management Stages 1 – 5 as outlined below.

Stage 0 restrictions are as follows:

All operations of the City of Blanco shall adhere to water use restrictions prescribed for each Stage of the Plan.

Water customers are required to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Water Waste is prohibited, independent of any Stage or condition.

General Landscape Watering

Unless supplanted by Drought or Emergency State conditions, landscape watering done by automatic, in-ground, or sprinkler systems, hand watering, soaker hose, bucket, and/or drip irrigation is limited to two days per week according to the street address as follows.

- If there is no street address associated with the property, such as a parkway, or if there is more than one street address associated with a single contiguous property the irrigation days are Monday and Friday.
- All landscape watering should occur between 7:00 a.m. to 10:00 a.m. OR 7:00 p.m. to 10:00 p.m., unless otherwise stated by TWC as needed.

Last Digit of Address	Watering Day
0, 2, 4, 6, 8	Monday
1, 3, 5, 7, 9	Tuesday
0, 2, 4, 6, 8	Thursday
1, 3, 5, 7, 9	Friday

- **Athletic Fields** - Watering should follow a no more than twice per week schedule per irrigated area unless the athletic fields are used for organized sports practice, competition, or exhibition events when irrigation outside of the standard weekly schedule is necessary to protect the health and safety of the players, staff, or officials present for the athletic event. All ornamental landscape areas around facilities with athletic fields shall follow general landscape irrigation restrictions.
- **Eating Establishments** - Restaurants, bars, and other commercial food or beverage establishments are encouraged not to provide drinking water to customers unless a specific request is made by the customer for drinking water.
- **Fire Hydrants** - In all stages of drought, the use of water from fire hydrants shall be prohibited for landscape irrigation, filling pools, operating fountains, and car washing. Water should be transported only for the purposes of firefighting or providing minimal water needed for indoor use where auxiliary sources

are inadequate and activities necessary to maintain public health, safety and welfare, or for construction use. Transport of water other than for firefighting requires a variance and a water meter.

- **Golf Courses** - Golf courses should develop a drought contingency plan that meets the minimum water reduction target set for each of the Drought Stages.
- **Hotels/Motels** - The owner or operator of a hotel, motel short-term rental or other establishment that offers or provides lodging or rental accommodations for compensation are encouraged to offer a towel and linen reuse water conservation option to its lodgers, renters, or customers and maintain in each applicable guest room, suite, or property informational signage to communicate information relating to this requirement and to offer the opportunity for guest participation.
- **Pools** - Draining and re-filling is permitted only onto pervious surfaces or onto a surface where water will be transmitted directly to a pervious surface, and only if:
 - Draining excess water from pool due to rain in order to lower water to maintenance level;
 - Repairing, maintaining, or replacing pool components that have become hazardous;
 - or Repair of a pool leak.
- Public/community swimming pools are allowed to fill or replenish water to maintain safe levels of water quality for human contact and for maintenance as outlined above.

Stage 1 – MILD Water Shortage Conditions

Requirements for initiation

Customers shall adhere to the Stage 1 - MILD Water Shortage Restrictions when one or a combination of such initiation criteria occurs.

OR:

Customers shall adhere to Stage 1 - MILD Water Shortage Restrictions when the Texas Water Company notifies the City of Blanco that Stage 1 Drought Response conditions have been met and all associated restrictions are to be implemented.

Stage 1 Drought Response Measures occur when one or a combination of such triggering criteria occurs.

- a) Water consumption has reached 70 percent of daily maximum production averaged over three consecutive days.
- b) There is an extended period (at least (4) weeks) of below normal precipitation. State
- c) Well 68-07-407 drops to three hundred and twenty-five (325) feet below the land surface for a 10-day rolling average.
- d) US Drought Monitor declares Moderate Drought conditions for Comal County, Texas.
- e) Canyon Reservoir water surface elevation drops to a level of 895 ft. msl or lower

Response Measures and Target Reductions

Reduction Goal: 10%

Restrictions: All requirements from Stage 0 are also in effect during Stage 1 with the following modifications and additions:

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- All landscape watering for residential and commercial properties is reduced to once a week according to the following and may be subject to additional time-of-day and durational restrictions.
- If there is no street address associated with the property, such as a parkway, or if there is more than one street address associated with a single contiguous property, the irrigation day on Monday.

Last Digit of Address	Watering Day
0, 2, or 4	Monday
1 or 3	Tuesday
6 or 8	Thursday
5, 7, or 9	Friday

- City of Blanco will raise awareness about opportunities for voluntary conservation and increase education efforts.
- If needed, all landscape watering may be further restricted to certain times of day and certain durations.
- Bulk customers will adjust the time at which they pull water from City of Blanco's system as to avoid City of Blanco's peak demand hours. Bulk customers may pull water from TWC's system from 9 a.m. to 4 p.m.

Stage 2 – MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall adhere to the Stage 2 MODERATE Water Shortage Restrictions when one or a combination of such initiation criteria occurs.

OR:

Customers shall adhere to Stage 2 – MODERATE Water Shortage Restrictions when the Texas Water Company notifies the City of Blanco that Stage 1 Drought Response conditions have been met and all associated restrictions are to be implemented.

Stage 2 Drought Response Restrictions occur when one or a combination of such initiation criteria occurs.

- a) Water consumption has reached 75 percent of the available production capacity averaged over three consecutive days.
- b) State Well 68-07-407 drops to three hundred and thirty-five (335) feet below the land surface for a 10-day rolling average.
- c) There is an extended period (at least (8) weeks) of below normal precipitation.
- d) US Drought Monitor declares Severe Drought conditions for Comal County, Texas.
- e) Canyon Reservoir water surface elevation drops to a level of 890 ft. msl or lower.

Response Measures and Target Reductions

Reduction Goal: 20%

Restrictions: All the requirements from Stage 0 through Stage 1 are also in effect during Stage 2 with the following modifications and additions:

Under threat of penalty for violation, the following water use restrictions shall apply to all persons

- All landscape watering for residential and commercial properties is reduced to every other week beginning the week that is designated by TWC after Stage 2 conditions have been declared according to the following schedule and may be subject to additional time-of-day and durational restrictions.
- If there is no street address associated with the property, such as a parkway, or if there is more than one street address associated with a single contiguous property, the irrigation day is Monday.

Last Digit of Address	Watering Day
0, 2, or 4	Monday
1 or 3	Tuesday
6 or 8	Thursday
5, 7 or 9	Friday

- Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
- Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the City of Blanco.
- Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the City of Blanco, the facility shall not be subject to these regulations.
- All restaurants are prohibited from serving water to patrons except upon request of the patron.
- The following uses of water are defined as non-essential and are prohibited:
 - Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas.
 - Use of water to wash down buildings or structures for purposes other than immediate fire protection.
- Use of water for dust control.

- Flushing gutters or permitting water to run or accumulate in any gutter or street; and
- Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Stage 3 – SEVERE Water Shortage Conditions

Requirements for initiation

Customers shall adhere to the Stage 3 - SEVERE Water Shortage Restrictions when one or a combination of such initiation criteria occurs.

OR:

Customers shall adhere to Stage 3 – SEVERE Water Shortage Restrictions when the Texas Water Company notifies the City of Blanco that Stage 3 Drought Response conditions have been met and all associated restrictions are to be implemented.

Stage 3 Drought Response Restrictions occur when one or a combination of such initiation criteria occurs.

- a) Water consumption has reached 80 percent of the maximum production capacity averaged over three consecutive days.
- b) Water consumption of 80 percent of the maximum production capacity and water storage levels in the system are unable to recover in one 24-hour period.
- c) There is an extended period (at least (12) weeks) of below normal precipitation.
- d) State Well 68-07-407 drops to three hundred and forty-five (345) feet below the land surface for a 10-day rolling average.
- e) US Drought Monitor declares Extreme Drought conditions for Comal County, Texas. Canyon.
- f) Reservoir water surface elevation drops to a level of 885 ft. msl or lower.

Response Measures and Target Reductions

Reduction Goal: 30%

Restrictions: All the requirements from Stage 0 through Stage 2 are also in effect during Stage 3 with the following modifications and additions:

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- All landscape watering for residential and commercial properties is reduced to every other week beginning the week that is designated by TWC after Stage 3 conditions have been declared according to the following schedule and may be subject to additional time-of-day and durational restrictions.
- If there is no street address associated with the property, such as a parkway, or if there is more than one street address associated with a single contiguous property, the irrigation day is Monday.

Last Digit of Address	Watering Day
0, 2, or 4	Monday
1 or 3	Tuesday
6 or 8	Thursday
5, 7 or 9	Friday

- Filling of swimming pools is prohibited; however, customers can top off their pools with water. Public/community swimming pools may be exempt from this prohibition to maintain safe levels of water quality for human contact.
- Car washing is only allowed at commercial car wash facilities that recycle water.
- Pressure washing is prohibited, but pressure washing may be allowed for health and safety purposes only. Pressure washing equipment must be fitted with a spray nozzle that does not use more than 3.5 gallons of water per minute and has a trigger shut-off.

Stage 4 –CRITICAL Water Shortage Conditions

Requirements for initiation

Customers shall adhere to the Stage 4 - CRITICAL Water Shortage Restrictions when one or a combination of such initiation criteria occurs.

OR:

Customers shall adhere to Stage 4 –CRITICAL Water Shortage Restrictions when the Texas Water Company notifies the City of Blanco that Stage 4 Drought Response conditions have been met and all associated restrictions are to be implemented.

Stage 4 Drought Response Restrictions occur when one or a combination of such initiation criteria occurs.

- a) Water consumption has exceeded 85 percent or more of the maximum production capacity averaged over three consecutive days.
- b) Water consumption of 85 percent of the maximum production capacity and water storage levels in the system are unable to recover in one 24-hour period.
- c) There is an extended period (at least (16) consecutive weeks) of below normal precipitation.
- d) State Well 68-07-407 drops to three hundred and fifty-five (355) feet below the land surface for a 10-day rolling average.
- e) US Drought Monitor declares Exceptional Drought conditions for Blanco County, Texas.
- f) Canyon Reservoir water surface elevation drops to a level of 880 ft. msl or lower.
- g) The President, or his/her designee, determines that there are critical water shortage conditions.

Response Measures and Target Reductions
Reduction Goal: 40%

Restrictions: All requirements from year-round rules through Stage 3 are also in effect during Stage 4, with the following modifications and additions:

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.
- b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and TCEQ-20191 (Rev. 04/2022) Page 8 of 11 commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10 p.m.
- c) The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited.
- d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- e) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Stage 5 – EMERGENCY Water Shortage Conditions

Requirements for initiation

Customers shall adhere to the Stage 5 EMERGENCY Water Shortage Restrictions when one or a combination of such initiation criteria occurs.

OR:

Customers shall adhere to Stage 5 - EMERGENCY Water Shortage Restrictions when the Texas Water Company notifies the City of Blanco that Stage 5 EMERGENCY Water Shortage conditions have been met and all associated restrictions are to be implemented.

Stage 5 Drought Response Restrictions occur when one or a combination of such initiation criteria occurs.

- a) Canyon Reservoir water surface elevation drops to a level of 865 ft. msl or lower.
- b) Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer; or

- c) The water level in any of the water storage tanks cannot be adequately replenished for three consecutive days; or
- d) Emergency conditions declared by the GBRA or TWC that may impact City of Blanco customers; or
- e) System and/or system component failures such as major water line breaks, insufficient treatment plant conditions, or major pump failures, and related; or
- f) Any system failure occurs while in a Drought Stage; or
- g) Other unforeseen events which could cause imminent health or safety risks to the public such as contamination events.

Response Measures and Target Reductions

Reduction Goal: 50%

Restrictions: All requirements from year-round rules through Stage 4 are also in effect during Stage 5, plus any additional restrictions as deemed necessary by the City Administrator or his/her designee.

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- All outside water use is prohibited, except for uses necessary to sustain livestock.
- Any additional restrictions or measures deemed necessary to protect public health and safety.

Termination from EMERGENCY Water Shortage Conditions may occur when: The City Administrator or his/her designee determines that the triggering criteria is resolved, is unlikely to occur again within 7 days, and no other triggering criteria are likely to occur.

Restrictions: Any combination of the restrictions stated in this plan may be put in place in order to manage emergency conditions in a way that prevents any harm to public health or safety. Restrictions will be determined by the potential impact of the condition on customers. The Vice President of Operations has authority to institute any additional restrictions not stated in this Plan if necessary to manage the impact of emergency conditions.

Section IX: Drought Response - Notification

The City Administrator, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:

Notification of the Public:

The City Administrator or his/ her designee shall notify the public by means of:

- publication in a newspaper of general circulation,
- direct mail to each customer,

- public service announcements,
- signs posted in public places
- take-home fliers at schools.
- City website posting
- Take-home fliers at schools

Additional Notification:

The City Administrator or his/ her designee shall notify directly, or cause to be notified directly, the following individuals and entities:

- Mayor / Chairman and members of the City Council / Utility Board
- Fire Chief(s)
- City and/or County Emergency Management Coordinator(s)
- County Judge & Commissioner(s)
- State Disaster District / Department of Public Safety
- TCEQ (required when mandatory restrictions are imposed)
- Major water users
- Critical water users, i.e. hospitals
- Parks / street superintendents & public facilities managers

Section X: Enforcement

- (a) No person shall knowingly or intentionally allow the use of water from the City of Blanco for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by City Administrator, or his/her designee, in accordance with provisions of this Plan.
- (b) Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than two hundred dollars (\$200.00) and not more than two thousand dollars (\$2,000.00). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the City Administrator shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at \$ 60.00, and any other costs incurred by the City of Blanco in discontinuing service. In addition, suitable assurance must be given to the City Administrator that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.
- (c) Any person, including a person classified as a water customer of the City of Blanco, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in

apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.

- (d) Any employee of the City of Blanco, police officer, or other City employee designated by the City Administrator, may issue a citation to a person he/she reasonably believes to be in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the municipal court on the date shown on the citation for which the date shall not be less than 3 days nor more than 5 days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in municipal court to enter a plea of guilty or not guilty for the violation of this Plan. If the alleged violator fails to appear in municipal court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in municipal court before all other cases.

Section XI: Variances

The City Administrator, or his/her designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the City of Blanco within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the City Administrator, or his/her designee, and shall include the following:

- a) Name and address of the petitioner(s).
- b) Purpose of water use.
- c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- e) Description of the relief requested.
- f) Period of time for which the variance is sought.
- g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- h) (h) Other pertinent information.

- signs posted in public places
- take-home fliers at schools.
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NEW BUSINESS

ITEM #4



City of Blanco

P.O. Box 750 Blanco, Texas 78606
Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7-8-25

DESCRIPTION: Capital improvement plan final draft which includes the 2025 bond election items that was just approved by voters and the 2024 Certificate of Obligation subsidized by the Texas Water Development Board at \$3.9 million.

ANALYSIS: Revised CIP plan (Council saw it last month) infrastructure needs for 5-8 years following the 16 million bond approval for utilities and streets combined with the three water line projects approved in the 2024 COs subsidized by the Texas Water Development Board (TWDB). Council saw the first draft of this CIP from SPI at the June 12th Council Meeting.

FISCAL IMPACT: Combined First Tranche of approved improvements in the bond and the 2024 certificates of Obligation at just over \$20,000,000 of utility and street improvements.

RECOMMENDATION: Adopt Capital Improvements plan with or without corrections.

City of Blanco, Texas

Capital Improvement Plan

Fiscal Year 2026

Adopted by
Blanco City Council
July 8, 2025

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Acknowledgements

Contributors to this plan include:

City Council

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Dennis J. Moore, Jr., Mayor Pro-Tem
Bobby Mack-McClung, Councilmember
Ryan Moses, Councilmember
Rodney Thrailkill, Councilmember
David Behrends Jr., Councilmember

Capital Improvement and Asset Management Advisory Committee

Gerald "OJ" Armstrong, Chair
Steve Scheffe, Member
George Vavrek, Member
Brandon Carlson, Member
Frank Leblanc, Member
David Behrends, Member

City Staff

Warren Escovy, City Administrator
Laurie Cassidy, City Secretary
Jose Martinez, Finance Director

City Attorney

Tim Tuggey
Tim Tuggey Law

City Engineer

John Schmeling, P.E.
Schaumburg & Polk, Inc.

Executive Summary

The City of Blanco's Five-Year Capital Improvements Plan (CIP) is a strategic tool used to forecast the timing, scope, and funding of future capital projects. Updated annually as part of the City's budget process, the CIP helps guide long-term investment in infrastructure and public facilities.

Projects included in the CIP are primarily drawn from the City's comprehensive plan, strategic plans, and various infrastructure-specific master plans. Additional projects are identified through staff assessments, community feedback, and trends in development activity within and around the city.

A cross-functional team—with representatives of public works, parks, planning, engineering, and finance—collaborates to define project scopes and establish priorities. Input is also solicited from relevant Boards and Commissions to ensure the Plan supports the City's growth and infrastructure goals.

It is important to note that inclusion in the CIP does not guarantee a project will be designed or constructed within the listed timeframe. Implementation depends on annual funding decisions, which may shift based on evolving priorities and available resources. The City Council reviews the CIP each year to reassess priorities and determine appropriate funding strategies.

In some cases, capital projects may be completed by private developers to accommodate new growth—sometimes with City involvement, and sometimes independently. These projects are included in the CIP to ensure alignment with the City's master plans and to provide a comprehensive picture of how future development may impact existing infrastructure.

Funding and Cost Estimates

The CIP outlines potential funding sources, but these are not guaranteed. The City Council evaluates funding availability annually and selects the most appropriate source during the budget process.

Project cost estimates:

- Are adjusted to reflect future inflation
- Represent the anticipated cost at the time of implementation
- Are mostly preliminary, as detailed design and engineering have not yet been completed
- Will be updated annually to reflect changes in scope, inflation, and market conditions

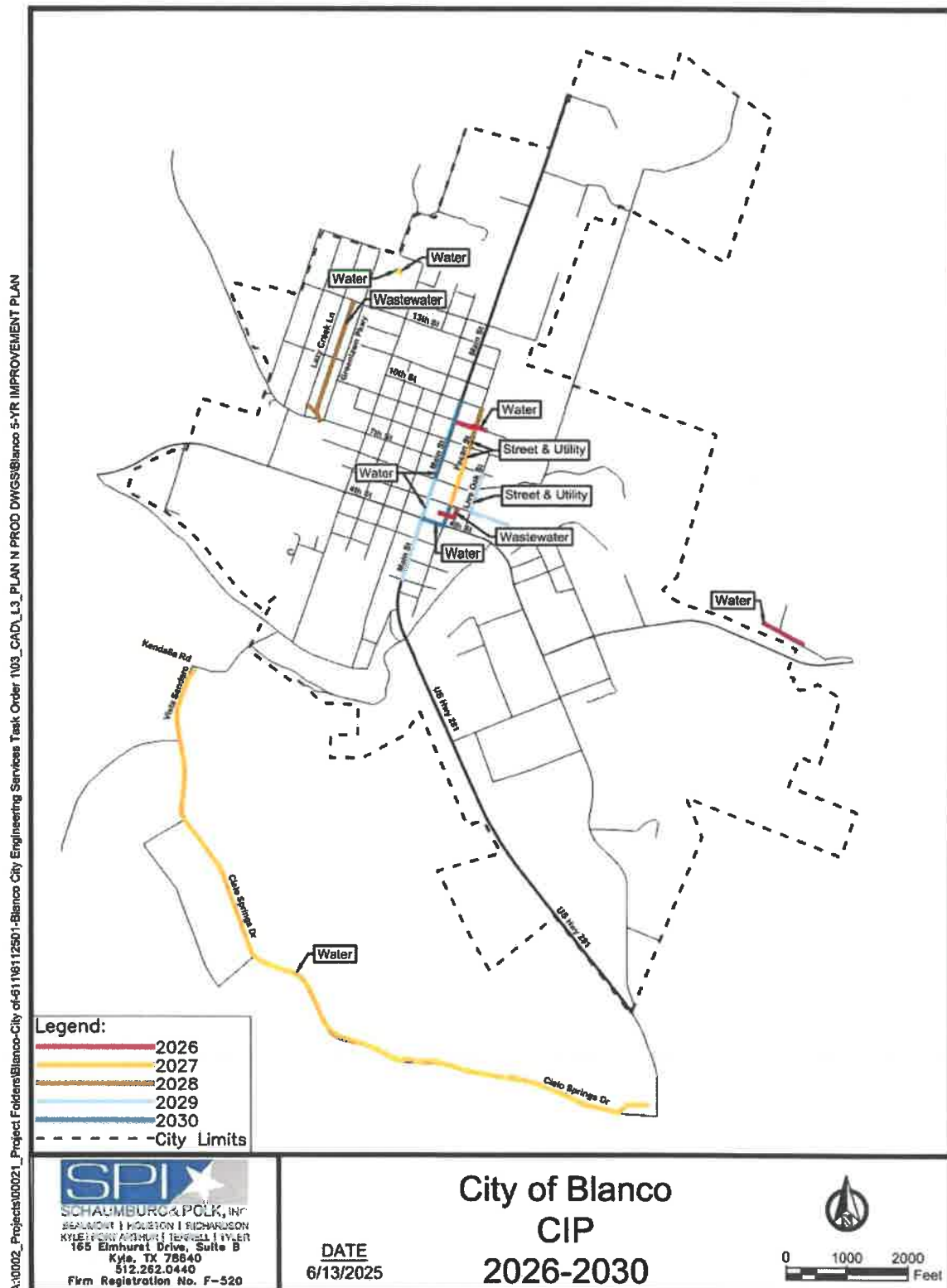
Funding Sources

Major funding for the current CIP includes:

- The 2024 Texas Water Development Board (TWDB) Project Information Form (PIF)
- The May 2025 bond election, in which Blanco voters approved \$16.63 million in General Obligation (GO) Bonds:
 - \$4.41 million (Proposition A) for street improvements
 - \$12.22 million (Proposition B) for water and wastewater improvements

Mapped Projects

Specifically identified street and utility, wastewater, and water projects are shown in the map below.



Unmapped Projects

Additional projects in the plan that are not specifically mapped are listed below.

Planning Projects

- Develop Water Model
- Develop Wastewater Model
- Smoke Testing Non-PVC Wastewater Pipes
- CCTV Inspection of Non-PVC Pipes
- Inspect Wastewater Manholes

Other Projects

- Install Water Insert-a-Valves
- Rehabilitate Wastewater Manholes

Future Unidentified

- Street and Utility Projects
- Street Projects

Projects Summary

Project by Category	Prior Years	2026	2027	2028	2029	2030	Future	Grand Total
Street and Utility								
Live Oak St Street and Utilities				\$222,000	\$1,410,000			\$1,632,000
Pecan St Street and Utilities		\$107,200	\$941,100	\$1,231,300				\$2,279,600
Unidentified Street and Utilities					\$124,100	\$1,021,200	\$2,018,300	\$3,163,600
Unidentified Street Project							\$437,900	\$437,900
Street and Utility Total	\$0	\$107,200	\$941,100	\$1,453,300	\$1,534,100	\$1,021,200	\$2,456,200	\$7,513,100
Wastewater								
CCTV Inspection Non-PVC Pipes		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$100,000	\$350,000
Develop Wastewater Model		\$75,000						\$75,000
Inspect Wastewater Manholes		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$50,000	\$175,000
Rehabilitate Wastewater Manholes		\$105,800	\$105,800	\$105,800	\$105,800	\$105,800		\$529,000
Smoke Testing Non-PVC Pipes		\$75,000					\$211,600	\$286,600
Wastewater Pipe Rehabilitation 7th St to 13th St			\$119,800	\$646,900				\$766,700
Wastewater Pipe Rehabilitation Pecan St from 4th St to 5th St		\$77,900						\$77,900
Wastewater Total	\$0	\$408,700	\$300,600	\$827,700	\$180,800	\$180,800	\$361,600	\$2,260,200
Water								
12th St ACP Water Main Replacement						\$118,200	\$874,900	\$993,100
7th St ACP Water Main Replacement							\$843,500	\$843,500
9th St Street Water Main Replacement	\$43,100	\$310,300						\$353,400
Cielo Springs Water Main Replacement		\$361,800	\$2,605,100					\$2,966,900
Develop Water Model		\$75,000						\$75,000
Install Water Insert-a-Valves		\$338,100						\$338,100
Main St Water Main Replacement				\$195,600	\$1,581,000	\$1,245,800		\$3,022,400
Palamino Water Main Replacement	\$16,400	\$118,400						\$134,800
Pecan St ACP Water Main Replacement					\$81,400	\$586,000		\$667,400
Rehabilitate Elevated Storage Tank		\$56,700	\$408,300					\$465,000
Rehabilitate Standpipe		\$55,800	\$402,100					\$457,900
Water Total	\$59,500	\$1,316,100	\$3,415,500	\$195,600	\$1,662,400	\$1,950,000	\$1,718,400	\$10,317,500
Grand Total	\$59,500	\$1,832,000	\$4,657,200	\$2,476,600	\$3,377,300	\$3,152,000	\$4,536,200	\$20,090,800

Funding Summary

Project by Funding Source	Prior Years	2026	2027	2028	2029	2030	Future	Grand Total
TWDB PIF 62938								
9th St Street Water Main Replacement	\$43,100	\$310,300						\$353,400
Cielo Springs Water Main Replacement		\$361,800	\$2,605,100					\$2,966,900
Palomino Water Main Replacement	\$16,400	\$118,400						\$134,800
Total TWDB PIF 62938:	\$59,500	\$790,500	\$2,605,100	\$0	\$0	\$0	\$0	\$3,455,100
2025 GO - Prop A								
12th St ACP Water Main Replacement						\$8,800	\$63,400	\$72,200
7th St ACP Water Main Replacement							\$124,200	\$124,200
Live Oak St Street and Utilities				\$48,500	\$349,000			\$397,500
Main St Water Main Replacement				\$48,100	\$397,500	\$373,500		\$819,100
Pecan St ACP Water Main Replacement					\$23,300	\$167,500		\$190,800
Pecan St Street and Utilities		\$48,300	\$422,300	\$552,000				\$1,022,600
Unidentified Street and Utilities					\$53,200	\$437,700	\$857,100	\$1,348,000
Unidentified Street Project							\$437,900	\$437,900
Total 2025 GO - Prop A:	\$0	\$48,300	\$422,300	\$648,600	\$823,000	\$987,500	\$1,482,600	\$4,412,300

Project by Funding Source	Prior Years	2026	2027	2028	2029	2030	Future	Grand Total
2025 GO - Prob B								
12th St ACP Water Main Replacement						\$109,400	\$811,500	\$920,900
7th St ACP Water Main Replacement							\$719,300	\$719,300
CCTV Inspection Non-PVC Pipes		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$100,000	\$350,000
Develop Wastewater Model		\$75,000						\$75,000
Develop Water Model		\$75,000						\$75,000
Inspect Wastewater Manholes		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$50,000	\$175,000
Install Water Insert-a-Valves		\$338,100						\$338,100
Live Oak St Street and Utilities				\$173,500	\$1,061,000			\$1,234,500
Main St Water Main Replacement				\$147,500	\$1,183,500	\$872,300		\$2,203,300
Pecan St ACP Water Main Replacement					\$58,100	\$418,500		\$476,600
Pecan St Street and Utilities		\$58,900	\$518,800	\$679,300				\$1,257,000
Rehabilitate Elevated Storage Tank		\$56,700	\$408,300					\$465,000
Rehabilitate Standpipe		\$55,800	\$402,100					\$457,900
Rehabilitate Wastewater Manholes		\$105,800	\$105,800	\$105,800	\$105,800	\$105,800	\$211,600	\$740,600
Smoke Testing Non-PVC Pipes		\$75,000						\$75,000
Unidentified Street and Utilities					\$70,900	\$583,500	\$1,161,200	\$1,815,600
Wastewater Pipe Rehabilitation 7th St to 13th St			\$119,800	\$646,900				\$766,700
Wastewater Pipe Rehabilitation Pecan St from 4th St to 5th St		\$77,900						\$77,900
Total 2025 GO - Prob B	\$0	\$993,200	\$1,629,800	\$1,828,000	\$2,554,300	\$2,164,500	\$3,053,600	\$12,223,400
Grand Total	\$59,500	\$1,832,000	\$4,657,200	\$2,476,600	\$3,377,300	\$3,152,000	\$4,536,200	\$20,090,800

Street and Utility Projects

**City of Blanco, Texas
Capital Improvement Program – Street**

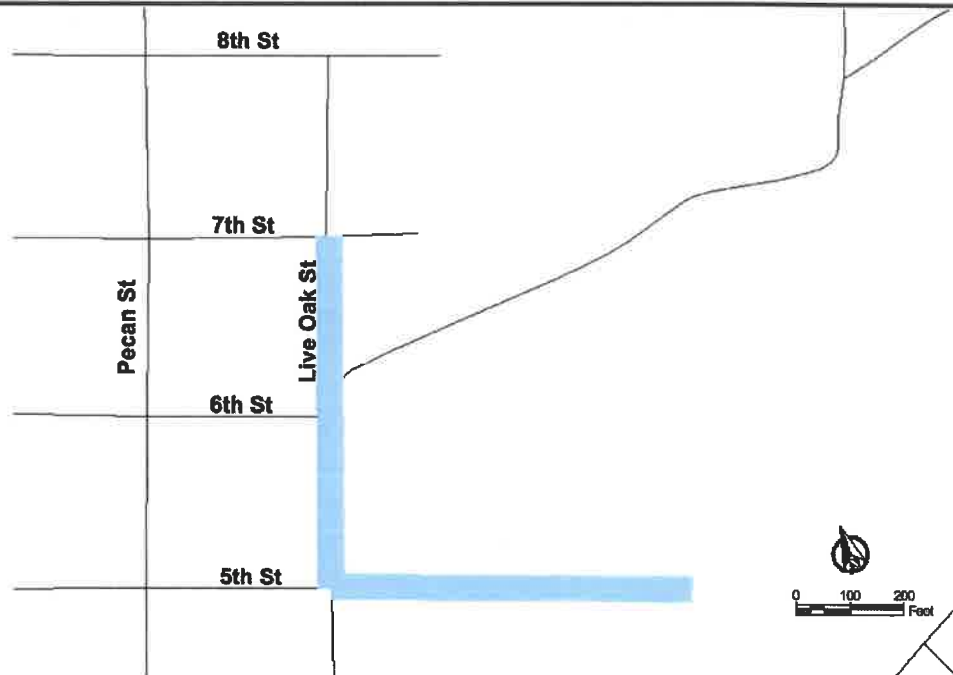
Project Name: Live Oak St Street and Utilities

Financial Plan:

Prior Years	Projected						Future	Total
	26	27	28	29	30			
-	-	-	\$222,000	\$1,410,000	-		-	\$1,632,000

Description:

Replacement of water main, replacement about 1,325 feet of 8" VCP wastewater pipe with 12" PVC wastewater pipe, and repaving on Live Oak St from 5th St to 7th St and from Live Oak St to the lift station.



Estimated Project Cost:

Engineering/Design	\$195,900
Land	\$26,100
Construction	\$1,305,500
Construction Admin	\$104,500
Total	\$1,632,000

Project Task:

Project Task:	Duration
Planning/Design	6
Right-of-way/Utilities	3
Permitting	3
Construction	6
Total	18

Funding Source:	Prior Years	Projected						Future	Total
		26	27	28	29	30			
2025 GO – Prop A	-	-	-	\$48,500	\$349,000	-	-	-	\$397,500
2025 GO – Prop B	-	-	-	\$173,500	\$1,061,000	-	-	-	\$1,234,500
Total	-	-	-	\$222,000	\$1,410,000	-	-	-	\$1,632,000

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Street**

Project Name: Pecan St Street and Utilities

Financial Plan:

Prior Years	Projected						
	26	27	28	29	30	Future	Total
-	\$107,200	\$941,100	\$1,231,300	-	-	-	\$2,279,600

Description:

Replace ACP watermain, rehabilitate VCP sewer lines, and re-pave Pecan Street from 5th St to 10th St. The project is proposed for two phases as follows: Phase 1 is Pecan St from 5th St to 8th St and Phase 2 is Pecan St from 8th St to 10th St.



Estimated Project Cost:

Engineering/Design	\$276,200
Land	-
Construction	\$1,856,100
Construction Admin	\$147,300
Total	\$2,279,600

Project Task:

Project Task:	Duration (Each Phase)
Planning/Design	8
Right-of-way/Utilities	-
Permitting	2
Construction	6
Total	16

Funding Source:

Prior Years	Projected						
	26	27	28	29	30	Future	Total
2025 GO – Prop A	-	\$48,300	\$422,300	\$552,000	-	-	\$1,022,600
2025 GO – Prop B	-	\$58,900	\$518,800	\$679,300	-	-	\$1,257,000
Total	-	\$107,200	\$941,100	\$1,231,300	-	-	\$2,279,600

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Street**

Project Name: Unidentified Street and Utilities

Financial Plan:

	Prior Years	Projected						Total
		26	27	28	29	30	Future	
	-	-	-	-	\$124,100	\$1,021,200	\$2,018,300	\$3,163,600

Description:

Replace water main, rehabilitate sewer, and re-pave streets to be identified in the future.



Estimated Project Cost:

Engineering/Design	\$385,900
Land	-
Construction	\$2,571,900
Construction Admin	\$205,800
Total	\$3,163,600

Project Task:

Duration (Each Phase)

Planning/Design	8
Right-of-way/Utilities	-
Permitting	2
Construction	6
Total	16

Funding Source:

**Prior
Years**

Projected

		26	27	28	29	30	Future	Total
2025 GO – Prop A	-	-	-	-	\$53,200	\$437,700	\$857,100	\$1,348,000
2025 GO – Prop B	-	-	-	-	\$70,900	\$583,500	\$1,161,200	\$1,815,600
Total	-	-	-	-	\$124,100	\$1,021,200	\$2,018,300	\$3,163,600

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Street**

Project Name:	Unidentified Street Project
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Financial Plan:

	Prior Years	Projected					Future	Total
		26	27	28	29	30		
	-	-	-	-	-	-	\$437,900	\$437,900

Description:

Re-pave streets to be identified in the future.



Estimated Project Cost:	
Engineering/Design	\$53,000
Land	-
Construction	\$357,000
Construction Admin	\$27,900
Total	\$437,900

Project Task:	Duration (Each Phase)
Planning/Design	6
Right-of-way/Utilities	-
Permitting	-
Construction	6
Total	12

Funding Source:	Prior Years	Projected					Future	Total
		26	27	28	29	30		
2025 GO – Prop A	-	-	-	-	-	-	\$437,900	\$437,900
Total	-	-	-	-	-	-	\$437,900	\$437,900

Notes:

This project is being funded by the 2025 bond election.

Wastewater Projects

City of Blanco, Texas
Capital Improvement Program – Wastewater

Project Name:	CCTV Inspection Non-PVC Pipes
----------------------	-------------------------------

Financial Plan:

	Prior Years	Projected						Total
		26	27	28	29	30	Future	
	-	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$100,000	\$350,000

Description:

Closed circuit television inspection of non-PVC wastewater pipes over seven (7) years (about 5,000 feet per year).



Estimated Project Cost:		Project Task:	Duration (Each Phase)
Engineering/Design	\$70,000	Planning/Design	4
Land	-	Right-of-way/Utilities	-
Construction	\$280,000	Permitting	-
Construction Admin	-	Construction	4
Total	\$350,000	Total	7

Funding Source:	Prior Years	Projected						Total
		26	27	28	29	30	Future	
2025 GO – Prop B	-	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$100,000	\$350,000
Total	-	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$100,000	\$350,000

Notes:

This project is being funded by the 2025 bond election.

City of Blanco, Texas
Capital Improvement Program – Wastewater

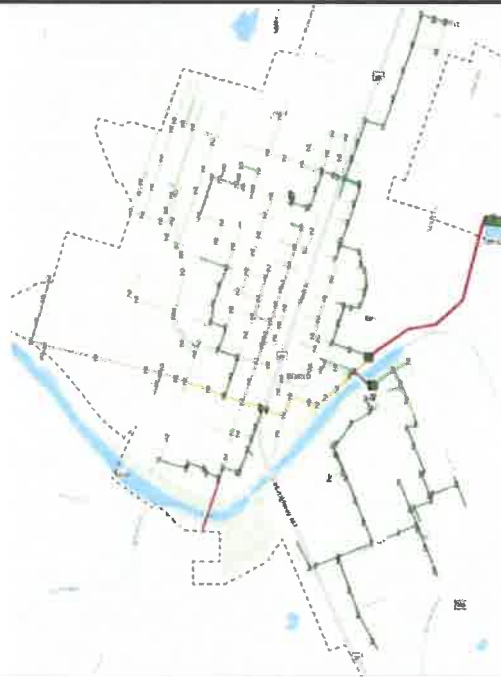
Project Name:	Develop Wastewater Model
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Financial Plan:

	Prior Years	Projected						Total
		26	27	28	29	30	Future	
	-	\$75,000	-	-	-	-	-	

Description:

Development of a citywide hydraulic wastewater model.



Estimated Project Cost:	
Engineering/Design	\$75,000
Land	-
Construction	-
Construction Admin	-
Total	\$75,000

Project Task:	Duration
Planning/Design	8
Right-of-way/Utilities	-
Permitting	-
Construction	-
Total	8

Funding Source:	Prior Years	Projected						Total
		26	27	28	29	30	Future	
2025 GO – Prop B	-	\$75,000	-	-	-	-	-	\$75,000
Total	-	\$75,000	-	-	-	-	-	\$75,000

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Wastewater**

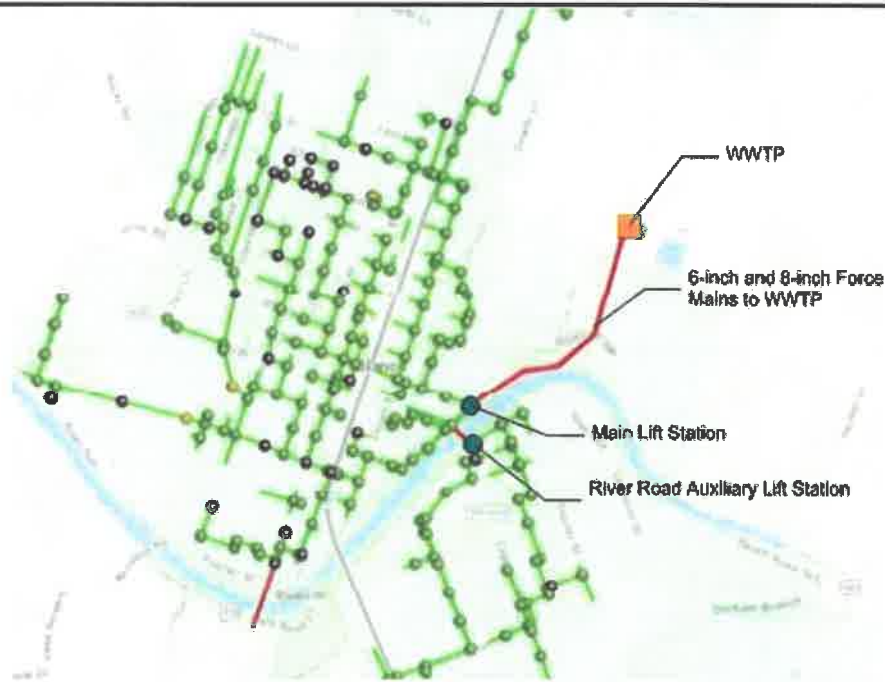
Project Name:	Inspect Wastewater Manholes
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Financial Plan:

	Prior Years	Projected						Future	Total
		26	27	28	29	30			
	-	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000		\$50,000	\$175,000

Description:

Inspection and GPS survey of all wastewater manholes in the City over seven (7) years (about 35 per year).



Estimated Project Cost:	
Engineering/Design	-
Land	-
Construction	\$175,000
Construction Admin	-
Total	\$175,000

Project Task:	Duration (Each Phase)
Planning/Design	4
Right-of-way/Utilities	-
Permitting	-
Construction	4
Total	8

Funding Source:	Prior Years	Projected						Future	Total
		26	27	28	29	30			
2025 GO – Prop B	-	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000		\$50,000	\$175,000
Total	-	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000		\$50,000	\$175,000

Notes:

This project is being funded by the 2025 bond election.

City of Blanco, Texas
Capital Improvement Program – Wastewater

Project Name: Rehabilitate Wastewater Manholes

Financial Plan:

	Prior Years	Projected						Total
		26	27	28	29	30	Future	
	-	\$105,800	\$105,800	\$105,800	\$105,800	\$105,800	\$211,600	\$740,600

Description:

Rehabilitate poor and fair condition manholes identified in the 2019 HR Green report over seven (7) years (about 20 per year).



Estimated Project Cost:

Engineering/Design	\$64,400
Land	-
Construction	\$644,000
Construction Admin	\$32,200
Total	\$740,600

Project Task:

Duration (Each Phase)

Planning/Design	4
Right-of-way/Utilities	-
Permitting	-
Construction	4
Total	8

Funding Source:	Prior Years	Projected						Total
		26	27	28	29	30	Future	
2025 GO – Prop B	-	\$105,800	\$105,800	\$105,800	\$105,800	\$105,800	\$211,600	\$740,600
Total	-	\$105,800	\$105,800	\$105,800	\$105,800	\$105,800	\$211,600	\$740,600

Notes:

This project is being funded by the 2025 bond election.

City of Blanco, Texas
Capital Improvement Program – Wastewater

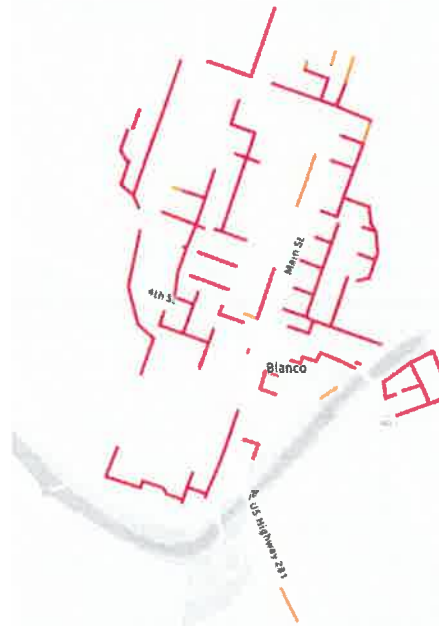
Project Name:	Smoke Testing of Non-PVC Wastewater Pipes
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Financial Plan:

Prior Years	Projected						Future	Total
	26	27	28	29	30			
-	\$75,000	-	-	-	-	-	-	\$75,000

Description:

Smoke testing of all non-PVC wastewater pipes (about 36,000 feet) to initially identify issue areas.



Estimated Project Cost:	
Engineering/Design	\$15,000
Land	-
Construction	\$60,000
Construction Admin	-
Total	\$75,000

Project Task:	Duration
Planning/Design	4
Right-of-way/Utilities	-
Permitting	-
Construction	6
Total	10

Funding Source:	Prior Years	Projected						Total
		26	27	28	29	30	Future	
2025 GO – Prop B	-	\$75,000	-	-	-	-	-	\$75,000
Total	-	\$75,000	-	-	-	-	-	\$75,000

Notes:

This project is being funded by the 2025 bond election.

City of Blanco, Texas
Capital Improvement Program – Wastewater

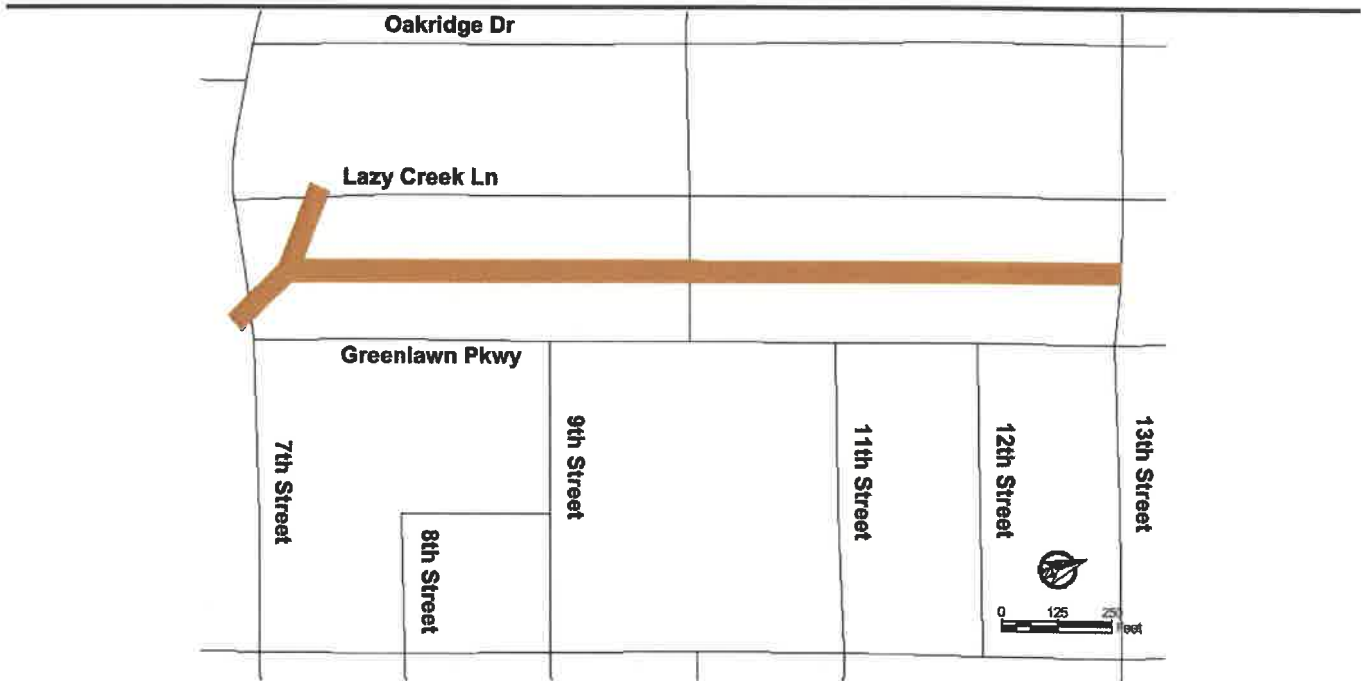
Project Name:	Wastewater Pipe Rehabilitation 7 th St to 13 th St
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Financial Plan:

Prior Years	Projected						Future	Total
	26	27	28	29	30			
-	-	\$119,800	\$646,900	-	-	-	-	\$766,700

Description:

Rehabilitate wastewater line between Lazy Creek Ln and Greenlawn Pkwy from 7th St to 13th St (about 2,200 feet) by pipe bursting.



Estimated Project Cost:	
Engineering/Design	\$89,900
Land	\$29,900
Construction	\$598,900
Construction Admin	\$48,000
Total	\$766,700

Project Task:	Duration
Planning/Design	4
Right-of-way/Utilities	3
Permitting	1
Construction	4
Total	12

Funding Source:	Prior Years	Projected						Total
		26	27	28	29	30	Future	
2025 GO – Prop B	-	-	\$119,800	\$646,900	-	-	-	\$766,700
Total	-	-	\$119,800	\$646,900	-	-	-	\$766,700

Notes:

This project is being funded by the 2025 bond election.

City of Blanco, Texas
Capital Improvement Program – Wastewater

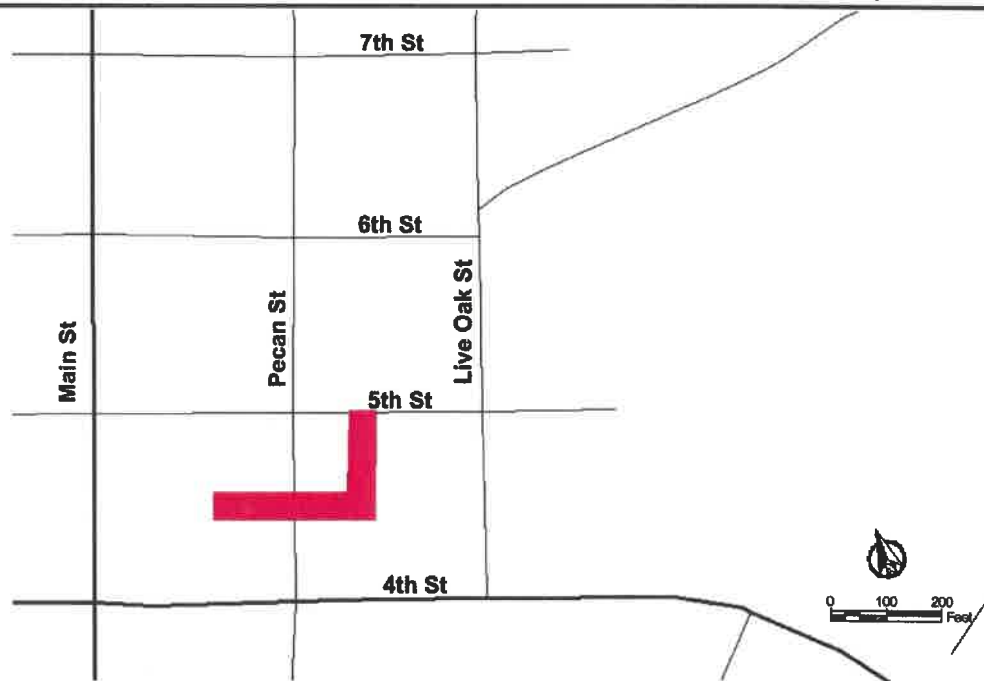
Project Name:	Wastewater Pipe Rehabilitation Pecan St from 4th St to 5th St
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Financial Plan:

	Prior Years	Projected						Future	Total
		26	27	28	29	30			
	-	\$77,900	-	-	-	-	-	-	\$77,900

Description:

Rehabilitate wastewater line near Pecan St from 4th St to 5th St (about 445 feet) by lining.



Estimated Project Cost:	
Engineering/Design	\$9,500
Land	-
Construction	\$63,300
Construction Admin	\$5,100
Total	\$77,900

Project Task:	Duration
Planning/Design	4
Right-of-way/Utilities	-
Permitting	-
Construction	4
Total	8

Funding Source:	Prior Years	Projected						Future	Total
		26	27	28	29	30			
2025 GO – Prop B	-	\$77,900	-	-	-	-	-	-	\$77,900
Total	-	\$77,900	-	-	-	-	-	-	\$77,900

Notes:

This project is being funded by the 2025 bond election.

Water Projects

**City of Blanco, Texas
Capital Improvement Program – Water**

Project Name:	12th St ACP Water Main Replacement
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Financial Plan:

	Prior Years	Projected						Future	Total
		26	27	28	29	30			
	-	-	-	-	-	\$118,200		\$874,900	\$993,100

Description:

Replacement of about 2,200 feet of 4" ACP water main with 8" PVC water main from the intersection of 12th St and Greenlawn Pkwy west through backyards and the middle school property to 7th St.



Estimated Project Cost:	
Engineering/Design	\$118,200
Land	\$23,600
Construction	\$788,400
Construction Admin	\$62,900
Total	\$993,100

Project Task:	Duration
Planning/Design	4
Right-of-way/Utilities	3
Permitting	1
Construction	6
Total	14

Funding Source:	Prior Years	Projected						Future	Total
		26	27	28	29	30			
2025 GO – Prop A	-	-	-	-	-	\$8,800		\$63,400	\$72,200
2025 GO – Prop B	-	-	-	-	-	\$109,400		\$811,500	\$920,900
Total	-	-	-	-	-	\$118,200		\$874,900	\$993,100

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Water**

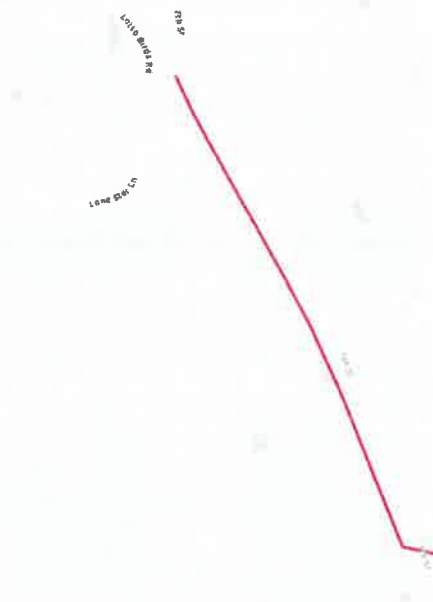
Project Name:	7th St ACP Water Main Replacement
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Financial Plan:

	Prior Years	Projected					Future	Total
		26	27	28	29	30		
	-	-	-	-	-	-	\$843,500	\$903,300

Description:

Replacement of about 1,850 feet or 4" ACP water main along 7th St from the middle school north to the end of 7th St.



Estimated Project Cost:	
Engineering/Design	\$103,000
Land	-
Construction	\$685,600
Construction Admin	\$54,900
Total	\$843,500

Project Task:	Duration
Planning/Design	4
Right-of-way/Utilities	1
Permitting	1
Construction	6
Total	12

Funding Source:	Prior Years	Projected					Future	Total
		26	27	28	29	30		
2025 GO – Prop A	-	-	-	-	-	-	\$124,200	\$124,200
2025 GO – Prop B	-	-	-	-	-	-	\$719,300	\$719,300
Total	-	-	-	-	-	-	\$843,500	\$843,500

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Water**

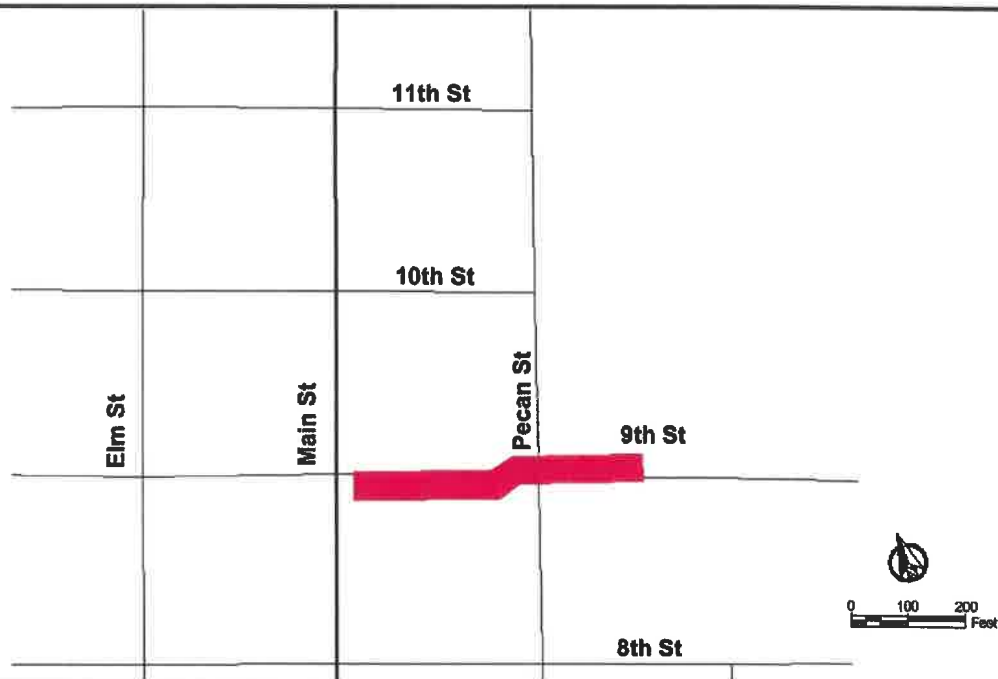
Project Name: 9th St Street Water Main Replacement

Financial Plan:

	Prior Years	Projected						Total
		26	27	28	29	30	Future	
	\$43,100	\$310,300	-	-	-	-	-	\$353,400

Description:

Replace water main on 9th St from Main St to about 160 feet west of Live Oak St.



Estimated Project Cost:

Engineering/Design	\$43,100
Land	-
Construction	\$287,300
Construction Admin	\$23,000
Total	\$353,400

Project Task:

Project Task:	Duration
Planning/Design	4
Right-of-way/Utilities	1
Permitting	1
Construction	6
Total	12

Funding Source:

	Prior Years	Projected						Total
		26	27	28	29	30	Future	
TWDB PIF 62938	\$43,100	\$310,300	-	-	-	-	-	\$353,400
Total	\$43,100	\$310,300	-	-	-	-	-	\$353,400

Notes:

NA

City of Blanco, Texas
Capital Improvement Program – Water

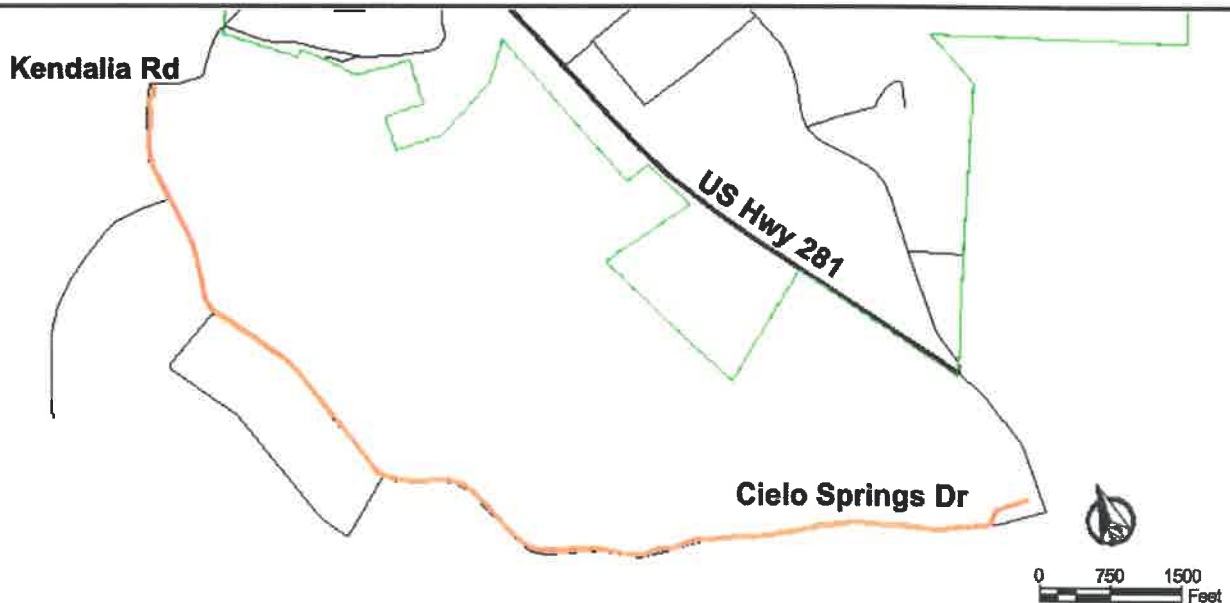
Project Name: Cielo Springs Water Main Replacement

Financial Plan:

	Prior Years	Projected					Future	Total
		26	27	28	29	30		
	-	\$361,800	\$2,605,100	-	-	-	-	\$2,966,900

Description:

Replace water main on Cielo Springs Dr from US 281 to Kendalia Rd.



Estimated Project Cost:

Engineering/Design	\$361,800
Land	-
Construction	\$2,412,100
Construction Admin	\$193,000
Total	\$2,966,900

Project Task:

	Duration
Planning/Design	8
Right-of-way/Utilities	-
Permitting	2
Construction	8
Total	18

Funding Source:

	Prior Years	Projected					Future	Total
		26	27	28	29	30		
TWDB PIF 62938	-	\$361,800	\$2,605,100	-	-	-	-	\$2,966,900
Total	-	\$361,800	\$2,605,100	-	-	-	-	\$2,966,900

Notes:

NA

**City of Blanco, Texas
Capital Improvement Program – Water**

Project Name:	Develop Water Model
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Financial Plan:

	Prior Years	Projected						Total
		26	27	28	29	30	Future	
	-	\$75,000	-	-	-	-	-	\$75,000

Description:

Development of a citywide hydraulic water model.



Estimated Project Cost:	
Engineering/Design	\$75,000
Land	
Construction	
Construction Admin	
Total	\$75,000

Project Task:		Duration
Planning/Design		8
Right-of-way/Utilities		-
Permitting		-
Construction		-
Total		8

Funding Source:	Prior Years	Projected						Total
		26	27	28	29	30	Future	
2025 GO – Prop B	-	\$75,000	-	-	-	-	-	\$75,000
Total	-	\$75,000	-	-	-	-	-	\$75,000

Notes:

This project is being funded by the 2025 bond election.

City of Blanco, Texas
Capital Improvement Program – Water

Project Name:	Install Water Insert-a-Valves
----------------------	-------------------------------

Financial Plan:

	Prior Years	Projected						Future	Total
		26	27	28	29	30			
	-	\$338,100	-	-	-	-	-	-	\$338,100

Description:

Install about ten (10) water insert-a-valves in strategic locations on the water system to allow shutdowns for future work.



Estimated Project Cost:	
Engineering/Design	\$29,400
Land	-
Construction	\$294,000
Construction Admin	\$14,700
Total	\$338,100

Project Task:	Duration
Planning/Design	6
Right-of-way/Utilities	-
Permitting	-
Construction	6
Total	12

Funding Source:	Prior Years	Projected						Future	Total
		26	27	28	29	30			
2025 GO – Prop B		\$338,100	-	-	-	-	-	-	\$338,100
Total		\$338,100	-	-	-	-	-	-	\$338,100

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Water**

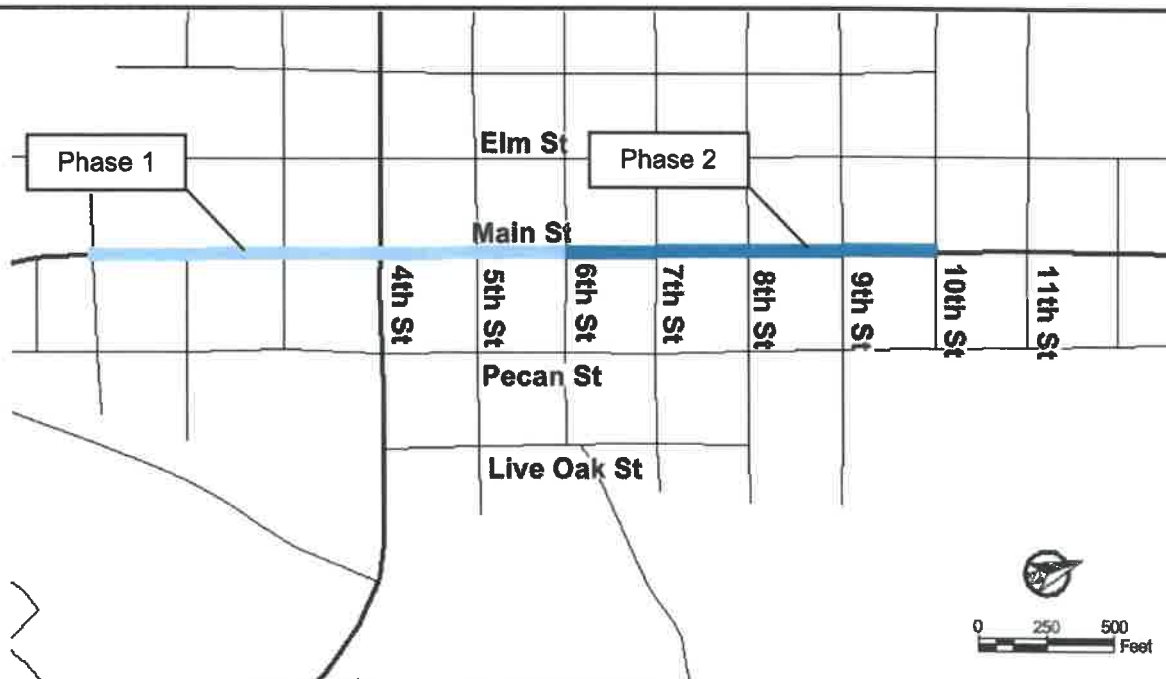
Project Name: Main St Water Main Replacement

**Financial
Plan:**

	Prior Years	Projected					Future	Total
		26	27	28	29	30		
	-	-	-	\$195,600	\$1,581,000	\$1,245,800	-	\$3,022,400

Description:

Replacement of about CIP water main with PVC water main on Main St from 1st St to 10th St. This project is proposed to be done in two phases as follows: Phase 1 – Main St from 1st St to 6th St and Phase 2 – Main St from 6th St to 10th St.



Estimated Project Cost:

Engineering/Design	\$368,600
Land	-
Construction	\$2,457,200
Construction Admin	\$196,600
Total	\$3,022,400

Project Task:

Duration (Each Phase)

Planning/Design	6
Right-of-way/Utilities	4
Permitting	2
Construction	6
Total	18

Funding Source:

	Prior Years	Projected					Future	Total
		26	27	28	29	30		
2025 GO – Prop A	-	-	-	\$48,100	\$397,500	\$373,500	-	\$819,100
2025 GO – Prop B	-	-	-	\$147,500	\$1,183,500	\$872,300	-	\$2,203,300
Total	-	-	-	\$195,600	\$1,581,000	\$1,245,800	-	\$3,022,400

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Water**

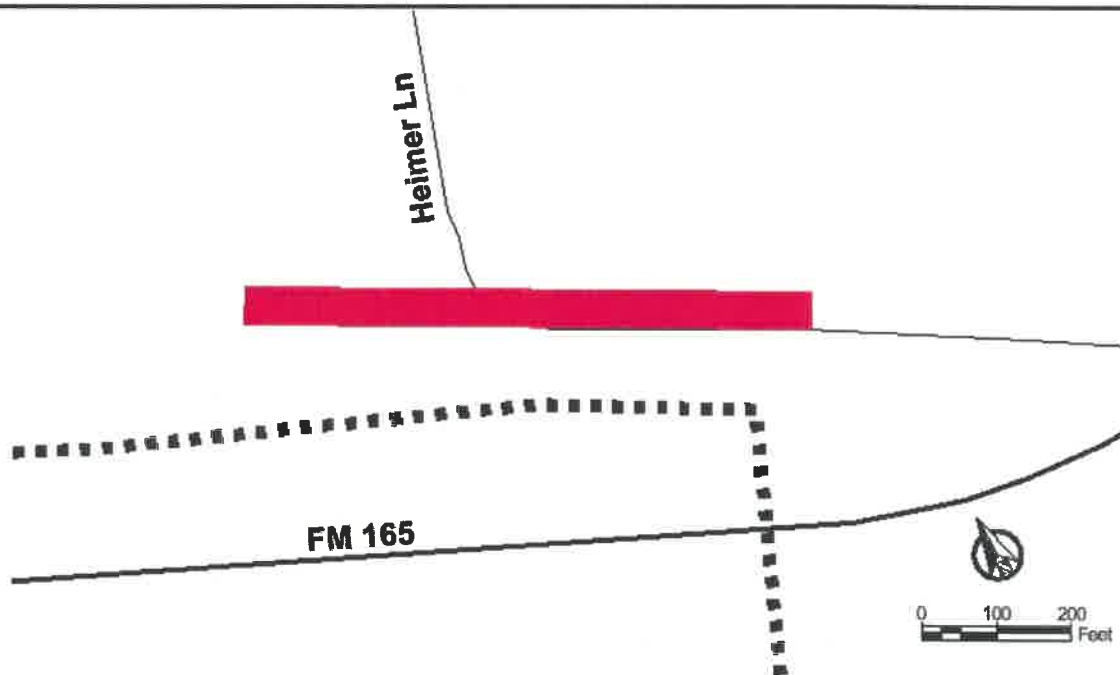
Project Name:	Palomino Water Main Replacement
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Financial Plan:

	Prior Years	Projected						Total
		26	27	28	29	30	Future	
	\$16,400	\$118,400	-	-	-	-	-	\$134,800

Description:

Replace about 1,400 feet of water main near Heimer Ln and Ranch Rd 165.



Estimated Project Cost:	
Engineering/Design	\$16,400
Land	-
Construction	\$109,600
Construction Admin	\$8,800
Total	

Project Task:		Duration
Planning/Design		4
Right-of-way/Utilities		1
Permitting		1
Construction		4
Total		10

Funding Source:	Prior Years	Projected						Total
		26	27	28	29	30	Future	
TWDB PIF 62938	\$16,400	\$118,400	-	-	-	-	-	\$134,800
Total	\$16,400	\$118,400	-	-	-	-	-	\$134,800

Notes:

NA

City of Blanco, Texas
Capital Improvement Program – Water

Project Name:	Pecan St ACP Water Main Replacement
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Financial Plan:

	Prior Years	Projected						Future	Total
		26	27	28	29	30			
	-	-	-	-	\$81,400	\$586,000	-	-	\$667,400

Description:

Replace ACP watermain on 4th St from Main St to Pecan St and on Pecan St from 4th St to 5th St.



Estimated Project Cost:	
Engineering/Design	\$81,400
Land	-
Construction	\$542,600
Construction Admin	\$43,400
Total	\$667,400

Project Task:	Duration
Planning/Design	6
Right-of-way/Utilities	1
Permitting	1
Construction	6
Total	14

Funding Source:	Prior Years	Projected						Future	Total
		26	27	28	29	30			
2025 GO – Prop A	-	-	-	-	\$23,300	\$167,500	-	-	\$190,800
2025 GO – Prop B	-	-	-	-	\$58,100	\$418,500	-	-	\$476,600
Total	-	-	-	-	\$81,400	\$586,000	-	-	\$667,400

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Water**

Project Name: Rehabilitate Elevated Storage Tank

Financial Plan:

	Prior Years	Projected						Future	Total
		26	27	28	29	30			
	-	\$56,700	\$408,300	-	-	-	-	-	\$465,000

Description:

Rehabilitate the City's elevated storage tank near 15th St by Mesquite St.



Estimated Project Cost:	
Engineering/Design	\$56,700
Land	
Construction	\$378,000
Construction Admin	\$30,300
Total	\$465,000

Project Task:	Duration
Planning/Design	6
Right-of-way/Utilities	2
Permitting	1
Construction	9
Total	18

Funding Source:	Prior Years	Projected						Future	Total
		26	27	28	29	30			
2025 GO – Prop B	-	\$56,700	\$408,300	-	-	-	-	-	\$465,000
Total	-	\$56,700	\$408,300	-	-	-	-	-	\$465,000

Notes:

This project is being funded by the 2025 bond election.

**City of Blanco, Texas
Capital Improvement Program – Water**

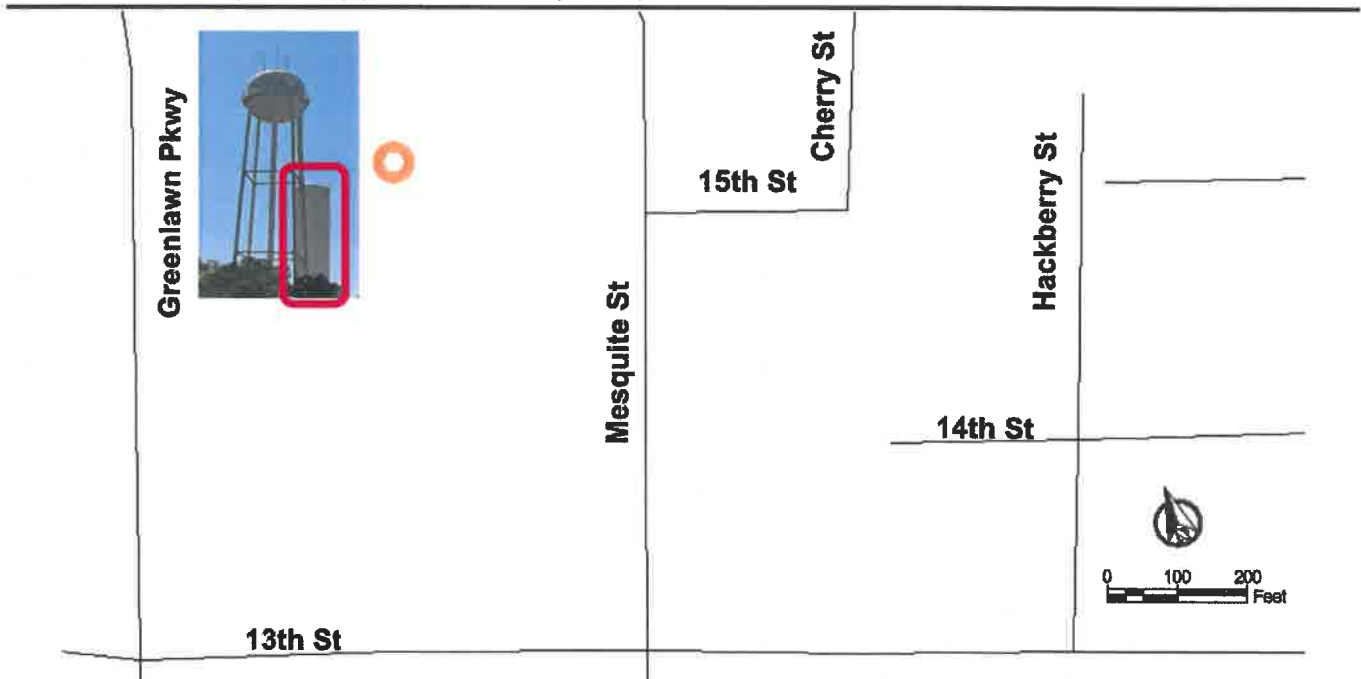
Project Name:	Rehabilitate Standpipe
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Financial Plan:

	Prior Years	Projected						Total
		26	27	28	29	30	Future	
	-	\$55,800	\$402,100	-	-	-	-	\$457,900

Description:

Rehabilitate the City's standpipe near 15th St by Mesquite St.



Estimated Project Cost:	
Engineering/Design	\$54,200
Land	
Construction	\$361,500
Construction Admin	\$28,900
Total	\$444,600

Project Task:	Duration
Planning/Design	6
Right-of-way/Utilities	2
Permitting	1
Construction	9
Total	18

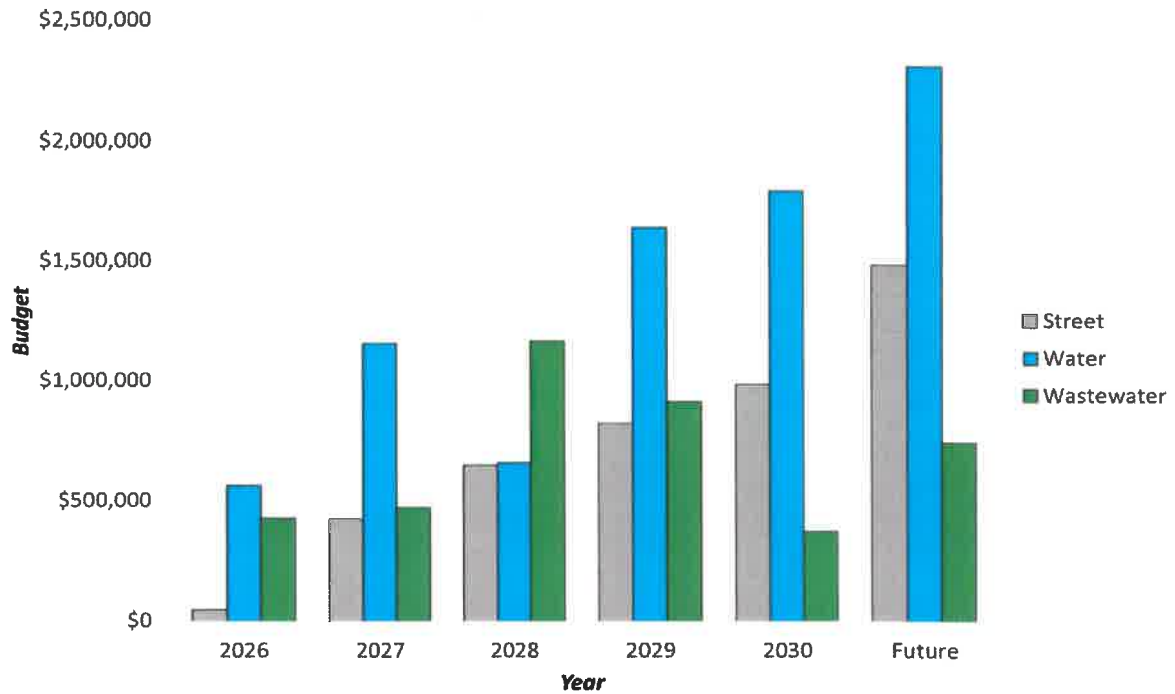
Funding Source:	Prior Years	Projected						Total
		26	27	28	29	30	Future	
2025 GO – Prop B	-	\$55,800	\$402,100	-	-	-	-	\$457,900
Total	-	\$55,800	\$402,100	-	-	-	-	\$457,900

Notes:

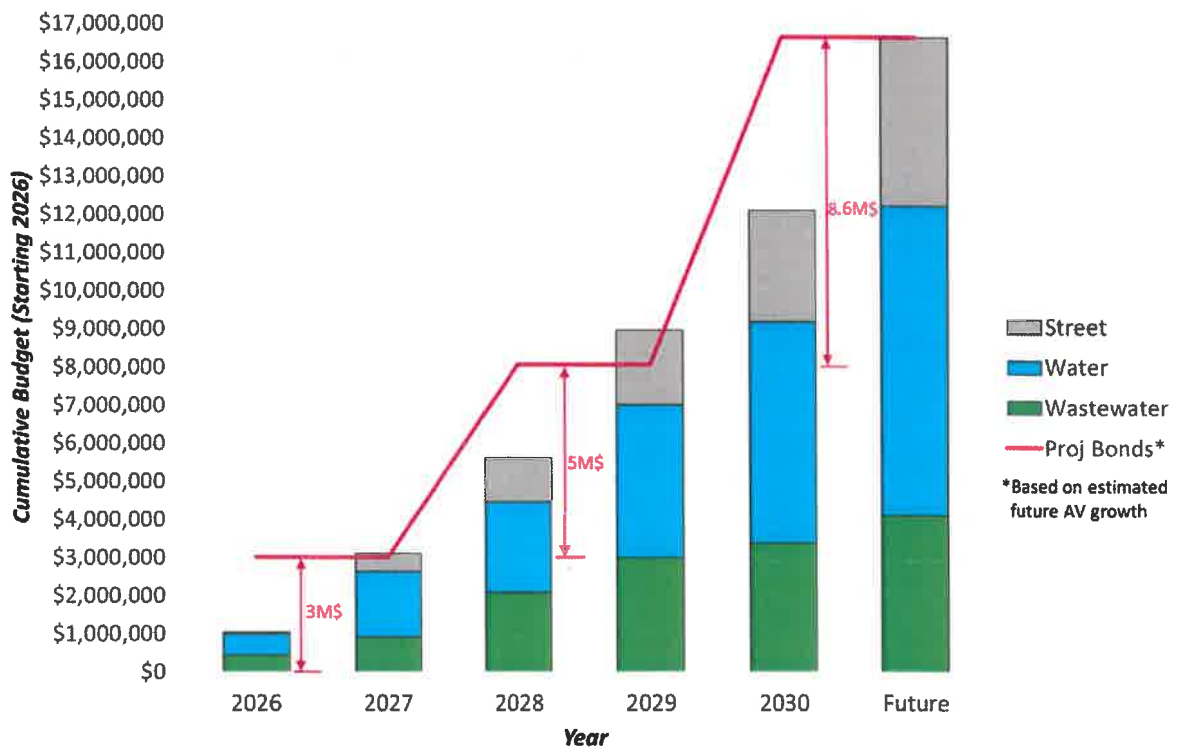
This project is being funded by the 2025 bond election.

Appendix A - 2025 GO Bonds Prop A and Prop B Funding Projections

Draft CIP Budget by Asset (2025 GO Prop A and Prop B Only)



Cumulative Budget by Asset (2025 GO Prop A and Prop B Only)



NEW BUSINESS

ITEM #5



City of Blanco

P.O. Box 750 Blanco, Texas 78606

Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7/8/25

DESCRIPTION: Renewal of a memorandum of understanding (MOU) with TEXAS STATE UNIVERSITY through it's Meadows Center.

ANALYSIS: On 5/16/23 the City of Blanco had entered into an MOU with Texas State University Meadows Center that lasted from that date through December 31, 2024. The purpose of the MOU is so that the Meadows Center, will coordinate directly with the City to review planning, governing and permitting documents related to water and wastewater management as mutually agreed to by Texas State and the City.

The agreement ended on December 31st 2024 and was not renewed. With issues such as our Waste Water Treatment plant and discharge renewal, new water plan operations, and other issues such as an ongoing drought members of Council have mentioned to Administration that a relationship with the Meadows Center could prove helpful. This organization provides free collaboration and guidance helping communities with water and waste water related issues. The City should consider renewing this relationship.

FISCAL IMPACT: N/A

RECOMMENDATION: Recommendation is that Council authorize the City Administrator to execute and updated but same version to extend at least to Dec 31, 2026.

Memorandum of Understanding
Between
Texas State University
And
City of Blanco, TX

This Memorandum of Understanding (MOU) is hereby entered into by **Texas State University** (hereafter referred to as “Texas State”), a governmental body of the state whose primary place of business is located at 601 University Dr., San Marcos, TX 78666, by and through its duly authorized representative, and the **City of Blanco**, Texas, a type A general law municipal corporation (hereafter referred to as “City”) whose primary place of business is located at 300 Pecan St., Blanco, TX 78606, by and through its duly authorized Mayor. Texas State and City may be referred to herein individually as a “Party” or collectively as the “Parties.”

PREAMBLE

WHEREAS, the governing bodies of each party find that the subject of this MOU is necessary for the benefit of the public and that the performance of this MOU is in the common interest of both parties; and

WHEREAS, Texas State and the City find that collaboration to identify sustainable water management solutions for the City may have far reaching impacts across the Texas Hill Country; and

WHEREAS, Texas State and the City find that the development of an effective organizing framework to enhance cooperation and coordination among regional stakeholders is in the common interest of both parties; and

WHEREAS, Texas State’s University Center called “The Meadows Center for Water and Environment” (Meadows Center) shall be the lead in the activities of Texas State; and

WHEREAS, Texas State and the City find that the efforts undertaken through this MOU will serve to fulfill the four pillars of The Meadows Center’s mission of “Inspiring research and leadership that ensures clean, abundant water for the environment and all humanity.”

NOW THEREFORE, Texas State and the City, hereby mutually agree to:

I. TEXAS STATE RESPONSIBILITIES

1. Texas State, through its Meadows Center, will coordinate directly with the City to review planning, governing and permitting documents related to water and wastewater management as mutually agreed to by Texas State and the City.
2. Texas State, through its Meadows Center, will provide technical assistance to identify opportunities for sustainable water management solutions for the City as mutually agreed to by Texas State and the City.
3. Texas State, through its Meadows Center, will host meetings and/or conference calls among Texas State staff, the City and regional stakeholders at times and locations mutually agreed to by Texas State and the City.
4. Texas State, through its Meadows Center, will deliver workshops and/or presentations to the City at times and locations mutually agreed to by Texas State and the City.
5. Texas State, through its Meadows Center, will seek to engage outside partners with expertise in sustainable water management solutions as mutually agreed to by Texas State and the City.

II. CITY RESPONSIBILITIES

1. The city will host one or more water/wastewater planning sessions with Texas State (Meadows) and City of Blanco staff and/or council over a 12-month period at times mutually agreed to by Texas State and the City and as the City budget allows.
2. The city will provide publicly available water/wastewater related materials that will aid in the evaluation or development of future water or wastewater projects, upon request.
3. City will evaluate existing funding measures that the City could leverage to enhance water/wastewater infrastructure, water conservation, and/or water quality protection.
4. City will evaluate water/wastewater management strategies for future development, including One Water concepts such as rainwater harvesting, green stormwater infrastructure, onsite treatment and reuse systems as City funding permits.

III. MISCELLANEOUS

1. Amendments. This MOU may be amended by mutual written agreement signed by the parties hereto.
2. The Parties agree that they may engage in exchanges of activities of mutual interest and benefit including but not limited to the following:
 - a) sharing research project ideas and data for research purposes;

- b) sharing of tools, techniques, and methodologies developed for research purposes;
 - c) undertaking specific, parallel funded research projects; and
 - d) undertaking staff or student research exchange programs.
3. The Parties agree to cooperate to the extent mutually convenient in identifying potential collaborative projects of mutual benefit and in finding appropriate resources and funding for such projects.
4. Each party shall make reasonable efforts to respect the objectives of the other Party and to accommodate such objectives in the design of any collaborative project.
5. Neither Party shall be required to collaborate with the other on any specific project.
6. Relationship of Parties. Nothing contained in this MOU shall be deemed to create a partnership, joint venture, or relationship of employment between the Parties. Neither Party shall have the authority to act on behalf of the other Party, or to commit any other Party in any manner or cause whatsoever, or to use any other Party's name in any way not specifically authorized by this MOU.
7. Liability. Neither Party shall be liable for any act, omission, representation, obligation or debt of the other Party.
8. Legal Effect of MOU. Texas State and City understand and agree that this MOU constitutes only an expression of intent and shall have no legal or binding effect on the parties.
9. Information and Confidentiality
- 9.1. Before commencing any research, project or exchanging any data, the Parties will seek all necessary approvals for the sharing of information, complete a research agreement and, where applicable, execute a mutual non-disclosure agreement for the sharing of confidential information.
- 9.2. Research agreements between the Parties will also stipulate, on a project by project basis, the terms and conditions pertaining to timelines, funding agreements, resource arrangements, intellectual property rights, copyright and the publication of research findings associated with each collaborative research project.
10. Term and Termination
- 10.1 This MOU is effective upon signatures by both parties and shall terminate on December 31, 2024.
- 10.2 Either party may terminate this agreement upon 30 days' written notice to the other party.

10.3 In the event of termination the Parties shall take the following steps:

- a) Any ongoing projects shall be completed or terminated in accordance with the terms and conditions stipulated in the research agreement; and,
- b) Any equipment, software, data, or materials acquired in connection with collaborative projects or activities shall be distributed between the Parties in accordance with the terms and conditions of the research agreement.

11. Contact information

Notices and correspondence concerning this MOU shall be sent to

For Texas State:

Jenna Walker

Director of Watershed Services, The Meadows Center

601 University Dr.

San Marcos, TX 78666

Phone: 512-245-9148

Fax: 512-245-7371

jwalker@txstate.edu

With copy to:

Dr. Reddy Venumbaka

Director, Office of Technology Commercialization

601 University Dr., JCK 489

San Marcos, TX 78666

Phone: 512-245-2314

Fax: 512-245-3847

reddy@txstate.edu

For City of Blanco, TX:

Mike Arnold

Mayor

P.O. Box 750

Blanco, TX 78606

Phone : 830-833-4525

Fax : 830-833-4121

mavor@cityofblanco.com

With copy to:

Tim Tuggey

City Attorney

Tim Tuggey Law

3267 Bee Caves Rd.

Austin, TX, USA tnt@timtuggeelaw.com

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding to be effective as of the Effective Date.

Texas State University

By: Shreekanth Mandayam

Dr. Shreekanth Mandayam
Vice President for Research

Date: Jun 26, 2023

City of Blanco, TX

By: Mike Arnold
Mike Arnold
Mayor

Date: 05/16/2023



NEW BUSINESS

ITEM #6

FIRST AMENDMENT TO
AGREEMENT FOR A MONITORED TRIAL PROGRAM FOR
RECLAIMED WATER SERVICE

This FIRST AMENDMENT TO AGREEMENT FOR A MONITORED TRIAL PROGRAM FOR RECLAIMED WATER SERVICE ("Agreement") is made as of the 30th day of September, 2024 (the "Effective Date") by and between the CITY OF BLANCO, a municipal corporation located in Blanco County, Texas (the "City") and RICKY DALE HARBISON and EVON HOBART HARBISON, JOINTLY AND SEVERALLY, AND AS CO-TRUSTEES OF THE HARBISON MANAGEMENT TRUST w/a DATED DECEMBER 18, 2020 (the "Harbisons" or "Customer"). City and Customer may sometimes be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

- A. The Parties have previously entered into the original Agreement, effective September 30, 2022, which stated an original term of two years, concluding on September 30, 2024, and provided for a one-year Renewal Term to extend the agreement term to September 30, 2025, upon mutual agreement.
- B. The Parties now wish to acknowledge their mutual agreement to extend the term of the Agreement by the initial Renewal Term, to September 30, 2025, and further provide for an additional one-year Renewal Term, upon mutual agreement as stated herein.
- C. The Parties also wish to acknowledge and agree that the City may at its sole expense obtain a survey and appraisal of the access easement the City uses to access its wastewater facilities.
- D. The Parties' agreement to any of the terms contained herein shall not be construed as an interpretation, concession or admission of any terms, rights, or obligations in any agreement previously executed among the Parties, except for the rights of the Parties to extend the original Agreement.
- E. The Parties otherwise wish to reaffirm and extend all other terms and conditions of the Agreement, except solely to the extent amended and stated in this First Amendment, to include but not limited to the tolling agreement between the Parties.

NOW, THEREFORE, KNOW ALL BY THESE PRESENTS, that, for and in consideration of the mutual covenants, promises and agreements contained herein, the receipt and sufficiency of which is hereby agreed to and acknowledged, the City and the Harbisons do hereby covenant and agree as follows:

- 1. The Parties acknowledge and agree that they have extended the Term of the Agreement for a one-year period, effective October 1, 2024 to September 30, 2025 ("Initial Renewal Term").
- 2. The Parties also may by mutual agreement not less than ninety (90) days prior to the expiration of the Initial Renewal Term, extend the Term for an additional one-year Renewal Term until the earlier of: (i) the expiration of the additional Renewal Term; (ii) the time at which either or both Parties have terminated this Agreement pursuant to the terms herein; or (iii) the Parties have negotiated a new Agreement. The Initial Term and all Renewal Terms may be referred to herein collectively as the "Term."

3. In addition to the permissible uses of the easement described at Paragraph 9 of the Agreement, the City may, at its sole expense, access the easement to obtain a survey and appraisal of the access easement the City uses to access its wastewater facilities.

APPROVED FOR EXECUTION BY CITY COUNCIL on September _ , 2024, but made effective September 30, 2024.

By: [Signature]
City Administrator, City of Blanco

DATE: 09/11/2024

ATTEST: CITY OF BLANCO

By: [Signature]
City Secretary, City of Blanco

APPROVED AS TO FORM AND LEGALITY:

By: [Signature]
City Attorney, City of Blanco

RICKY DALE HARBISON and EVON HOBART HARBISON, JOINTLY AND SEVERALLY,
AND AS CO-TRUSTEES OF THE HARBISON MANAGEMENT TRUST u/a DATED
DECEMBER 18, 2020

By: [Signature]
Ricky Dale Harbison, Individually and as Trustee

DATE: 9/5/2024

By: [Signature]
Evon Hobart Harbison, Individually and as Trustee

DATE: 9/5/2024

NEW BUSINESS

ITEM #7



City of Blanco

P.O. Box 750 Blanco, Texas 78606

Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7/8/25

DESCRIPTION: 42 on 32 RV Park is an RV Park located outside the City of Blanco and it's ETJ on the north side Ranch Road 32. It is a full service park with 114 RV slots which are provided with City Water. It is not located in the City and therefore qualifies to pay a higher rate than inside the City as those Commercial customers pay City taxes. Blanco RV & Storage, LLC has acquired the RV Park from Lindeman Lane Enterprises, LLC

ANALYSIS: On May 10, 2022 the City Council approved an agreement with Lindeman Lane Enterprises, LLC setting forth the cost of the new billing to include 114 RV connections for water multiplied by the base fee of \$41.79 plus the water rate cost at \$10.49 per 1000 gallons (cost to follow whatever the current fee schedule is per volume in the future).

The original agreement capped the delivery of water to the RV Park at 114 units not to include the water park, cabins or anything that is developed at the site that is outside the City limits and ETJ. Please see the original ordinance and the staff report on 5/10/22 for more background.

Applicant requests new agreement with the City for the delivery of water at the current cost as mentioned in the new agreement.

FISCAL IMPACT: For a 90,000 gallon usage per month the difference between the current charge and the proposed charge is about \$10,156.50 to about \$5,850.

RECOMMENDATION:

Staff recommends a new agreement with the owner of the RV park which is essentially an extension of the 2022 Agreement.

Ord 2023-0-013
Water + Sewer Rates

Proposed Rate Structure:

5/8" tap/water availability fee (base fee):
\$41.49 per tap

Sewer availability fee:
\$32.20

New rate is \$10.49 per 1000 gallons for all water users regardless of tap size

An addition to the availability fee of \$16.12 will be attached to customers outside the City limits to recover additional fees it takes to bring these customers water.

New Rate for Sewer is \$10.49 based on 80% of water consumption.

Base water sewer fees for all meter sizes

base fee	meter size	sewer base fee
\$41.79	# of 5/8"	\$32.20
\$104.4	# of 1"	\$80.50
\$208.9	# of 1-1/2"	\$160.98
\$334.2	# of 2"	\$257.58
\$501.4	# of 2-1/2"	\$386.36
\$626.7	# of 3"	\$482.95
\$1,044.66	# of 4"	\$804.93
\$2,089.31	# of 6"	\$1,609.85
\$3,342.90	# of 8"	\$2,575.77
\$4,805.41	# of 10"	\$3,702.66

WATER SUPPLY AGREEMENT

This Water Supply Agreement ("Agreement") is between the City of Blanco, Texas, an incorporated Type A general law municipality (the "City"), and Blanco RV & Storage LLC, a Texas limited liability company ("Owner"). In this Agreement, the City and Owner are sometimes individually referred to as a "Party" and collectively referred to as the "Parties".

RECITALS:

WHEREAS, Owner owns approximately 75 acres of land (the "Land") located outside of the City limits but within the City's ETJ, which currently enjoys 114 water connections for the provision of City water to its RV park under an agreement approved by the City in 2022;

WHEREAS, Owner has requested the City continue to provide water at its standard rates, accounting for the total connections permitted on the Land;

WHEREAS, City has determined that Owner's request is in the best interest of the City, and has agreed to certain provisions of Owner's request; and

WHEREAS, Owner wishes to accept the terms and conditions proposed by the City;

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I CONNECTIONS AND RATE

- 1.1.1 Connections Rate. Owner shall be permitted 114 connections at \$41.67 per connection, which will be rounded and equal to \$4750 total connection fee rate for the Land.
- 1.1.2 Volumetric Rate. The City shall charge and the Owner shall pay the volumetric rates described at Exhibit A.

ARTICLE II SPECIAL CONDITIONS

- 2.1.1 Restrictions on Water Use. City water delivered to the RV Park shall be used exclusively for potable drinking and related purposes. No City water shall be used to supply any water feature (including water parks, ponds, swimming pool, or similar amenities).

ARTICLE III GENERAL PROVISIONS

- 3.1 Term. The term of this Agreement will commence on the date the last Party executes this Agreement and continue for a period of ____ () years from the last date set forth

below in the signature blocks below. After the initial term of this Agreement, the Land will continue to receive water and sewer service from the City under the same terms and conditions as similarly situated users within the City's ETJ.

- 3.2 Assignment & Binding Effect. Owner may assign its rights under this Agreement, in whole or in part, to any successor in title to the Land. In such event, Owner shall deliver written notice of such assignment to the City. The provisions of this Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns.
- 3.3 Governing Law, Jurisdiction & Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The Parties acknowledge that this Agreement is performable in Blanco County, Texas, and hereby submit to the exclusive jurisdiction of the courts of that County, and hereby agree that any such Court shall be a proper forum for the determination of any dispute arising hereunder.
- 3.4 Severability. If any provision of this Agreement is found by a competent court to be illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the Parties that the remainder of this Agreement, including the remainder of a provision only part of which is invalid, shall not be affected.
- 3.5 No Third-Party Beneficiary. This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a Party, unless expressly otherwise provided.
- 3.6 Default. If a Party defaults in its obligations under this Agreement, another Party must, prior to exercising a remedy available to that Party due to the default, give written notice to the defaulting Party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting Party at least thirty (30) days from receipt of the notice to cure the default. If the nature of the default is such that it cannot reasonably be cured within the thirty (30) day period, the commencement of the cure within the thirty (30) day period and the diligent prosecution of the cure to completion will be deemed a cure within the cure period.
- 3.7 Remedies for Default. If a Party defaults under this Agreement and fails to cure the default within the applicable cure period, the non-defaulting Party will have all rights and remedies available under this Agreement or applicable law, including the right to institute legal action to cure any default, to enjoin any threatened or attempted violation of this Agreement or to enforce the defaulting Party's obligations under this Agreement by specific performance or writ of mandamus. All remedies available to

a Party will be cumulative and the pursuit of one remedy will not constitute an election of remedies or a waiver of the right to pursue any other available remedy.

- 3.8 Attorneys' Fees. The prevailing Party in any dispute under this Agreement will be entitled to recover from the non-prevailing Party its reasonable attorneys' fees, expenses, and court costs 'in connection with any original action, any appeals, and any post-judgment proceedings.
- 3.9 Waiver. Any failure by a Party to insist upon strict performance by the other Party of any provision of this Agreement will not, regardless of the length of time during which that failure continues, be deemed a waiver of that Party's right insist upon strict compliance with all terms of this Agreement. To be effective as to a Party, any waiver of default under this Agreement must be in writing, and a written waiver will only be effective as to the specific default and as to the specific period of time set forth in the written waiver. A written waiver will not constitute a waiver of any subsequent default or of the right to require performance of the same or any other provision of this Agreement in the future.
- 3.10 Entire Agreement. This Agreement contains the entire agreement of the Parties, and there are no other agreements or promises, oral or written, between the Parties regarding the subject matter of this Agreement. This Agreement may be amended only by written agreement signed by the Parties.
- 3.11 Exhibits, Headings. Construction & Counterparts. All exhibits attached to this Agreement are incorporated into and made a part of this Agreement for all purposes.
- 3.12 Time. Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then. the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.
- 3.13 Authority for Execution. The City certifies, represents, and warrants that the execution of this Agreement has been duly authorized, and that this Agreement has been approved in conformity with City ordinances and other applicable legal requirements. Owner certifies, represents, and warrants that the execution of this Agreement is duly authorized in conformity with its authority.
- 3.14 Notices. Any notices or approvals under this Agreement must be in writing may be sent by hand delivery, facsimile (with confirmation of delivery) or certified mail, return

receipt requested, to the Parties at the following addresses or as such addresses may be changed from time to time by written notice to the other Party:

CITY:

City Administrator
City of Blanco
P. O. Box 384
Blanco, Texas 78620
Fax: (512) 858-5646

OWNER:

Blanco RV & Storage LLC
895 RR 32
Blanco, Texas 78606
Fax: () -

The Parties may change their mailing address at any time by giving written notice of such change to the other in the manner provided herein at least ten (10) days prior to the date such change is affected. All notices under this Agreement will be deemed given on the earlier of the date personal delivery is affected or on the delivery date or attempted delivery date shown on the return receipt or facsimile confirmation.

3.15 Exhibits. The following exhibits are attached to this Agreement and made a part hereof for all purposes: Exhibit A, Rate Schedule

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement on the dates indicated below, to be effective on the date the last party signs.

CITY OF BLANCO:

OWNER:

By: _____

By: _____

Name: Warren Escovy, City Administrator

Name: _____

Date: _____

Date: _____

Exhibit A
Rate Schedule

TO BE ATTACHED.

DRAFT

outside

Thursday, April 28, 2022

RATE CODE # 7
COMMERCIAL OSCL

Service	Charge	Usage Amount	Water Charge	Sewage Charge
Water	\$77.25 40.00	0	Minimum Charge	
Sewage	\$32.00	2,000	\$12.00	
Garbage		8,000	\$12.00	\$3.750
Infrastructure Fee		10,000	\$13.50	\$3.750
Brush Disposal		Remainder	\$15.00	\$3.750
Load Fees		0		
Other 4 Charge		0		
Late Charges		0		
Fixed		0		
Percentage 10.00 %		0		
Tax		0		
8.25 %				
Billing Day		25		
Due Day		10		

City of Blanco



City of Blanco

P.O. Box 750 Blanco, Texas 78606
Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 5/10/22

DESCRIPTION: 42 on 32 RV Park is an RV Park located outside the City of Blanco and it's ETJ on the north side Ranch Road 32. It is a full service park with 114 RV slots which are provided with City Water. It is not located in the City and therefore qualifies to pay a higher rate than inside the City as those Commercial customers pay City taxes. Staff is presenting a development agreement for Planning Commission's review that will be recommended to City Council.

ANALYSIS: On December 15th, 2021 the City Administrator sent a letter to the 42 on 32 RV Park to inform the owner that it was the belief of administration that the RV Park was operating a public water system and was distributing water to residents of the RV park while only paying for one connection. It was later determined by the TCEQ that 42 on 32 RV Park is NOT operating a public water system. For the first year or so the RV Park was only being charged for one connection (\$77.25 service charge at the Rate code 7 for outside the City). The RV Park was being charged about \$1400 a month during the off-season. The new charge that was put in place for the January 2022 bill (\$77.25 service charge times 114 connections) have provided bills that are between \$10,000 and \$11,000 monthly during the off-season.

So the reason for the disparity in the bill was that 42 on 32 RV Park was being given one water connection or "tap" but they were in turn distributing this water to 114 separate locations (RV slots). A single-family home may use 8,000 gallons to 10,000 gallons of water a month whereas an RV's average is anywhere between 1500 to 2000 gallons. The other issue is that the 114 RV slots are probably have about a 75% residency annually.

Planning and Zoning's recommendation was to mirror the actual amount proposed by staff but to have the base fee be \$40 multiplied by the number of connections (currently 114) so that if more connections are added it is clear how much the applicant will pay.

The net difference is that the charge will go down from about \$10,500 to about \$5800. The previous billing in 2021 was inaccurate and did not account for the multiple RVs that use the water. Another portion of the development agreement is that the water features (lake, water park, irrigation) will not be provided by City Water.



FISCAL IMPACT: For a 90,000 gallon usage per month the difference between the current charge and the proposed charge is about \$10,156.50 to about \$5,850.

RECOMMENDATION:

Planning and Zoning Commission recommendation is to approve a development agreement to charge for 114 connections at \$40 with the current volumetric rate. Further recommendation is no water features or irrigation is provided by City Water.

NEW BUSINESS

ITEM #8



City of Blanco

P.O. Box 750 Blanco, Texas 78606
Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7/8/25

DESCRIPTION: Agreement of an Online Auction Service

ANALYSIS:

Agreement with Auctions International, Inc. From Randall Maltz who manages the auction services in Texas.

I wanted to explain our services at Auctions International. I am located in Austin and manage SURPLUS ONLINE AUCTIONS for the State of TEXAS, among other states. Our SOURCEWELL NUMBER is 111424-AUC. We are a New York-based company specializing in selling all types of used machinery, equipment, vehicles, municipal real estate, etc. Our services could potentially be of help to you. I can get you solid returns on your surplus. We can save you time and money with ZERO RISK!

SELLERS PAY NOTHING and only a 10% fee passed to bidders & NO MARKETING FEES.

Auctioning off city equipment that has already been but in salvage isn't the only way to sell the unneeded items but it is quick and should get the city the most revenue

FISCAL IMPACT: Sale of unneeded City equipment

RECOMMENDATION: Approve contract with Auctions International, Inc for sale of salvaged property

www.AuctionsInternational.com



UNMATCHED CUSTOMER SERVICE

Expert setup specialists come to you and catalog your merchandise. Personal attention for the highest prices.

APPROVE OR DECLINE HIGH BIDS

Government agencies never pay a commission to sell. Try our no-cost service for all surplus disposal needs.

WE DO THE WORK. YOU CASH A CHECK

We invoice the items, collect the funds, and mail you a check 15 business days after all monies are collected.



**SELL SURPLUS MATERIALS & SUPPLIES
 FOR EXTRA PROCEEDS**
 Turn Old Vehicles, Equipment, & Materials Into CASH



Contact Randall Maltz For More Information
 Randall.Maltz@auctionsinternational.com or (512) 826-8800



Auctions International

BENEFITS:

1. **Full processing for only a 10% fee passed to bidders; SELLERS PAY NOTHING!** As part of this, we **take the pictures and post the assets for you**, so all your listings will be consistent and professional looking, maximizing views and bids.
2. **No Limit on Credit Card Payments!** This only accounts for 6% of payments but can get you more money! By not limiting credit card payments for bidders, resellers, dealers and other Government Agencies can more easily pay for your assets, which has proven to increase bids.
3. **NO RISK OR OBLIGATION**; if you are unhappy with what an asset brings, you can decline it or make a counteroffer. Our counteroffer is built into our system, so if a bid comes in low, you can quickly and easily make a counteroffer.
4. A really low default rate that is under 5% for unpaid assets and 1% for paid assets. Having a low default rate saves you from relisting high numbers of assets where bidders did not follow through.
5. **If a bidder pays and then changes their mind without cause, you still get paid and can resell the asset!** There are not many companies out there that do this, your current vendor does not do this, they refund defaulting bidders.
6. Excellent customer service and knowledgeable and experienced Client Representative's that have up to 30 years' experience in the Auction Industry that have built a solid reputation. We know how to get the most out of surplus, and as a result, our client list is growing quickly.
7. **Auctions International has been around for over 30 years**, and in addition to full processing, we have Quality Controls in place to check information before sending it live to avoid potential conflicts with bidders and high numbers of credits and relists.
8. Our website is easy to use and intuitive; plus, everything you need to track auctions is on one page, eliminating the need to jump through links to find information like the view counter and bid history. In addition to this, we list assets closing soonest to the latest, making it easier for bidders to find and bid on assets closing the same day...This allows your assets to be viewed and bid on quickly the day they close without having to do an extensive search to find them.
9. **Quicker Payments! 15 working days after the bidders pay**, that money is in your bank account if you go with ACH.
10. **Marketing Done Better! WE DO NOT CHARGE FOR MARKETING. We give you BOTH National and International exposure.** We use Trader Publications, Rock & Dirt, Facebook Marketing, Social Media, and local media in your area, just to name a small portion; all this is done to increase awareness of your surplus and garner additional bids. We take marketing seriously, and our results show that.

AUCTIONS INTERNATIONAL

Randall Maltz

Texas Region – Business Development Manager

512-826-8800 (Cell) Available Any Time!

Randall.Maltz@auctionsinternational.com

SURPLUS ASSETS, PROPERTY & SUPPLIES

PHOTOCOPY THIS REPORT AS NEEDED - WHEN COMPLETE FAX TO: 1-888-870-6709

LOCATION - Please type or print all information clearly

Building Address:

Room #:

Contact Name & Telephone:

Approval E-Mail:

Board Approval

☐ Yes

Meeting Date: / /

ITEM / LOT INFO - Please type or print the information clearly - Use this form for machinery, tools and assets

Lot #: Title:

New ☐ Used ☐

S/N:

Item in Working Condition?

YES ☐ NO ☐

Specs:

Inventory ID Number:

Description:

Lot #: Title:

New ☐ Used ☐

S/N:

Item in Working Condition?

YES ☐ NO ☐

Specs:

Inventory ID Number:

Description:

Lot #: Title:

New ☐ Used ☐

S/N:

Item in Working Condition?

YES ☐ NO ☐

Specs:

Inventory ID Number:

Description:

Lot #: Title:

New ☐ Used ☐

S/N:

Item in Working Condition?

YES ☐ NO ☐

Specs:

Inventory ID Number:

Description:



PLEASE FAX COMPLETED CONDITION REPORTS TO: 1-888-870-6709

Please send your digital photographs via email to: listings@auctionsinternational.com

Mail your photo CD and/or additional info to: 11167 Big Tree Rd, East Aurora, NY 14052



VEHICLE & EQUIPMENT CONDITION REPORT

PHOTOCOPY THIS REPORT AS NEEDED - WHEN COMPLETE FAX TO: 1-888-870-6709

SELLER INFORMATION - Please type or print all information clearly(If your info is same for all just fill out top of first report)

Name of Seller:		Dept:	FLEET #	
Item Location Address:			LOT #	
City:		State:	Zipcode:	
Contact Name:		Phone: ()	Fax: ()	
Approval E-Mail:			Cell: ()	
Board Approval: <input type="checkbox"/> Yes		Meeting Date:		

ITEM INFORMATION - Please type or print the item or vehicle information clearly -Fill out only the parts appropriate for this item

Year:	Make:	Model:	Body Style:
VIN / Serial:			Miles:
Engine Make/Model:	Cyl:	Liter:	HP:
Gas <input type="checkbox"/> Diesel <input type="checkbox"/> Propane <input type="checkbox"/> CNG <input type="checkbox"/> Elec <input type="checkbox"/>			
Transmission:	Hydro <input type="checkbox"/>	Auto <input type="checkbox"/>	Manual <input type="checkbox"/>
Single Axle <input type="checkbox"/> Dual Axle <input type="checkbox"/> Tri-Axle <input type="checkbox"/>			
Tire Type/Size:	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>
Drive Train: 2WD <input type="checkbox"/> 4WD <input type="checkbox"/> AWD <input type="checkbox"/> 6x4 <input type="checkbox"/> 6x6 <input type="checkbox"/> N/A <input type="checkbox"/>			
Dump Box Size:	Plow Size:	Mower Size:	Attachment Size:
Does Unit Operate/Drive: Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown <input type="checkbox"/> Does Vehicle Start: Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown <input type="checkbox"/>			

OVERALL CONDITION OF ITEM AND ADDITIONAL OWNERSHIP INFORMATION

Body:	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>	Service Records Available: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Keys Available: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> <hr/> Bill of Sale Only (No Title): <input type="checkbox"/> Certificate of Origin Only: <input type="checkbox"/> Clean Title Available: <input type="checkbox"/> Transferable Registration: <input type="checkbox"/>
Interior:	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>	
Mechanical:	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>	
Undercarriage:	Good <input type="checkbox"/>	Fair <input type="checkbox"/>	Poor <input type="checkbox"/>	

Please describe any overhauls or maintenance for your item in the box below. Items that have more complete descriptions receive higher bid prices. You should pressure wash your equipment, broom-clean vehicles, and wash the windows before taking digital photographs of your online auction merchandise

Mechanical

Body

Interior

☐ **ADDITIONAL INFO** Check the box if you provided more info on back of report or on attached sheets

PLEASE FAX COMPLETED CONDITION REPORTS TO: 1-888-870-6709 ATTN: Online Auctioneer

Please send your digital photographs via email to: listings@auctionsinternational.com (15 MB per email)

Mail printed photos, photo CD & other info to: Online Auctions, 11167 Big Tree Road, East Aurora, NY 14052

AGREEMENT FOR SALE OF GOVERNMENT ASSETS BY ONLINE AUCTION

This ~~non~~ binding agreement made on ____/____/____, between _____, hereafter called "Seller", and Auctions International, Inc., located at 11167 Big Tree Rd, East Aurora, NY, 14052, hereafter called "Auctioneer":

The Auctioneer hereby agrees to use professional skills, knowledge, and experience to the best advantage of both parties in preparing for and conducting the sale. All auction items will be sold "as is, where-is according to the needs of the seller. The Seller agrees to provide titles, keys in all other proof of ownership to customers who present a paid invoice from Auctions International, and release the purchased items once the Auctioneer has received full payment for the goods listed and described in detail on provided condition reports, and / or provided by the electronic means to the Auctioneer.

GOVERNMENT VEHICLES, MACHINERY, EQUIPMENT AND ALL OTHER SURPLUS ASSETS

The Seller agrees to provide merchantable title (with no liens or encumbrances) for motor vehicles, and agrees to write-in the purchase information on the back of any titles issued to purchasers (as required by law). The Seller furthermore agrees not to sell listed merchandise before the term of the online auction is complete, under any circumstances.

The auction is to be held online at www.AuctionsInternational.com, beginning and closing on mutually agreed-upon dates and times. The terms and prices of this contract shall remain in effect for two years after the agreement is executed based on the means of Seller. Notwithstanding the foregoing, the Seller may terminate this contract in writing at any time for convenience. The contract will terminate within five (5) business days of the date of the Seller's written request for termination.

It is agreed that all listed merchandise be sold to the highest bidder, "as is, where is", with no warranty, expressed, implied or otherwise, and with the government Seller retaining the right to reject any bids that are insufficient. The Seller agrees to specify a minimum acceptable price on each rejected bid, which will be posted on the past prices page of the Auctioneer's website.

Purchasers will be required to pay a 4% buyer's premium for vehicles and equipment sold within two (2) years of the manufacture date, a 5% buyer's premium for vehicles and equipment within three (3) years of the manufacture date, or a 10% buyer's premium for any vehicles/older equipment to be added to the successful high bid prices, which will constitute the Auctioneer's compensation for these services. Credit card purchases will be subject to 2.77% convenience fee. There is no commission charged to the Seller.

The Auctioneer's staff will travel to the Seller's facilities to obtain photos and condition reports of the Seller's items as requested. Customized auction instructions, including item pickup, designated removal terms and other auction-specific requirements can be provided to the auctioneer at any time before the sale commences.

After the Seller approves the bids, the bidders have five (5) business to make payment. Auctioneer will mail out a proceeds check / or ACH transfer and accounting summary fifteen (15) business days after all monies have been collected. In the event of a bidder's refusal or failure to pay for their invoiced items, the Auctioneer will offer the unsold merchandise to the backup bidder. If the backup bidder does not take the merchandise for the backup bid, then the merchandise reverts back to the possession of the Seller, after reasonable time has been allowed for backup bidder to pay. At the request of the Seller, unsold merchandise can be re-listed at no cost. Any reneging bidder are permanently banned from the site.

The Auctioneer agrees to comply with all state laws regarding the sale of property has set forth in this auction contract. It is further provided that in the event a conflict arises between the parties hereto, the jurisdiction and venue for such matters shall be in the state indicated on this contract.

INDEPENDENT STATUS. That during the existence of this agreement, the Auctioneer shall remain an individual, independent contractor, retaining its separate identity and shall in no way be considered a division, department or agent of the Seller's agency or organization.

WAIVER. No waiver of any breach of any condition of the agreement shall be binding unless in writing and signed by the party waiving said breach. No such waiver shall in any way affect any other term or condition of this agreement or constitute a cause or excuse for a repetition of such or any other breach unless the waiver shall include the same.

ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties with respect to the subject matter of this Agreement, and supersedes any and all prior understandings and agreements, whether written or oral, and all prior dealings of the parties with respect to the subject matter of this Agreement.

(X) _____ *
Seller's Authorizing Signature Printed Name and Agency Title Telephone Number

(X) _____
Seller's Agency Payment Address (Check will be made out and mailed to Seller, from Auctioneer, for payments received)

(X) _____
Seller's E-Mail Address

(X) _____
Auctioneer's Signature Auctioneer's Printed Name Date

* Seller may terminate at any time subject to any transactions then binding.

NEW BUSINESS

ITEM #9



City of Blanco

P.O. Box 750 Blanco, Texas 78606

Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7/8/25

DESCRIPTION: 8% Contribution rate and COLA proposal

ANALYSIS: The employees for the City of Blanco participate in the TMRS retirement program. This is a cash balance retirement program for Texas Cities. Each employee contributes 7% of their salary towards this program with the City matching the employee at a rate equal to a 2 to 1 match. There is a requirement to work 5 years to be vested or 60 years of age.

HB 3161 will take effect on Sept 1, 2025 and will allow employees to put aside 8% of their salary towards their retirement with the City matching the 8% (the additional 1%). **The employees will need to approve the 8% contribution rate and the Council will be required to approve an ordinance to move to an 8% contribution rate with the City Match.**

The cost to the City on 8% will be negligible (Jose will have those numbers on Tuesday) because the current City Match is 6.16% which equals the 2:1. The city match would move from **6.16% to 7.17%** per employee(option 1 on attached sheet) Some of the reasons for this low number is that the City is 115% funded. When employees leave (and don't vest with the City), the City's match stays in the system and helps fund the City's payment. The lack of employees vesting and retiring has allowed Blanco's match to be at such a low rate. In comparison, TMRS is a very well-funded retirement program at **89.4% system wide.**

COLA

Blanco's retirement system does not have a cost of living adjustment that would start at year 1 in retirement. That means that the amount given to a retiree or their spouse in year 1 would not change through the entirety of the benefit. The last three pages provides 7 different options on the percentage of a COLA that could be used along with prior service credit. Due to increased cost of providing a COLA the best option that the City may be comfortable with offering may be option 3 that has the city at 99.1% funded with a match amount AT 10.77% for the City. This COLA is 30% of the CPI of that given year.

FISCAL IMPACT: Will be provided at meeting



RECOMMENDATION: Recommendation is to provide the City Administrator with guidance on both the 8% and the COLA for next month. Both 8% and COLA will need to be approved by ordinance.

TMRS

Overview

TMRS is a statewide retirement system with more than 940 participating cities that provides retirement, disability, and survivor benefits to over 260,000 active members, retirees and their beneficiaries.

Description

- TMRS is a voluntary, cash-balance retirement plan for Texas cities
- TMRS' largest cities are San Antonio, Arlington, Corpus Christi, Plano and Laredo
- TMRS does not receive any state funds and does not administer a health care plan
- During their employment, city employees contribute a percentage of their salary on a pre-tax basis to their TMRS account that earns interest annually
- A Member's retirement benefit is based on their account balance at retirement, city matching contributions and other city credits

Flexible

- Each participating city chooses from a menu of options to design a retirement plan to meet its needs
- TMRS calculates each participating city's actuarial assets, liabilities and funded ratio every year
- Each participating city can prospectively modify its benefits to control costs

Plan Features

- TMRS' Investment Return Assumption is 6.75%
- Member's retirement benefits are advance funded during the Member's city employment
- All participating cities must pay their actuarially required contribution annually
- Unfunded liabilities are amortized over no more than 20 years

TEXAS MUNICIPAL RETIREMENT SYSTEM

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New 8% Employee Contribution Rate Available September 1

On June 20, Governor Abbott signed House Bill 3161 into law, and it will become effective on September 1.

HB 3161 amends the TMRS Act to provide participating cities with a new 8% employee contribution rate, in addition to TMRS' current 5%, 6%, and 7% contribution rate options.

Beginning on July 1, cities can calculate the cost of the new 8% employee contribution rate using the Plan Change Calculator in the City Portal.

If your city is considering adopting the 8% contribution rate, contact TMRS' City Services at cityservices@tmrs.com to request additional information.

[Manage Subscriptions](#) | [Unsubscribe All](#) | [Subscriber Help](#)

This email was sent to cityadmin@cityofblancotx.gov using GovDelivery Communications Cloud on behalf of:
Texas Municipal Retirement System • 2717 Perseverance Dr. Ste 300, Austin Texas 78731



Warren Escovy <cityadmin@cityofblancotx.gov>
To: Jose Martinez <finance@cityofblancotx.gov>

Tue, Jun 24, 2025 at 9:36 AM



June 3, 2025

City # 00134

City of Blanco
P.O. Box 750
Blanco, TX 78606-0750

Subject: 2026 City Contribution Rate

Your city's 2026 total contribution rate is shown below. This rate includes your city's full retirement rate and supplemental death benefit rate, if applicable. These rates were determined by your city's December 31, 2024 actuarial valuation to achieve a 100% or greater funded ratio over time.

Normal Cost	6.79 %
Prior Service	<u>(0.95)</u>
Full Retirement	5.84 %
Supplemental Death Benefit	<u>0.32</u>
Total Contribution	6.16 %

Detailed information on your city's TMRS plan is contained in the attached actuarial valuation report.

If you have questions about your city's contribution rate, please contact me at 512-225-3760 or lharty@tmrs.com.

Sincerely,

A handwritten signature in blue ink that reads "Leslee S. Hardy". The signature is written in a cursive, flowing style.

Leslee S. Hardy, ASA, EA, FCA, MAAA
Director of Plan Design & Funding

Your City's TMRS Benefits

Plan provisions are adopted by your city's governing body from the options available in the TMRS Act. Your city's plan provisions in effect as of April 1, 2025 were as follows:

Employee Contribution Rate	7%
City Matching Ratio	2 : 1
Years Required for Vesting	5
Retirement Eligibility (Age/Service)	60/5, AnyAge/20
Updated Service Credit	0%
Retiree Cost of Living Adjustment (COLA)	0% of CPI
Supplemental Death Benefit to Active Members	Yes
Supplemental Death Benefit to Retirees	Yes

If you have any questions about your city's benefit provisions or would like to discuss plan changes, please contact the City Services Department at cityservices@tmrs.com or call Colin Davidson at 512-225-3742.

Executive Summary

Valuation as of	12/31/2024	12/31/2023
Membership as of the Valuation Date		
• Number of Accounts		
- Active Members	12	20
- Retirees and beneficiaries	12	9
- Inactive Members	<u>31</u>	<u>29</u>
- Total	55	58
• Prior year's payroll provided by TMRS	\$ 1,043,196	\$ 1,210,143
• Valuation Payroll	963,959	1,125,018
Benefit Accumulation Fund (BAF) Assets		
• Market BAF Balance	\$ 1,761,838	\$ 1,552,477
• BAF crediting rate	10.81 %	11.92 %
• Interest credited on beginning BAF balance	\$ 167,746	\$ 159,961
• Employer contributions	63,218	79,264
• Employee contributions	73,024	84,710
• Benefit and refund payments	94,627	113,243
Actuarial Value of Assets (AVA)		
• Market BAF Balance	\$ 1,761,838	\$ 1,552,477
• Actuarial Value of Assets (AVA)	1,738,028	1,587,342
• AVA as a Percentage of BAF	98.6 %	102.2 %
• Return on AVA	6.87	6.55
Actuarial Information		
• Actuarial Accrued Liability (AAL)	\$ 1,503,004	\$ 1,422,918
• Actuarial Value of Assets (AVA)	1,738,028	1,587,342
• Unfunded Actuarial Accrued Liability (UAAL)	(235,024)	(164,424)
• UAAL as % of pay	(22.5) %	(13.6) %
• Funded Ratio (AVA/AAL)	115.6	111.6
• Employer Normal Cost Rate	6.79	7.05
• Prior Service Rate	(0.95)	(0.57)
Contribution Rates	2026	2025
• Employee	7.00 %	7.00 %
• Full Retirement (ADEC)	5.84	6.48
• Supplemental Death Benefit	0.32	0.25
Total Employer Contribution Estimates	2026	2025
• Projected payroll	\$ 990,468	\$ 1,155,956
• Total Contribution Rate	6.16 %	6.73 %
• Estimated employer contribution	\$ 61,013	\$ 77,796

Note: Results from prior year reflect the plan provisions shown on the next page.



New Repeating COLA Option is Available for Cities

Effective May 27, 2023, the Texas Legislature amended the TMRS Act to provide participating cities with a new repeating COLA option.

Currently, a COLA must be calculated retroactively by looking back to the cumulative change in the Consumer Price Index (CPI) since each retiree's retirement date, commonly called the "catch-up." The retroactive calculation makes granting a COLA more expensive for cities that have never provided a COLA and for most cities that currently provide a COLA and are already "caught up."

The new non-retroactive repeating COLA option eliminates the retroactive calculation by only looking back to the change in the CPI for the one-year period that ends 12 months before the COLA's effective date (the "New COLA Option").

In almost every case, the New COLA Option will be slightly less expensive for a city than a repeating COLA calculated retroactively. While the impact of the New COLA Option on each retiree depends on many factors, no retiree's current monthly benefit will be reduced.

However, adopting any repeating COLA, with or without the retroactive calculation, is still expensive. Even without the retroactive expense, the city still must advance fund all COLAs for both current and future retirees.

A city does not have to adopt the New COLA Option. All current repeating or ad hoc COLA options with the retroactive calculation are still in place. Details about current COLA options can be found [here](#).

Following are key provisions and examples of the New COLA Option.

Key Provisions

- All repeating COLAs adopted using the non-retroactive option must be effective on January 1, 2024, 2025, or 2026. To adopt the New COLA Option, a city must pass an ordinance and provide it to TMRS by the December 31 preceding the January 1 effective date.
- Adopting the New COLA Option replaces any previous COLA and remains in effect until the city adopts any ordinance impacting COLAs.
- Because the New COLA Option is calculated based on the CPI during the year that ends 12 months before the COLA's effective date, each retiree will receive the same percentage increase to their monthly benefit. For example, if a city adopts a non-retroactive 50% repeating COLA effective January 1, 2024, each eligible retiree's benefit increase will be 3.23% (50% of 6.45% inflation during 2022).

2026 Rates • Blanco

July 1, 2025

Plan Provisions	Current	Option 1	Option 2	Option 3
Employee Contribution Rate	7%	8%	8%	8%
City Matching Ratio	2 to 1	2 to 1	2 to 1	2 to 1
Updated Service Credit (USC)	None	None	50% (Repeating)	50% (Repeating)
Transfer USC *	No	No	No	No
COLA	None	None	None	30% (Repeating)
Retroactive COLA	No	No	No	Yes
Retirement Eligibility	20 years	20 years	20 years	20 years
Vesting	5 years	5 years	5 years	5 years
Supplemental Death Benefit	Actives + Retirees	Actives + Retirees	Actives + Retirees	Actives + Retirees
Contribution Rates	2026	2026	2026	2026
Normal Cost Rate	6.79%	7.76%	9.21%	10.32%
Prior Service Rate	<u>-0.95%</u>	<u>-0.91%</u>	<u>-0.52%</u>	<u>0.13%</u>
Retirement Rate	5.84%	6.85%	8.69%	10.45%
Supplemental Death Rate	<u>0.32%</u>	<u>0.32%</u>	<u>0.32%</u>	<u>0.32%</u>
Total Contribution Rate	6.16%	7.17%	9.01%	10.77%
Unfunded Actuarial Liability	\$-235,024	\$-225,763	\$-129,937	\$15,327
Funded Ratio	115.6%	114.9%	108.1%	99.1%
Benefit Increase Amortization Period	17 years	17 years	17 years	17 years
Stat Max	13.50%	N/A	N/A	N/A
Retirement Rate Exceeds Stat Max	No	Yes	Yes	Yes

* As of the December 31, 2024 valuation date, there were 2 employees with service in other TMRS cities eligible for transfer USC.

2026 Rates • Blanco

July 1, 2025

Plan Provisions	Current	Option 4	Option 5	Option 6
Employee Contribution Rate	7%	8%	8%	8%
City Matching Ratio	2 to 1	2 to 1	2 to 1	2 to 1
Updated Service Credit (USC)	None	50% (Repeating)	100% (Repeating)	100% (Repeating)
Transfer USC *	No	No	Yes	Yes
COLA	None	30% (Repeating)	None	70% (Repeating)
Retroactive COLA	No	No	No	Yes
Retirement Eligibility	20 years	20 years	20 years	20 years
Vesting	5 years	5 years	5 years	5 years
Supplemental Death Benefit	Actives + Retirees	Actives + Retirees	Actives + Retirees	Actives + Retirees
Contribution Rates	2026	2026	2026	2026
Normal Cost Rate	6.79%	10.16%	11.90%	14.92%
Prior Service Rate	<u>-0.95%</u>	<u>-0.16%</u>	<u>0.07%</u>	<u>3.20%</u>
Retirement Rate	5.84%	10.00%	11.97%	18.12%
Supplemental Death Rate	<u>0.32%</u>	<u>0.32%</u>	<u>0.32%</u>	<u>0.32%</u>
Total Contribution Rate	6.16%	10.32%	12.29%	18.44%
Unfunded Actuarial Liability	\$-235,024	\$-38,752	\$8,387	\$380,206
Funded Ratio	115.6%	102.3%	99.5%	82.1%
Benefit Increase Amortization Period	17 years	17 years	17 years	17 years
Stat Max	13.50%	N/A	N/A	N/A
Retirement Rate Exceeds Stat Max	No	Yes	Yes	Yes

* As of the December 31, 2024 valuation date, there were 2 employees with service in other TMRS cities eligible for transfer USC.

2026 Rates • Blanco

July 1, 2025

Plan Provisions	Current	Option 7
Employee Contribution Rate	7%	8%
City Matching Ratio	2 to 1	2 to 1
Updated Service Credit (USC)	None	100% (Repeating)
Transfer USC *	No	Yes
COLA	None	70% (Repeating)
Retroactive COLA	No	No
Retirement Eligibility	20 years	20 years
Vesting	5 years	5 years
Supplemental Death Benefit	Actives + Retirees	Actives + Retirees
Contribution Rates	2026	2026
Normal Cost Rate	6.79%	14.71%
Prior Service Rate	<u>-0.95%</u>	<u>2.19%</u>
Retirement Rate	5.84%	16.90%
Supplemental Death Rate	<u>0.32%</u>	<u>0.32%</u>
Total Contribution Rate	6.16%	17.22%
Unfunded Actuarial Liability	\$-235,024	\$261,023
Funded Ratio	115.6%	86.9%
Benefit Increase Amortization Period	17 years	17 years
Stat Max	13.50%	N/A
Retirement Rate Exceeds Stat Max	No	Yes

* As of the December 31, 2024 valuation date, there were 2 employees with service in other TMRS cities eligible for transfer USC.

NEW BUSINESS

ITEM #10



City of Blanco

P.O. Box 750 Blanco, Texas 78606
Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7/8/25

DESCRIPTION: Website and notification system from Apptegy

ANALYSIS:

Apptegy is a company that provides improved website service, an app that can be loaded on your phone and a notification service. The cost of the entire service is a \$13,000 start up (one time fee) which would include all updates and service. This would fully update our website and modernize everything that is currently available on our site. Each year we would pay a \$7500 maintenance fee. This year \$13,000 and every subsequent year \$7500.

The City's current website was redesigned by Mayor Rachel Lumpee for free in early 2022. The current website while dated is functional and legal. It is hosted by Immense Impact, LLC/ seen as Municipal Impact on the website which costs the City \$945. The website created by Rachel Lumpee has served the community well at a low cost to the tax payers. As the City strives for better services and communication the council may look at other providers of website services.

City Administration provides the following options:

1. Keep current website and funding in place for FY 26 and revisit this issue next year
2. Get two more quotes and bring this back to council next month
3. Advise Staff to go out for RFQ and bring this back to council in September

FISCAL IMPACT:

RECOMMENDATION:

Advise Staff on either option 2 or 3 and add funding in next year's budget to account for additional cost

current webhosting bill



Rural Water Impact & Municipal Impact
(888) 551-4815
P.O. Box 121034
Arlington, TX 76012

IMMENSE IMPACT, LLC

Home of RuralWaterImpact.com & MunicipalImpact.com

Billed To
City of Blanco
300 Pecan St.
Blanco, TX 78606

Date of Issue
09/06/2024

Due Date
10/06/2024

Invoice Number
21-1006LYV

Amount Due (USD)
\$945.00

Description	Rate	Qty	Line Total
Muni Tier 2 Annual Subscription - 24 Municipal Impact Tier 2 (population 1501- 3000) Annual Website Subscription. Includes Hosting, Unlimited Customer Support, All Website Software Updates, Upgrades & One Month Free (\$86.00).	\$945.00	1	\$945.00
Subtotal			945.00
Tax			0.00
Total			945.00
Amount Paid			0.00
Amount Due (USD)			\$945.00

Notes

Kindly Remit Payment to Immense Impact, LLC. (Home of Municipal Impact) by: October 6, 2024.

Payment of your invoice constitutes full and total agreement of the Terms & Conditions and Privacy Policy set forth by Immense Impact. Questions? Give us a call at (888) 551-4815 or email us at support@ruralwaterimpact.com.

Terms

City of Blanco's Annual Website Subscription Dates: October 6, 2024 to October 6, 2025.

Immense Impact, LLC thanks City of Blanco for their annual Municipal Impact website subscription business!
Our mission is to make life in your website world easier and more efficient :-)

100-06-5857



Powering Your Online Identity

[Change Signature](#)


Powering Your Online Identity

Apptegy started in 2014 with the goal of enabling public school districts to build a strong brand and communicate more effectively with their audiences. In 2015, we partnered with our first three beta clients. Today, 2025, we've partnered with more than 4,000 clients in all 50 states to build their website, custom mobile app, and the mass notification system.

What Makes Us Different

1 Apptegy's Ease of Use

With our publishing platform, Apptegy, **you don't need any programming knowledge** to update your district's website, app, or mass notification system. Now, you can promote your success stories across all communication channels right from your smartphone.

“

I have to tell you, this platform is GREAT. Thrillshare simplifies the process of posting things to various school online resources to the point where I can see where

Powering Your Online Id...



Scope & Deliverables

1 2

I. Estimated Transition T...

3

II. Order Form

4

100%

- Fit
- 50%
- 60%
- 70%

City Of Blanco, TX

1-year mobile app and web development for City Of Blanco, TX

One Time

[Sign & Accept](#)
[Edit](#)
[I Agree](#)

USD \$13,000.00

You've completed the required fields. [Click here to continue.](#)



Powering Your Online Identity

[Change Signature](#)

Powering Your Online Identity

Apptegy started in 2014 with the goal of enabling public school districts to build a strong brand and communicate more effectively with their audiences. In 2015, we partnered with our first three beta clients. Today, 2025, we've partnered with more than 4,000 clients in all 50 states to build their website, custom mobile app, and the mass notification system.

What Makes Us Different

1 Apptegy's Ease of Use

With our publishing platform, Apptegy, **you don't need any programming knowledge** to update your district's website, app, or mass notification system. Now, you can promote your success stories across all communication channels right from your smartphone.

“

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- Fit
- 50%
- 60%
- 700%

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Scope & Deliverables

1 2

I. Estimated Transition T...

3

II. Order Form

4

City Of Blanco, TX

1-year mobile app and web development for City Of Blanco, TX

One Time

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USD \$13,000.00

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NEW BUSINESS

ITEM #11



City of Blanco

P.O. Box 750 Blanco, Texas 78606
Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7/8/25

DESCRIPTION: Employee of the month recognition named as Employee Spotlight

ANALYSIS: Some communities recognize an outstanding employee monthly and put their name (possibly picture) on their Facebook page with a little write up about the employee. It is a recognition of hard work, appreciation, or some other effort that occurred that month. It is good for morale of the employees but also a good tool to show the public some of the work that is done on their behalf. It provides a motivation to provide servant leadership in whatever field that the employee is involved in.

The recommendation is that it can be given to anyone that is employed by the City or Inframark (public works) and that it is focused on the type of jobs that rarely is recognized. Department heads are included but the focus is primarily on those that provide customer service, public safety, and public improvement. City Administrator and City Council are not included in this program. The City currently has a budget of \$3000 for appreciation so this program is already funded.

City Administrator, Mayor, and department heads can nominate someone monthly based on the following criteria:

- Hardwork/diligence
- Showing initiative and being a self starter
- Great attitude
- Going the extra mile or being friendly and helpful

The Employee in the spotlight can choose a paid day off or a \$50 gift card. If this approved tonight The City Admin will honor an employee at the meeting.

FISCAL IMPACT: one day off or a \$50 gift card

RECOMMENDATION: Approve the employee spotlight program.



OLD BUSINESS

ITEM #1



City of Blanco

P.O. Box 750 Blanco, Texas 78606
Office 830-833-4525 Fax 830-833-4121

STAFF REPORT: 7/8/25

DESCRIPTION: Certificate of Obligation projects for the remainder balance of about \$1,000,000

ANALYSIS:

A Certificate of Obligation of \$1.5 million was awarded at the Tuesday November 12th 2025 Council meeting. The FTW for the water plant was paid with the CO money as the water plant is completely built as directed by council from a separate action. (\$462,000) The VFDs have been ordered due to the critical nature of the product (\$492,000 for both products). The remainder of the funds (about \$1,000,000) will need to be selected at this meeting for public works projects which will be paid through our debt service (I&S) for the following items:

\$814,000 for sewer line from 15th Street to north City limits line minus \$95,000 reimbursement from Neighbors Market. SPI is at 30% plans

Retaining wall for Town Creek about \$150,000 (an estimate has been received by Dirt works)
Portable generator - \$50k (for Cielo water system and Pittsburg lift station) Generators have arrived.

Generator (permanent) at PD- \$25K

6 fire hydrants- \$70k

Dowdy and 14th to 281 Sewer line: completed for under \$40,000

UPDATE on TownCreek Wall:

1. Trees and brush have been cleared
2. A survey has been ordered to make sure the towncreek retaining wall is installed in the correct location
3. Inspectors to review and inspect any building that is affected by said wall
4. An on-site manager can be hired to supervise the main pours and construction days as necessary
5. 2x3' deep footer to for more support and longevity
6. Typical retaining wall diagram attached.
7. Engineering review afterwards an "as built review"



FUNDING: 2024a Certificate of Obligations. If decision is made to fully engineer the retaining wall an additional \$125,000 to \$150,000 will be needed above what has been budgeted

RECOMMENDATION:

Approve the current scope or delay the project to find new funding.

Status Update

Jun 20, 2025



City of Blanco

Project Description

Highway 281 North Sewer Extension

Extension of about 2,400 feet of wastewater gravity pipe on the west side of Highway 281 north of 14th Street.

Project Updates

Recently Completed

SPI QAQC review of 30% plans, cost estimates, and draft Preliminary Engineering Report. Inframark completed marking existing City utilities.

In Progress

The surveyor is collecting marked utility locations. SPI is awaiting City comments on 30% plans, cost estimates, and draft Preliminary Engineering Report. SPI is preparing 60% plans, specifications, cost estimates, and finalized Preliminary Engineering Report.

Upcoming

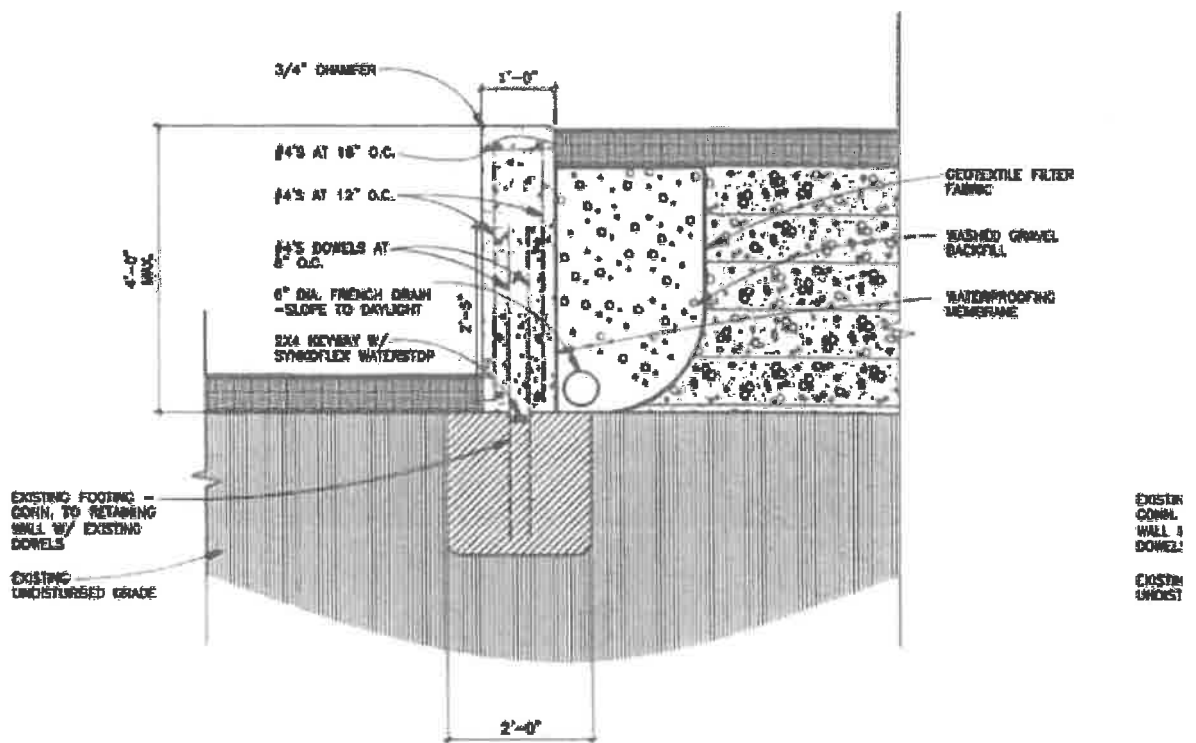
Prepare 90% plans, specifications, cost estimates, and bidding documents.

Project Contacts

<i>SPI Contact</i>	<i>Title</i>	<i>Phone</i>	<i>Cell</i>	<i>Email</i>
John Schmeling	Project Manager	512-262-0440	952-201-1351	jschmeling@spi-eng.com
Jerry Hendrix	Client Relations	512-262-0440		jhendrix@spi-eng.com

Project Deliverables

<i>Deliverable</i>	<i>Phase</i>	<i>Due Date</i>	<i>Status</i>
Draft Preliminary Engineering Report	30%	6/13/2025	Complete
30% Plans and Cost Estimates	30%	6/13/2025	Complete
Final Preliminary Engineering Report	60%	Jul 2025	In Progress
60% Plans, Cost Estimate, and Project Manual	60%	Jul 2025	In Progress
90% Plans, Cost Estimate, and Project Manual	90%	Aug 2025	
Final Plans, Cost Estimate, and Project Manual	Final	Aug 2025	
Bid Opening	Bidding	Sept 2025	
Start Construction	Construction	Oct 2025	



1. TYP. RETAINING WALL ABOVE EXISTING FOOTING UP TO 4'-0"

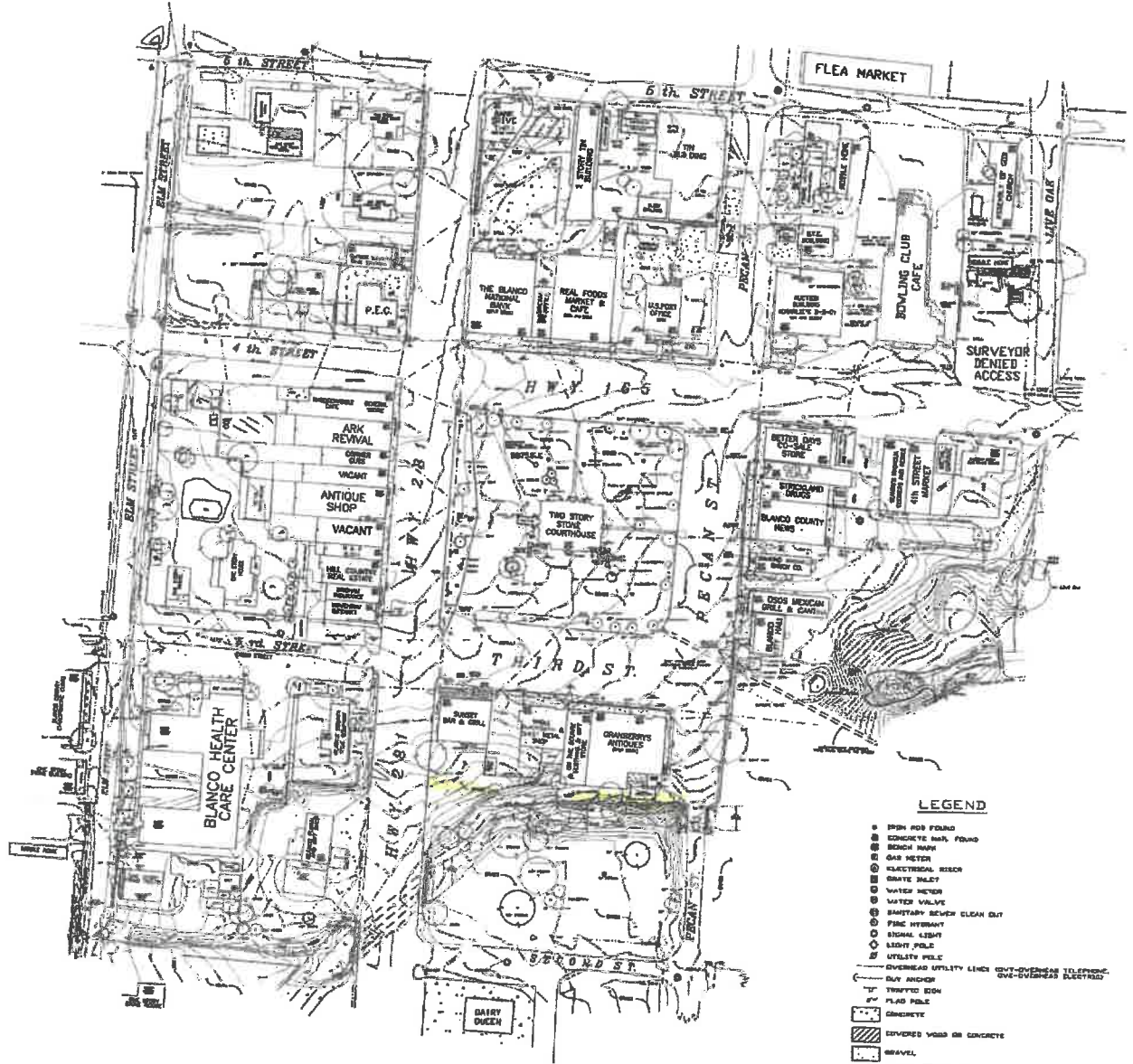
3/4" = 1'-0"



INDEX LIST FOR NEXT BLOCK

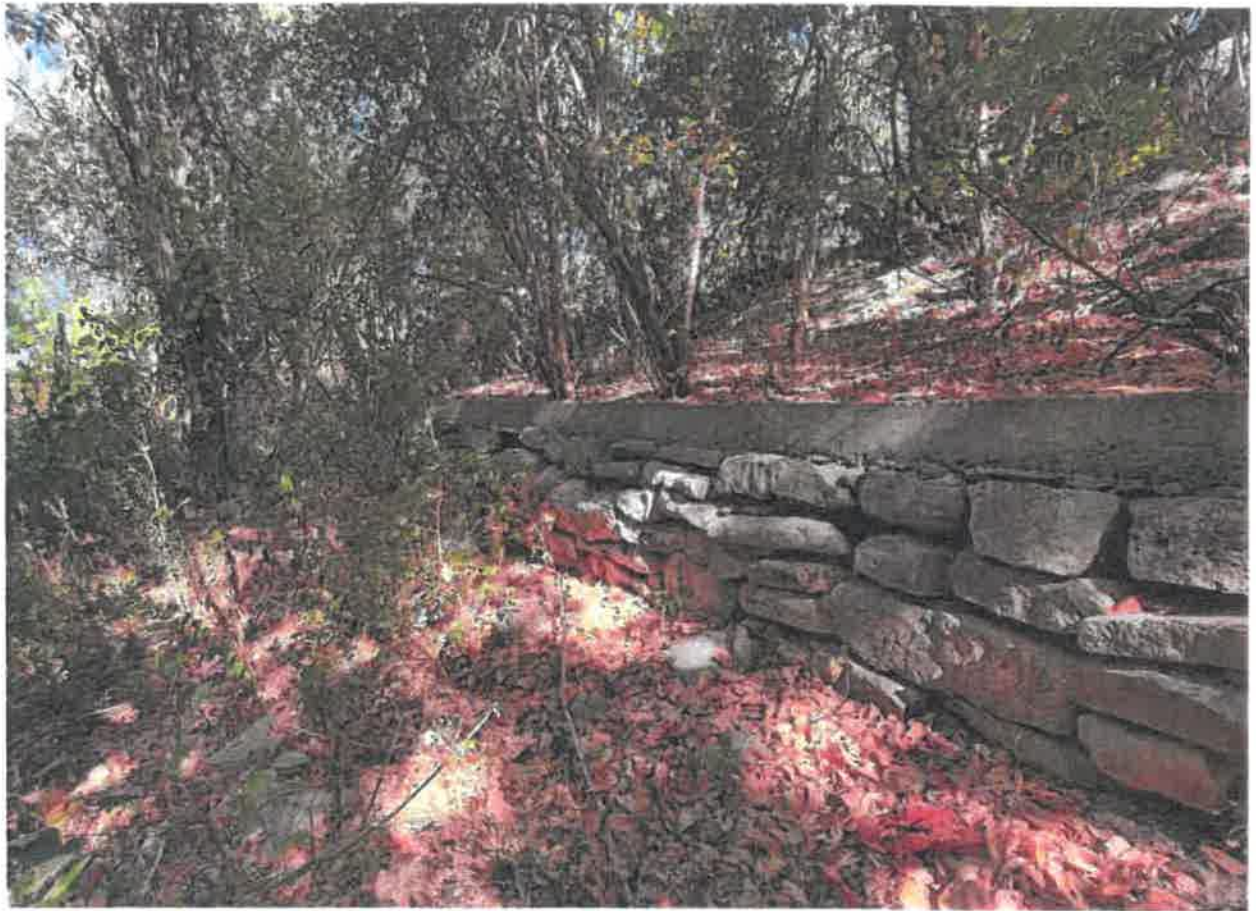
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ORIGINAL SCALE
1" = 60'



LEGEND

- IRON ROD FOUND
- CONCRETE WALL FOUND
- BENCH MARK
- GAS METER
- ELECTRICAL RISER
- GATE INLET
- WATER METER
- WATER VALVE
- SANITARY SEWER CLEAN OUT
- FIRE HYDRANT
- SIGNAL LIGHT
- LIGHT POLE
- UTILITY POLE
- OVERHEAD UTILITY LINES (OUT-OF-AREA TELEPHONE, OUT-OF-AREA ELECTRIC)
- GUY ANCHOR
- TRAFFIC SIGN
- FLAG POLE
- CONCRETE
- CURED Voids ON CONCRETE
- GRAVEL
- TRAFFIC SIGNAL BOX
- MISCELLANEOUS TREES
- MISCELLANEOUS BUSHES
- HANDICAP PARKING SPACE
- Voids PLANTED
- BUTANE TANK
- ▽ FINISHED FLOOR ELEVATION
- △ TOP OF CURB
- RAILROAD LINE



Town Creek Retaining Wall Blanco, Texas

Initial Structural Evaluation

UPDATED September 7, 2023

Prepared for: Warren Escovy
City of Blanco



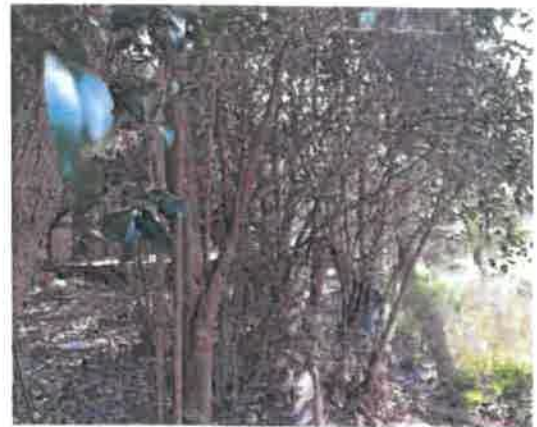
SPARKS ENGINEERING, INC.

September 7, 2023

Sparks Engineering, Inc. (SEI) has completed an update of our previous initial structural evaluation of Town Creek retaining wall in Blanco, Texas. These services were requested by The City of Blanco and were performed in accordance with our signed contract for consulting services, authorized on July 18, 2023. The purpose of these consulting services was to assess the overall condition of the retaining wall and develop opinions and recommendations for repairs, alterations, and additional testing or investigation, if needed. This report summarizes our observations, findings, and recommendations. Our opinion of probable cost is attached at the end of the report.

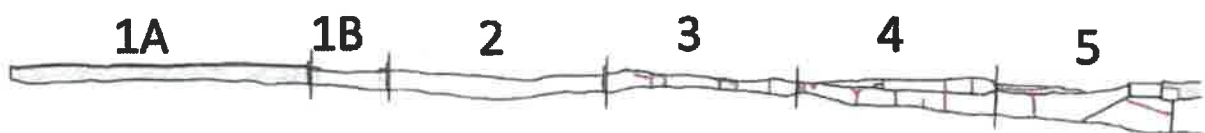
Observations

We first visited the Town Creek retaining wall site on March 21, 2018, and most recently on September 5, 2023. The retaining wall is situated along the north bank of Town Creek, approximately one block south of the square in Blanco. The entire wall is constructed of dry-stack stone, though most of was faced and capped with unreinforced concrete, possibly in the 1940s. Of the approximate 200-foot length, about 60 feet of wall is not covered with concrete. The wall is surrounded by trees and vegetation which are contributing to the distress in the wall.



Trees and vegetation looking east along the wall (2018)..

We have labeled six distinct sections of the wall as shown here:



Combined elevation of the wall, divided into sections.

Overall, the wall appears to be in poor condition, and will require ~~intervention to preserve its integrity~~ reconstruction along its full length. The wall has continued to degrade gradually since our first assessment in 2018. Our observations of each wall section are as follows:

Sections 1A and 1B:

Section 1 is located at the west-most end of the retaining wall. This section has a concrete cap, but has not been faced with concrete. It consists of two sections, Section 1A and Section 1B. Section 1A now has many areas of loose stones and cannot reasonably be stabilized without reconstruction. It varies in height from two to three feet, and is 57 feet long.

Section 1B is similar to 1A, except that it has collapsed. It has a length of 15 feet.



Area of collapse in Section 1B (2018)

Section 2:

Section 2 is 42 feet long, and is about four feet high. This section is leaning significantly and must be reconstructed.

Section 3:

Section 3 is leaning and cracking significantly. It is faced with concrete. The average height is 3 feet, and the length is 37 feet. It will need to be reconstructed.

Section 4:

Section 4 is concrete faced with an additional concrete wall poured above the original to retain added fill. This section of wall is 40 feet long, and the average height is 6 feet. This wall exceeds the height allowed for dry stack construction. It will need to be removed and replaced with a concrete retaining wall.



Section 2 is not cracking, though it is leaning. (2018)



Section 3 is leaning and is cracked. (2018)

Section 5:

Section 5 is faced with concrete, and is engaged with the wing wall of the Pecan Street Bridge. The wall varies in height from 5 to 7 feet, with a length of 35 feet. This section exceeds its maximum height and is leaning. It will need to be removed and replaced with a concrete retaining wall.



Section 4 is cracked and leaning, and has an overburden of added soil.(2018)



Tree growth next to Section 5 (2018)

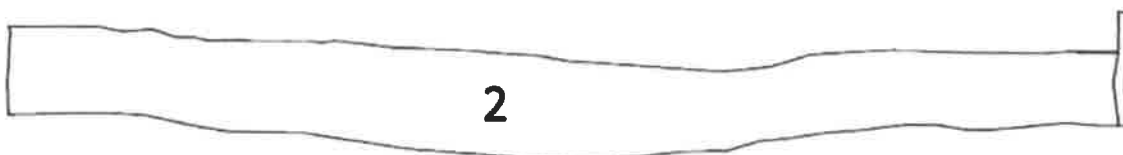
West



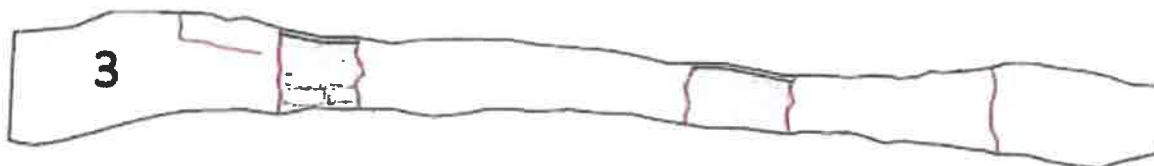
Section 1A has an added concrete cap and areas of loose stones.



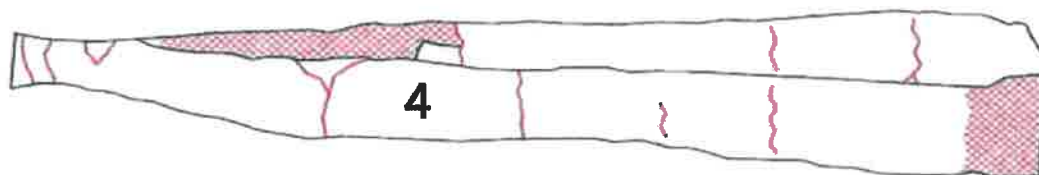
Section 1B has an added concrete cap and has partially collapsed.



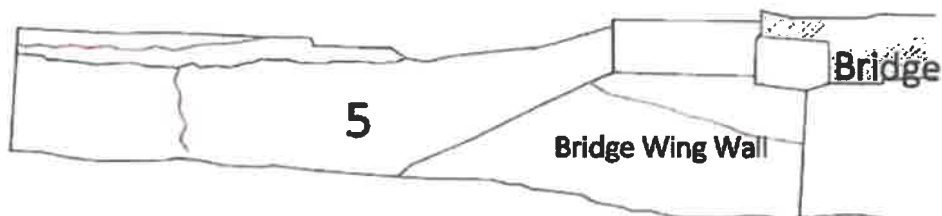
Section 2 has not cracked, but is leaning forward.



Section 3 has is very irregular and is leaning forward.



Section 4 has cracked and has had an additional concrete wall added on top of the original.



Section 5 is engaged with the wing wall of the Pecan Street Bridge and has cracked.

East

Opinions & Recommendations

It is our opinion that the Town Creek retaining wall is no longer structurally sound. The trees continue to be a primary cause of distress, as well as the added soil load in places and the lack of a proper footing. Moreover, portions of the wall are too tall for dry-stacked stone. Finally, much of the wall has lost its historic appearance. We recommend the following measures for rehabilitation of the wall:

Site, Soils, and Foundation:

Remove all trees and vegetation within 15 feet of the retaining wall and treat the stumps with herbicide to kill the roots.

Section 1A:

~~Remove the concrete cap, and restore in place, stabilizing localized areas of loose or displaced stones. Excavate behind the wall and install filter fabric. Disassemble the dry-stack rock, recording the bond pattern and placement. Construct new concrete footing and backup wall.~~

Section 1B:

Reconstruct Section 1B to match section 1A.

Section 2:

Carefully remove the concrete face and cap while salvaging the historic stone. Reconstruct the wall as for Sections 1A and 1B using the salvaged stone.

Section 3:

Same as Section 2.

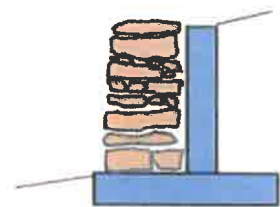
Section 4:

Remove and salvage the existing stone and construct a concrete retaining wall as illustrated above. Face this retaining wall with the salvaged stone.

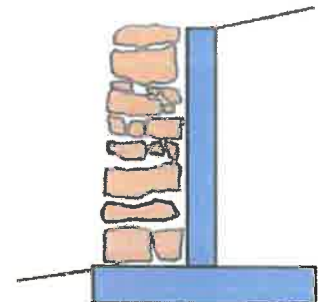
Section 5:

Same as Section 4 but tie this wall into the bridge wing-wall.

Mortar can be used to set the stones, leaving the joints deeply recessed to emulate the dry-stack appearance. Stone anchors will be required for the taller walls.



Typical section for retaining wall sections 1A, 1B, 2, and 3.



Typical section for retaining wall sections 4-5.

Limitations

This structural assessment was based on visual field observations of readily accessible areas. The recommendations are based on the observed conditions at the subject property at the time of the assessment. Other conditions may exist, or develop over time, which were not found during the assessment. These recommendations do not represent a final design or specification. Additional investigation will be required as part of a comprehensive program or design.

End of Report

SPARKS ENGINEERING
Town Creek Retaining Wall - Blanco, Tx
Engineer's Opinion of Probable Cost - September 7, 2023

Category	Item	Quantity	Unit	Unit Price	Amount
	Temporary Erosion Control, Signs, & Barricades	1	LS	\$ 8,000.00	\$ 8,000.00
	Mobilization	1	LS	\$ 10,000.00	\$ 10,000.00
	Tree/Brush Removal	1	LS	\$ 20,000.00	\$ 20,000.00
	Finish grading and Re-seeding	100	SY	\$ 30.00	\$ 3,000.00
	Excavation (Sections 1-5)	70	CY	\$ 80.00	\$ 6,000.00
	Demolition (Sections 1-5)	45	CY	\$ 300.00	\$ 14,000.00
	Salvaging of Stone from Demolished Sections	60	TON	\$ 200.00	\$ 12,000.00
	Reconstruction with Footing (Sections 1A & 1B)	220	SF	\$ 140.00	\$ 31,000.00
	Reconstruction with Footing (Sections 1, 2 & 3)	240	SF	\$ 110.00	\$ 26,000.00
	Concrete Retaining Wall up to 3' Height (Sections 1-3)	151	LF	\$ 300.00	\$ 45,000.00
	Concrete Retaining Wall up to 6' Height (Sections 4-5)	65	LF	\$ 300.00	\$ 20,000.00
	Stone Veneer Using New or Salvaged Stone (Sections 4-5)	450	SF	\$ 40.00	\$ 18,000.00
	Railing (If Public Access is Allowed)	200	LF	\$ 175.00	\$ 35,000.00
	Total Construction Cost				\$ 248,000.00
	Design Fees	15%			\$ 37,000.00
	Topo Survey & Geotech	6%			\$ 20,000.00
	Contingency	20%			\$ 50,000.00
	Total Project Cost				\$ 355,000.00

Excludes escalation, City project management and administrative fees, landscaping, trails, pavement, signage and amenities.