

CITY OF MIDLAND, TEXAS
AGENDA FOR CITY COUNCIL MEETING
April 8, 2025 - 10:00 AM
300 North Loraine
Midland, Texas
Council Chamber - City Hall



A quorum of the City Council intends to be physically present at the aforementioned location.

The City Council may discuss, consider, and take action on any item listed on this agenda.

OPENING ITEMS

1. Invocation – Pastor Seth DeRuiter, Stonegate Fellowship
2. Pledge of Allegiance

PRESENTATIONS

3. Presentation of special events, organizations, individuals, periods of time, or reports, including, but not limited to:
 - 3a. Presentation of Proclamation for “Midland Christian Lady Mustangs Day”
 - 3b. Presentation by Director of Finance Christy Weakland regarding the FY2024 Annual Comprehensive Financial Report

CONSENT AGENDA

4. MOTION APPROVING THE FOLLOWING MINUTES:
 - 4a. REGULAR SESSION OF MARCH 18, 2025
 - 4b. SPECIAL SESSION OF MARCH 18, 2025
 - 4c. SPECIAL SESSION OF MARCH 27, 2025
5. 033-2025 – MOTION APPROVING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2024 (**DISTRICT: NONE**) (**FINANCE**) (**PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT**)
6. 2025-049 – RESOLUTION AUTHORIZING THE PURCHASE OF ONE 16-YARD DUMP PACKET

TRUCK FOR THE TRANSPORTATION DIVISION FROM BRUCKNER TRUCK SALES, INC., DOING BUSINESS AS BRUCKNER'S TRUCK AND EQUIPMENT, THROUGH THE HOUSTON-GALVESTON AREA COUNCIL FOR A TOTAL COST OF \$196,612.12 **(DISTRICT: NONE) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)**

7. 2025-050 – RESOLUTION APPROVING THE PURCHASE OF THREE (3) 2-3 YARD DUMP BODIES, ONE (1) STEEL FLATBED BODY, ONE (1) UTILITY BODY WITH A CRANE AND LIFT GATE, TWO (2) UTILITY BODIES WITH LIFT GATES, AND ONE (1) UTILITY BODY FROM RANDALL REED'S PLANET FORD 635 FOR A TOTAL COST OF \$192,812.00 **(DISTRICT: NONE) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)**
8. 2025-051 – RESOLUTION RATIFYING AND APPROVING THE PAYMENT FOR EMERGENCY WATER MAIN REPLACEMENT AND REPAIR SERVICES ALONG COMANCHE DRIVE AND EISENHOWER STREET BY MIDESSA UNDERGROUND, LLC, FOR A TOTAL COST OF \$224,144.00; AND APPROPRIATING AND TRANSFERRING FUNDS **(DISTRICT 4) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)**
9. 034-2025 – MOTION AUTHORIZING THE EXECUTION OF CHANGE ORDERS #4 AND #5 WITH HYDRO RESOURCES – MID CONTINENT, INC., REGARDING THE PAUL DAVIS WELL FIELD DEVELOPMENT PROJECT; SAID CHANGE ORDERS TO BE IN THE AMOUNT OF \$210,847.50 FOR ENHANCED SYSTEM PERFORMANCE AND TO ACCOMMODATE UNFORESEEN FIELD CONDITIONS **(DISTRICT: NONE) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)**
10. 2025-052 – RESOLUTION APPROVING A CONTRACT WITH NOUVEAU TECHNOLOGY SERVICES, LP, THROUGH THE INTERLOCAL PURCHASING SYSTEM, FOR THE CONSTRUCTION AND INSTALLATION OF A CART BARN AT HOGAN GOLF COURSE FOR A TOTAL COST OF \$1,320,000.00; APPROVING \$66,000.00 FOR PROJECT RELATED COSTS; AND APPROPRIATING FUNDS FOR SAID PROJECT **(DISTRICT 2) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)**
11. 2025-053 – RESOLUTION AWARDING A CONTRACT IN THE AMOUNT OF \$293,248.85 FOR THE PURCHASE AND INSTALLATION OF A PLAYGROUND FACILITY AT MOMENTUM BANK BALL PARK TO 4B RECREATION GROUP, LLC, D/B/A PLAYGROUNDS ETC.; AND APPROVING \$29,351.15 FOR PROJECT RELATED EXPENSES **(DISTRICT 4) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)**
12. 2025-054 – RESOLUTION AWARDING A CONTRACT IN THE AMOUNT OF \$133,751.62 FOR THE PURCHASE AND INSTALLATION OF SHADE STRUCTURES AT DOUG RUSSELL POOL TO 4B RECREATION GROUP, LLC, D/B/A PLAYGROUNDS ETC.; AND APPROVING \$6,248.38 FOR PROJECT RELATED EXPENSES **(DISTRICT 3) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)**

13. 2025-055 – RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THAT CERTAIN NON-EXCLUSIVE COMMERCIAL FIXED-BASE OPERATOR LEASE AGREEMENT BETWEEN THE CITY OF MIDLAND AND BASIN AVIATION, INC. **(DISTRICT 3) (AIRPORTS) (TRANSPARENT & CONSISTENT COMMUNICATION)**
14. 035-2025 – MOTION AUTHORIZING THE EXECUTION OF A SURFACE USE AGREEMENT (25-329-013) WITH VITAL ENERGY, INC., REGARDING CITY-OWNED PROPERTY DESCRIBED AS SECTION 8, T-2-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS **(DISTRICT: NONE) (UTILITIES) (PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT)**

SECOND READINGS

15. 10606 – AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITH TERM FOR A 2,512-SQUARE FOOT PORTION OF LOT 5A, BLOCK 1, GATEWAY PLAZA ADDITION, SECTION 12, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED AT THE SOUTHEAST CORNER OF THE INTERSECTION OF SOUTH TRADEWINDS BOULEVARD AND STARBOARD DRIVE), WHICH IS PRESENTLY ZONED RR, REGIONAL RETAIL DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR THE SALE OF ALL ALCOHOLIC BEVERAGES IN A RESTAURANT FOR ON-PREMISES CONSUMPTION; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION (FIRST READING HELD MARCH 18, 2025) **(DISTRICT 4) (DEVELOPMENT SERVICES) (QUALITY OF LIFE & PLACE)**
16. 10607 – AN ORDINANCE ADOPTING A FEE SCHEDULE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING AN APPEAL PROCESS; ESTABLISHING AN EFFECTIVE DATE OF APRIL 9, 2025; AND ORDERING PUBLICATION (FIRST READING HELD MARCH 18, 2025) **(DISTRICT: ALL) (FINANCE) (SET THE STANDARD FOR A SAFE AND SECURE CITY)**
17. 10608 – AN ORDINANCE AMENDING TITLE V, “BUSINESS REGULATIONS” OF THE CITY CODE OF THE CITY OF MIDLAND, TEXAS, BY ADDING CHAPTER 13, “MASSAGE ESTABLISHMENTS”, SO AS TO ESTABLISH CERTAIN REQUIREMENTS THAT MUST BE SATISFIED TO OPERATE A BUSINESS THAT ADVERTISES OR OFFERS MASSAGE THERAPY OR OTHER MASSAGE SERVICES; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM FINE OR PENALTY OF TWO THOUSAND DOLLARS (\$2,000.00); ESTABLISHING AN EFFECTIVE DATE THAT SHALL BE 30 DAYS AFTER THE DATE OF ADOPTION OF THIS ORDINANCE; AND ORDERING PUBLICATION (FIRST READING HELD MARCH 18, 2025) **(DISTRICT: ALL) (DEVELOPMENT SERVICES) (SAFE AND SECURE CITY)**

PUBLIC HEARINGS

The City Council will hold public hearings on the following items:

18. 10609 – AN ORDINANCE EXTENDING THE BOUNDARIES OF THE CITY OF MIDLAND, TEXAS, BY ADDING THERETO A CERTAIN AREA ADJOINING THE PRESENT CITY LIMITS, BEING A 15.6-ACRE TRACT OF LAND OUT OF SECTION 7, BLOCK 38, AND SECTION 12, BLOCK 39, T-2-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS (GENERALLY LOCATED ON THE WEST SIDE OF FARM-TO-MARKET ROAD 715, APPROXIMATELY 500 FEET NORTH OF EAST COUNTY ROAD 120); ORDERING PUBLICATION; AND ORDERING RECORDATION BY THE CITY SECRETARY **(DISTRICT: NONE) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)**
19. 10610 – AN ORDINANCE ESTABLISHING THE INITIAL ZONING CLASSIFICATION OF THE AREA INDICATED AS BEING A 15.6-ACRE TRACT OF LAND OUT OF SECTION 7, BLOCK 38, AND SECTION 12, BLOCK 39, T-2-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS, AS AN RR, REGIONAL RETAIL DISTRICT; SAID TRACT BEING GENERALLY LOCATED ON THE WEST SIDE OF FARM-TO-MARKET ROAD 715, APPROXIMATELY 500 FEET NORTH OF EAST COUNTY ROAD 120; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION **(DISTRICT: NONE) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)**
20. 10611 – AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITHOUT TERM FOR A 16.66-ACRE TRACT OF LAND OUT OF SECTION 10, BLOCK 39, T-2-S, T&P RR CO. SURVEY, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED AT THE NORTHEAST CORNER OF THE INTERSECTION OF COTTON FLAT ROAD AND ALTA VISTA DRIVE), WHICH IS PRESENTLY ZONED SF-1, SINGLE-FAMILY DWELLING DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR A VACATION TRAVEL TRAILER PARK; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION **(DISTRICT 2) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)**
21. 10612 – AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITHOUT TERM FOR THE WEST HALF OF LOT 6 AND ALL OF LOTS 7 AND 8, BLOCK 3, PARKLEA ADDITION, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED ON THE NORTH SIDE OF WEST WALL STREET, APPROXIMATELY 80 FEET EAST OF WEST CIRCLE DRIVE), WHICH IS PRESENTLY ZONED RR, REGIONAL RETAIL DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR AUTOMOBILE OR OTHER MOTORIZED VEHICLE

SALES AND SERVICE; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION **(DISTRICT 2) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)**

22. 10613 – AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITH TERM ON LOT 8, BLOCK 44, FAIRMONT PARK ADDITION, SECTION 27, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED ON THE EAST SIDE OF WEST LOOP 250 NORTH, APPROXIMATELY 230 FEET SOUTH OF HENRY KOONTZ BOULEVARD.), WHICH IS PRESENTLY ZONED PD, PLANNED DEVELOPMENT DISTRICT FOR A SHOPPING CENTER, ALLOWING SUCH PROPERTY TO BE USED FOR THE SALE OF ALL ALCOHOLIC BEVERAGES IN A RESTAURANT FOR ON-PREMISES CONSUMPTION, MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION **(DISTRICT 1) (DEVELOPMENT SERVICES) (QUALITY OF LIFE & PLACE)**

PUBLIC COMMENT

23. Receive public comments where individuals may address the City Council on City related issues and projects not on the present agenda. Any deliberation of or decision by the City Council regarding the item being discussed shall be limited to a motion to place the item on the agenda for a subsequent meeting. (Please limit comments to three minutes or less.)

EXECUTIVE SESSION

24. Pursuant to Texas Government Code § 551.101, the City Council will hold an Executive Session, which is closed to the public, to discuss the following matters as permitted under the following sections of the Texas Government Code:
- a. Section 551.087, Deliberate Economic Development Negotiations
 - a.1. Discuss business prospects that the City seeks to have locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives.
 - b. Section 551.074, Personnel Matters
 - b.1. Deliberate the employment, evaluation, and duties of the City Manager, Interim City Attorney, Special Counsel, City Secretary, Municipal Court Presiding Judge and Municipal Court Associate Judge.
 - c. Section 551.071, Consultation with Attorney
 - c.1. Discuss a matter in which the duty of the attorney to the governmental body under

the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code.

Respectfully Submitted,

Tommy Gonzalez
City Manager

MEETING ASSISTANCE INFORMATION: The Midland City Hall and Council Chamber are wheelchair accessible. If you need special assistance to participate in this meeting, please contact the City Secretary's Office at (432) 685-7430. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**MIDLAND CITY COUNCIL
MINUTES
March 18, 2025**



The City Council convened in regular session in the Council Chamber, City Hall, Midland, Texas, at 10:00 a.m., March 18, 2025.

Council Members present: John Burkholder, Amy Stretcher Burkes, Robin Poole, Lori Blong, Brian Stubbs, Jack Ladd, John Norman

Council Members absent: None

Staff members present: City Manager Tommy Gonzalez, City Attorney John Ohnemiller, Deputy City Manager Morris Williams Jr., Assistant City Manager Jose Ortiz, City Governance Officer/City Secretary Marcia Bentley-German

The meeting was called to order at 10:00 a.m.

OPENING ITEMS

1. Invocation-Pastor David McReynolds, Stonegate Fellowship
2. Pledge of Allegiance

PRESENTATIONS

3. Presentation of special events, organizations, individuals, periods of time, or reports, including, but not limited to:
 - 3a. Presentation of Proclamation for “ MJ Dinkins Day”.
 - 3b. Presentation by City Manager Tommy Gonzalez regarding water update.

City Manager Tommy Gonzalez gave a brief presentation of the recent water events that took place in Midland in early March. Mr. Gonzalez reviewed the strategic goal connections and possible changes to the capital improvement plan. Mr. Gonzalez reviewed Midland’s water systems, such as, the Colorado River Municipal Water District (CRMWD), T-Bar Ranch, and the North Midland Water Treatment Facility. He reported on the Water capacity flow chart and the Million Gallons per Day (MGD) for each water source to include Peggy Sue, T-Bar, CRMWD, Clear Well, the Water Treatment Facility, as well as, what went wrong.

Mr. Gonzales gave a brief overview of Zebra Mussels and what they can and cannot do. He reported on community engagement, water distribution and an “after action” review of the positives and negatives that took place. Finally, Mr. Gonzalez reported on key takeaways such as improved coordination, contractor management, shorter notice, redundancy, risk analysis and things to do moving forward. These include immediate actions, policy and operational improvements.

Council was able to make comments and ask questions during this presentation.

- 3c. Presentation by Budget Manager Alyssa Coppens regarding fixed costs and capital needs of the City.

Budget Manager Alyssa Coppens provided a brief presentation of the upcoming budget for the City of Midland fiscal year 2025-2026.

- 3d. Presentation by Director of Engineering Gabe McClelland regarding roads update.

Engineering Services Director Gabriel McClelland gave a brief presentation of the item noting the strategic goal connections, partnerships with TXDOT as well as others and Midland Development Corporation (MDC). Mr. McClelland reviewed looking ahead, Midland County investment and a shared commitment.

CONSENT AGENDA

4. MOTION APPROVING THE FOLLOWING MINUTES:

- 4a. REGULAR SESSION OF FEBRUARY 25, 2025

7. 2025-042 – RESOLUTION APPROVING A CONTRACT WITH MUSCO CORPORATION DBA MUSCO SPORTS LIGHTING, LLC, THROUGH BUYBOARD, FOR THE PURCHASE AND INSTALLATION OF LED FIELD LIGHTING FOR THE BEAL PARK IMPROVEMENT PROJECT FOR A TOTAL COST OF \$1,740,106.00; APPROVING \$174,014.00 FOR PROJECT RELATED COSTS; AND APPROPRIATING FUNDS FOR SAID PROJECT **(DISTRICT 4) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)**
8. 2025-043 – RESOLUTION APPROVING A CONTRACT WITH HYDROMAX USA LLC THROUGH THE INTERLOCAL PURCHASING SYSTEM, FOR VALVE AND FIRE HYDRANT MAINTENANCE AND REPAIR SERVICES FOR A TOTAL COST OF \$1,400,000.00 **(DISTRICT: NONE) (GENERAL SERVICES) (PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT)**
9. 2025-044 – RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT WITH BOLER EQUIPMENT SERVICE, INC., IN THE AMOUNT OF \$1,098,000.00 FOR THE MIDLAND AIRPARK AVGAS SELF-FUEL SYSTEM INSTALLATION PROJECT AT MIDLAND AIRPARK; AND APPROPRIATING AND TRANSFERRING FUNDS FOR SAID PROJECT **(DISTRICT 1) (AIRPORTS) (TRANSPARENT & CONSISTENT**

COMMUNICATION)

10. 027-2025 – MOTION APPROVING MIDLAND COUNTY HOSPITAL DISTRICT'S APPOINTMENTS OF STEPHEN BOWERMAN AND ABRAHAM BEJIL TO THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER TWO (DISTRICT 2 & 3) **(DEVELOPMENT SERVICES) (PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT)**
11. 2025-045 – RESOLUTION AUTHORIZING AN ADOPTION PARTNER AGREEMENT WITH PETSMART CHARITIES, INC., TO PARTICIPATE IN THE PETSMART CHARITIES ADOPTION PROGRAM **(DISTRICT: ALL) (FIRE) (SET THE STANDARD FOR A SAFE AND SECURE CITY)**
13. 028-2025 – MOTION AUTHORIZING THE EXECUTION OF A RIGHT-OF-WAY LICENSE (25-329-006) BETWEEN THE CITY OF MIDLAND AND PIONEER NATURAL RESOURCES USA, INC. REGARDING CITY-OWNED PROPERTY DESCRIBED AS SECTIONS 8 AND 9, BLOCK 38, T-1-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS **(DISTRICT: NONE) (UTILITIES) (PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT)**
14. 029-2025 – MOTION AUTHORIZING THE EXECUTION OF A RIGHT-OF-WAY LICENSE (25-329-007) BETWEEN THE CITY OF MIDLAND AND TARGA PIPELINE MID-CONTINENT WESTEX LLC REGARDING CITY-OWNED PROPERTY DESCRIBED AS SECTIONS 2 AND 11, BLOCK 38, T-3-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS **(DISTRICT: NONE) (UTILITIES) (PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT)**
15. 030-2025 – MOTION AUTHORIZING THE EXECUTION OF A RIGHT-OF-WAY LICENSE (25-329-008) BETWEEN THE CITY OF MIDLAND AND TARGA PIPELINE MID-CONTINENT WESTEX LLC REGARDING CITY-OWNED PROPERTY DESCRIBED AS SECTION 24, BLOCK 37, T-3-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS **(DISTRICT: NONE) (UTILITIES) (PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT)**
16. 031-2025 – MOTION AUTHORIZING THE EXECUTION OF A RIGHT-OF-WAY LICENSE (25-329-009) BETWEEN THE CITY OF MIDLAND AND TARGA PIPELINE MID-CONTINENT WESTEX LLC REGARDING CITY-OWNED PROPERTY DESCRIBED AS SECTION 24, BLOCK 37, T-3-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS **(DISTRICT: NONE) (UTILITIES) (PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT)**
17. 032-2025 – MOTION AUTHORIZING THE EXECUTION OF A RIGHT-OF-WAY LICENSE (25-495-010) BETWEEN THE CITY OF MIDLAND AND WPX ENERGY PERMIAN, LLC REGARDING CITY-OWNED PROPERTY DESCRIBED AS SECTIONS 25 AND 26, BLOCK C-23 AND SECTION 27, BLOCK 74, P.S.L. SURVEY, WINKLER COUNTY, TEXAS **(DISTRICT: NONE) (UTILITIES) (PROVIDE SOUND GOVERNANCE &**

FISCAL MANAGEMENT)

Robin Poole moved to approve consent agenda items 4-17, excluding items 5, 6 & 12; seconded by Amy Stretcher Burkes.

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

The following item(s) were pulled from consent agenda and considered individually.

5. 2025-040 – RESOLUTION AWARDING A CONTRACT FOR DOWNTOWN PARKING MANAGEMENT AND MOBILE APPLICATION SERVICES TO ACE PARKING III, LLC FOR THE DEVELOPMENT SERVICES DEPARTMENT; SAID CONTRACT BEING FOR A ONE-YEAR TERM, WITH AN OPTION FOR THE CITY TO RENEW SAID CONTRACT FOR UP TO FIVE ADDITIONAL ONE-YEAR TERMS; THE COST OF THE INITIAL TERM BEING AN AMOUNT NOT TO EXCEED \$285,950.00; AND AUTHORIZING PAYMENT

Planning & Development Officer Elizabeth Triggs gave a brief presentation regarding downtown parking management agreements, goals, strategic plan alignment, agreement overview to include the contract term, cost, equipment financing, dedicated enforcement and a self-sustaining model.

Mrs. Triggs reported there will be a two phase implementation. One is a six month implementation phase for consulting services and the other is for ongoing operations for parking management services. Mrs. Triggs also reviewed key benefits for downtown and the next steps.

John Burkholder moved to approve Resolution No. 2025-040; seconded by John Norman.

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Norman

NAY: Ladd

ABSTAIN: None

ABSENT: None

6. 2025-041 – RESOLUTION APPROVING THE PURCHASE OF ONE HUNDRED SEVENTY-SIX (176) ELITE IIIA SOFT BODY ARMOR VESTS, EACH COMPRISED OF A CARRIER, FRONT AND BACK PLATES, AND ACCESSORIES FOR THE MIDLAND POLICE DEPARTMENT FROM ANGEL ARMOR, LLC, THROUGH BUYBOARD FOR A TOTAL COST OF \$597,903.14

Police Chief Greg Snow gave a brief overview of the item noting that in the past, the body armor vests (which need to be replaced about every five years) were donated to the Police Department. Chief Snow emphasized that this purchase will come in under budget.

Brian Stubbs moved to approve Resolution No. 2025-041; seconded by John Burkholder.

PACKET

4a.4

April 8, 2025

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

12. 2025-046 – RESOLUTION ACCEPTING A GRANT AWARD FROM THE FMH FOUNDATION IN THE AMOUNT OF \$1,000,000.00; SAID GRANT SHALL BE UTILIZED TO UPGRADE THE PLANNED AMPHITHEATER FEATURE AT BEAL PARK AS PART OF THE BEAL PARK RENOVATION PROJECT; AND APPROPRIATING SAID GRANT FUNDS

Council Member Amy Stretcher Burkes and Parks and Recreation Director Laurie Williams thanked the FMH Foundation for the award.

Ms. Williams gave a brief overview of the item noting they were invited to submit for the FMH Foundation grant and it was awarded to the City of Midland.

Mayor Blong thanked former Council Member Scott Dufford for his work with this project.

Brian Stubbs moved to approve Resolution No. 2025-046; seconded by Amy Stretcher Burkes.

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

SECOND READINGS

18. 10604 – AN ORDINANCE GRANTING A SPECIAL EXCEPTION FOR LOT 8, AND THE NORTH 39.7 FEET OF LOT 9, BLOCK 2, HUNTINGTON PLACE ADDITION, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED AT THE SOUTHWEST CORNER OF THE INTERSECTION OF MABERRY STREET AND SINCLAIR AVENUE), BY PERMITTING A REDUCED SIDE YARD SETBACK ON THE NORTH SIDE OF THE PROPERTY; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); ORDERING RECORDATION BY THE CITY SECRETARY IN THE DEED RECORDS OF MIDLAND COUNTY, TEXAS; AND ORDERING PUBLICATION (FIRST READING HELD ON FEBRUARY 25, 2025) **(DISTRICT 3) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)**

Deputy City Secretary Jan Hamilton read the caption of Ordinance No. 10604.

Jack Ladd moved to approve the second and final reading of Ordinance No. 10604; seconded by Robin Poole.

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

19. 10605 – AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITH TERM FOR A 4,523-SQUARE FOOT PORTION OF LOT 18, BLOCK 1, PROVIDENCE PARK, 2ND SECTION, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED ON THE WEST SIDE OF NORTH MIDKIFF ROAD APPROXIMATELY 120 FEET SOUTH OF MAXWELL DRIVE), WHICH IS PRESENTLY ZONED RR, REGIONAL RETAIL DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR THE SALE OF ALL ALCOHOLIC BEVERAGES IN A BAR FOR ON-PREMISES CONSUMPTION; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION (FIRST READING HELD ON FEBRUARY 25, 2025) **(DISTRICT 1) (DEVELOPMENT SERVICES) (QUALITY OF LIFE & PLACE)**

Deputy City Secretary Jan Hamilton read the caption of Ordinance No. 10605.

Jack Ladd moved to approve the second and final reading of Ordinance No. 10605; seconded by John Burkholder.

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

PUBLIC HEARINGS

The City Council will hold public hearings on the following items:

20. 10606 – AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITH TERM FOR A 2,512-SQUARE FOOT PORTION OF LOT 5A, BLOCK 1, GATEWAY PLAZA ADDITION, SECTION 12, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED AT THE SOUTHEAST CORNER OF THE INTERSECTION OF SOUTH TRADEWINDS BOULEVARD AND STARBOARD DRIVE), WHICH IS PRESENTLY ZONED RR, REGIONAL RETAIL DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR THE SALE OF ALL ALCOHOLIC BEVERAGES IN A RESTAURANT FOR ON-PREMISES CONSUMPTION; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION **(DISTRICT 1) (DEVELOPMENT SERVICES) (QUALITY OF LIFE &**

PLACE)

Deputy City Secretary Jan Hamilton read the caption of Ordinance No. 10606.

Planning & Development Officer Elizabeth Triggs gave a brief overview of the item noting this is for an SUD for alcohol sales.

Please note, this item is located in District 4, not District 1.

Mayor Blong opened the public hearing at 11:46 a.m. There being no one present wishing to speak, the public hearing was immediately closed.

Jack Ladd moved to approve the first of two readings of Ordinance No. 10606; seconded by John Norman.

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

MISCELLANEOUS

21. 10607 – AN ORDINANCE ADOPTING A FEE SCHEDULE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING AN APPEAL PROCESS; ESTABLISHING AN EFFECTIVE DATE OF APRIL 9, 2025; AND ORDERING PUBLICATION **(DISTRICT: ALL) (FINANCE) (SET THE STANDARD FOR A SAFE AND SECURE CITY)**

Deputy City Secretary Jan Hamilton read the caption of Ordinance No. 10607.

Finance Reporting Manager Jamie Barton gave a brief overview of the item noting that fee schedule language was added.

Robin Poole moved to approve the first of two readings of Ordinance No. 10607; seconded by Jack Ladd.

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

22. 10608 – AN ORDINANCE AMENDING TITLE V, "BUSINESS REGULATIONS" OF THE CITY OF MIDLAND, TEXAS, BY ADDING CHAPTER 13, "MASSAGE ESTABLISHMENTS", SO AS TO ESTABLISH CERTAIN REQUIREMENTS THAT MUST BE SATISFIED TO OPERATE A BUSINESS THAT ADVERTISES OR OFFERS MASSAGE THERAPY OR OTHER MASSAGE SERVICES; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM FINE OR PENALTY OF TWO THOUSAND DOLLARS
PACKET 4a.7 April 8, 2025

(\$2,000.00); ESTABLISHING AN EFFECTIVE DATE THAT SHALL BE 30 DAYS AFTER THE DATE OF ADOPTION OF THIS ORDINANCE; AND ORDERING PUBLICATION **(DISTRICT: ALL) (DEVELOPMENT SERVICES) SAFE AND SECURE CITY**

Deputy City Secretary Jan Hamilton read the caption of Ordinance No. 10608.

Mayor Blong reported there are a lot of illicit massage parlors in Midland and that staff is working with others in the community and at the State level to address concerns. Mayor Blong thanked staff for putting components in place to address this issue.

Planning & Development Officer Elizabeth Triggs reported these massage parlors are an issue in all of Texas. Midland Police Department has been taking the lead on this. This ordinance will help as it amends title five of the Midland code. This does not apply to all massage parlors, only the ones operating illegally.

The purpose of this ordinance is to establish licensing requirements for restricted massage establishments, enhance regulatory oversight and disrupt criminal activity associated with the illicit massage businesses.

Mayor Blong wants the community to understand that this issue is tied to human trafficking, money laundering and organized crime. The Citizens are the ones being harmed.

City Manager Tommy Gonzalez reported on legislation of this issue.

Council Member Amy Stretcher Burkes read about House Bill 3579 that was passed in the 88th legislature and went into affect September 1, 2023 which means that the Texas Department of Licensing and Regulations (TDLR) Executive Director may issue an emergency order halting the operation of any massage establishment if law enforcement or TDLR believes that human trafficking is occurring at that establishment. There have been 21 executive orders issued within the state of Texas but not one of those was from Midland. Council Member Amy Stretcher Burkes would like to make sure that the City of Midland Police Department can use this tool to assist with this issue.

Senior Assistant City Attorney Nicholas Toulet-Crump reported that yes, the City of Midland Police Department and it's Peace Officers may take action and enforce chapter 20A of the Texas Penal Code. Also, Chapter 455 of the Texas Occupations Code specifically authorizes Peace Officers and Peace Officers that are employed by political subdivisions to enforce that chapter.

Council Member Poole would like the public to be made aware of the massage parlors on the list.

Discussion ensued between Council and the City Attorney regarding how to legally request this information.

Police Chief Greg Snow provided a brief report on their processes for identifying the illegal

operations.

Planning & Development Officer Elizabeth Triggs reported that roughly 37 out of 50 massage parlors in Midland may be operating illegally.

John Burkholder moved to approve the first of two readings of Ordinance No. 10608; seconded by Robin Poole.

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

PUBLIC COMMENT

23. Receive public comments where individuals may address the City Council on City related issues and projects not on the present agenda. Any deliberation of or decision by the City Council regarding the item being discussed shall be limited to a motion to place the item on the agenda for a subsequent meeting. (Please limit comments to three minutes or less.)

EXECUTIVE SESSION

24. Pursuant to Texas Government Code § 551.101, the City Council will hold an Executive Session, which is closed to the public, to discuss the following matters as permitted under the following sections of the Texas Government Code:

Mayor Blong recessed the City Council meeting to go into Executive Session at

- a. Section 551.071, Consultation with Attorney
 - a.1. Discuss matters in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code.
- b. Section 551.074, Personnel Matters
 - b.1. Deliberate the employment, evaluation, and duties of the City Manager, City Attorney, City Secretary, Municipal Court Presiding Judge and Municipal Court Associate Judge.

All the business at hand having been completed, the meeting adjourned at 3:13 p.m.

PASSED AND APPROVED April 8, 2025.

Lori Blong, Mayor

ATTEST:

PACKET

4a.9

April 8, 2025

MINUTES

Page 9

March 18, 2025

Marcia Bentley-German
City Governance Officer/City Secretary

DRAFT



The City Council convened in **Special** Session in the Reyes-Mashburn-Nelms Park, Midland, Texas, at 5:30 PM, Tuesday, March 18, 2025.

Council Members present: John Burkholder, Lori Blong, Brian Stubbs, John Norman

Council Members absent: Amy Stretcher Burkes, Robin Poole, Jack Ladd

Staff members present: City Manager Tommy Gonzalez, Deputy City Manager Morris Williams Jr., Assistant City Manager Jose Ortiz, City Governance Officer/City Secretary Marcia Bentley-German, Senior Assistant City Attorney Nicholas Toulet-Crump, Director of Parks & Recreation Laurie Williams, Parks & Recreation Manager Joey Jolly, Chief of Staff Taylor Novak

The meeting was called to order at 5:40 p.m.

PRESENTATIONS

1. Hold a ribbon-cutting ceremony at Reyes-Mashburn-Nelms Park.

Mayor Blong welcomed everyone in attendance and provided opening remarks. Council Member Norman and Council Member Burkholder also provided remarks and gave praise of the wonderful job that has been done.

Parks and Recreation Director Laurie Williams gave remarks and recognized Brent Luck, Luck Design Team, staff and many others for the work done on this project.

President of Eastern Little League, Jarvis Conally, gave remarks and thanked the Board for their involvement with this project.

Former Mayor Jerry Morales and former Council Member Sharla Hotchkiss were in attendance, recognized and thanked for their push to get this park to where it is today.

All the business at hand having been completed, the meeting adjourned at 5:52 p.m.

PASSED AND APPROVED April 8, 2025.

ATTEST:

Marcia Bentley-German
City Governance Officer/City Secretary

DRAFT



The City Council convened in **Special** Session in the City Hall Council Chamber, Midland, Texas, at 10:30 AM, Thursday, March 27, 2025.

Council Members present: John Burkholder, Amy Stretcher Burkes, Robin Poole, Lori Blong, Brian Stubbs, Jack Ladd, John Norman

Council Members absent: None

Staff members present: City Attorney John Ohnemiller, Deputy City Manager Morris Williams Jr., City Governance Officer/City Secretary Marcia Bentley-German, Senior Assistant City Attorney Nicholas Toulet-Crump, Airports Director Justine Ruff, General Services Director Regina Stephenson, Planning & Development Officer Elizabeth Triggs, First Assistant City Attorney Stephen Gates, Purchasing Manager Erika Martinez, Assistant City Attorney Kelly Mayo, Texas Public Information Act Coordinator Hope Perez, Strategic Communications Officer Stewart Doreen, Deputy City Secretary Jan Hamilton, Deputy City Secretary Rachel Guentensberger

The meeting was called to order at 10:33 a.m.

SPECIAL SESSION

1. 2025-047 – RESOLUTION AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE AN EMPLOYMENT AGREEMENT WITH JOHN OHNEMILLER TO SERVE IN THE POSITION OF SPECIAL COUNSEL TO THE CITY OF MIDLAND, TEXAS

Jack Ladd moved to approve Resolution No. 2025-047; seconded by John Burkholder.

The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

Mayor Blong thanked City Attorney John Ohnemiller for his work with the City of Midland.

City Attorney John Ohnemiller reported that he appreciates Council for April 8, 2025.

2. 2025-048 – RESOLUTION AUTHORIZING THE APPOINTMENT OF NICHOLAS TOULET-CRUMP TO THE POSITION OF INTERIM CITY ATTORNEY OF THE CITY OF MIDLAND, TEXAS; AND AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE AN EMPLOYMENT AGREEMENT WITH NICHOLAS TOULET-CRUMP

Brian Stubbs moved to approve Resolution No. 2025-048; seconded by Amy Stretcher Burkes. The motion passed by the following vote:

AYE: Burkholder, Stretcher Burkes, Poole, Blong, Stubbs, Ladd, Norman

NAY: None

ABSTAIN: None

ABSENT: None

Mayor Blong reported she looks forward to working together.

All the business at hand having been completed, the meeting adjourned at 10:36 a.m.

PASSED AND APPROVED April 8, 2025.

Lori Blong, Mayor

ATTEST:

Marcia Bentley-German
City Governance Officer/City Secretary



City Council Meeting

Item Number: 5
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Jamie Barton,
Subject: MOTION APPROVING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2024 (DISTRICT: NONE) (FINANCE) (PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT)

Purpose:

The Finance Department has completed the annual financial audit for FY2024 resulting in "No Findings," for the second year in a row. This request is for Council to review and approve the report.

Recommended City Council Action:

Approve

Fiscal Impact:

The successful delivery of the Annual Audit with "No Findings," will assist the City of Midland to improve its bond rating. There is no fiscal impact seen from this item.

Strategic Priority:

(Provide Sound Governance & Fiscal Management)

Discussion:

The Finance department has now completed two consecutive years of Annual Audits with 'No Findings.'

Morris Williams Jr.

City Manager's Office

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT CITY OF MIDLAND, TX





City of Midland, Texas

Annual Comprehensive Financial Report

Year Ended September 30, 2024

Prepared by the Department of Finance

Christy Weakland, CPA

Director of Finance

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Introductory Section (Unaudited)

CITY OF MIDLAND
PRINCIPAL OFFICIALS

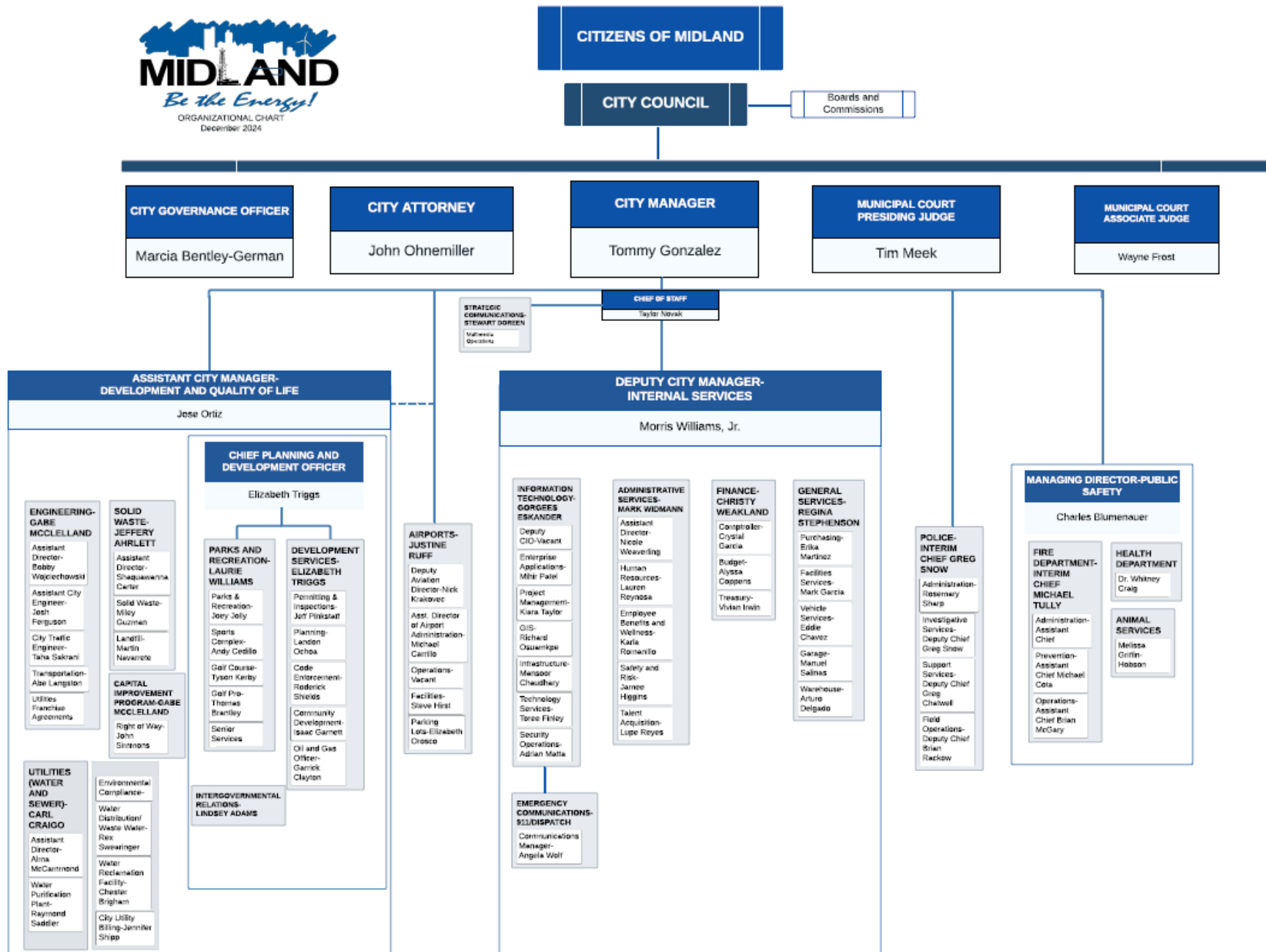
CITY COUNCIL

The Honorable Lori Merritt Blong	Mayor
John Burkholder At Large	Council Member
Robin Poole At Large	Council Member
Brian Stubbs District 1	Council Member
John Norman District 2	Council Member
Jack Ladd District 3	Council Member
Amy Stretcher Burkes District 4	Council Member

OTHER PRINCIPAL OFFICERS

Tommy Gonzalez	City Manager
Morris Williams	Deputy City Manager
Jose Ortiz	Assistant City Manager
Taylor Novak	Chief of Staff
John Ohnemiller	City Attorney
Marcia Bentley-German	City Governance Officer / City Secretary
Elizabeth Triggs	Chief Planning and Development Officer
Charles Blumenauer	Managing Director Public Safety
Gorgees Eskander	Chief Information Officer
Mike Tully	Interim Fire Chief
Greg Snow	Chief of Police
Christy Weakland	Director of Finance
Vacant	Director of Administrative Services
Justine Ruff	Director of Airports

Carl Craig Director of Utilities
Jeffery Ahrlett Director of Solid Waste Management
Regina Stephenson Director of General Services
Gabe McClelland Director of Engineering Services
Timothy Meek Presiding Judge
Lindsey Adams Intergovernmental Relations Officer
Laurie Williams Parks & Recreation Director





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Midland
Texas**

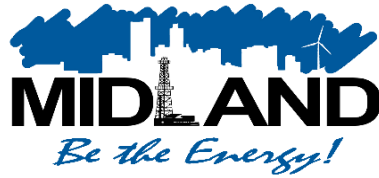
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

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March 21, 2025

The Honorable Mayor, Members of the City Council and
Citizens of the City of Midland, Texas
Midland, Texas

We are pleased to present to you the Annual Comprehensive Financial Report (Annual Report) of the City of Midland, Texas (the City), for the fiscal year ended September 30, 2024, in accordance with Article IV, Section 29, of the City Charter.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the City on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In accordance with the laws of the State of Texas and the City Charter, the City's financial statements have been audited by Forvis Mazars, a firm of licensed certified public accountants. Forvis has issued unmodified ("clean") opinions on the City of Midland's financial statements for the year ended September 30, 2024. The independent auditor's report is located as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

CITY PROFILE

The City was incorporated on January 25, 1911, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on November 5, 1940 (amended May 4, 1996) and operates under the Council-Manager form of government. The City Council comprises a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, City Secretary, and Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of department managers, and the performance of functions within the municipal organization.

The City provides a wide range of services to the citizens, including police and fire protection, animal services, public improvements, streets, traffic control, planning and zoning, water and sewer, solid waste, drainage, airports, parks and recreation facilities, health services and general administrative services.

The financial reporting entity contains all funds of the primary government (i.e., the City of Midland as legally defined), as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The Midland Development Corporation (MDC) and the Midland Firemen's Relief and Retirement Fund (MFRRF) are the only component units of the City.

Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Midland Development Corporation (MDC) is reported as a discretely presented component unit.

The MFRRF is reported as a fiduciary component unit in the accompanying financial statements as a pension trust fund under the provisions of GASB 84 and GASB 14, as amended.

LOCAL ECONOMY

Midland is located midway between Fort Worth and El Paso, along Interstate 20, in West Texas. The City has remained a management center, reflecting a unique concentration of highly trained and educated personnel. Attributes, such as the educational levels of the populace, in conjunction with good weather, the high quality of life, and the central location, which facilitates travel and shipping to both coasts, have made Midland a viable candidate in the recruitment of new and relocating businesses.

Midland is approaching a thriving development phase under new management and council administration. The first goal according to the City's Strategic Plan is to provide a Strong Economy with more Quality Jobs. Midland was recently reported to have the nation's second highest per capital income at \$143,500, which is double the national average. Additionally, Midland is now ranked as Texas' 6th largest metro by GDP per capita in the nation and 2.5 times the national average. Administration continues to promote diversity in Midland's economy, increases to the sales tax base, and expansion of opportunities for businesses to establish Midland as a premier destination for retail and entertainment. Economic agreements are in place to bring in a large warehouse retail store, as well as a four-star hotel that promises to redefine the City's hospitality landscape.

According to the Bureau of Labor Statistics, the city of Midland reported an unemployment rate of 2.6% for September 2024. In December 2024 it dropped to 2.4%, the lowest in the state. Midland utilizes economic development resources, primarily economic development tax funds, to expand the economic base by attracting new companies and assisting existing local businesses with the funding of expansion projects. Oil and Gas production continues to increase, with Midland County producing approximately 16.5 million barrels a day. Midland County ranks second in Texas and fourth nationwide in total oil and gas production.

The City's residential, commercial and industrial growth has been influenced by the development of two City airports: Midland International Air & Space Port and Midland Airpark. Midland International Air & Space Port is the hub of aviation activity for a 43-county area of West Texas and southeast New Mexico. The full-service Foreign Trade Zone (FTZ) at the Midland International Air & Space Port assists in the development of a diversified economy. Midland International is also a designated Port of Entry and has a U.S. Customs Office. The increase in the number of passengers at the airport has forced the department to develop a plan to accommodate the population. A preliminary evaluation of fees indicated the Airport operations have been significantly underfunded. Fee revisions were developed, and contract agreements with the Airlines are under re-negotiation to ensure the amounts are on par with industry standards. With this projected funding, Midland Airport has launched a five-year capital plan to improve parking, the terminal, and security infrastructure. Midland Airport also renewed negotiations to bring back Delta Airlines flight services to Midland as an additional option for residents. A \$16 million investment was made to Midland Airpark to renovate and increase hanger capacity for private owners, and to provide an additional entrance for access and traffic flow.

The World Population Review estimated the population of Midland to be 140,322 as of May 2024. A steady growth in the number of utility connections and annexations has created more demand on the water system. There are currently over \$100 million in construction projects that are critical investments to enhance infrastructure. A new Sewer Main was required to support the growth of North Midland, a \$46 million project. Further expansion of water treatment and wastewater facilities are planned future investments in FY2028. Midland has proactively partnered with San Angelo and Abilene signing a landmark tri-party agreement to secure the region's long-term water needs. This agreement ensures access to water rights and a reliable supply for the next 100 years and perhaps beyond.

LONG-TERM FINANCIAL PLANNING

The City of Midland has established a five-year Capital Improvement Plan (CIP), aligning projects with the six strategic goals outlined in the City's Strategic Plan. This plan serves as a roadmap for infrastructure investment, ensuring that projects support future growth while maintaining financial stability.

The CIP is reviewed annually by the City Council as part of the budget process, allowing for adjustments based on economic conditions, funding availability, and community priorities. This proactive approach helps the City strategically allocate resources to meet long-term needs while ensuring responsible fiscal management.

RELEVANT FINANCIAL POLICIES

The City's financial policies set forth the basic framework for the fiscal management of the City. These include policies for accounting, budgeting, capital improvements, asset management, revenue management, and fund balance/reserve levels. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the City of Midland City Charter. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

The accrual basis of accounting is used to report all City financial activity in the government-wide financial statements, Enterprise Funds and Internal Service Funds. On an accrual basis, revenues are recognized in the accounting period in which they are earned, and expenses are recorded in the accounting period incurred.

The City uses the modified accrual basis of accounting for all Governmental Funds (General, Special Revenue, Debt Service, and Capital Projects) and the financial statements for these funds have been prepared on this basis. On the modified accrual basis, expenditures are recorded when liabilities are incurred, and revenues are recorded when they become both measurable and available.

The City Manager, through his appointee, the Director of Finance, is responsible for maintaining an adequate and effective system of accounts and for establishing and maintaining an internal accounting control system that gives reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records can be relied upon for preparing financial statements and maintaining accountability for assets.

We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the upcoming fiscal year. The operating budget, which represents the financial plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them. Public hearings are conducted at which comments from all interested people concerning the budget are heard. The budget is legally enacted by the City Council through passage of an ordinance.

Appropriations are legally adopted at the department level for the General Fund and Debt Service Fund on a basis consistent with generally accepted accounting principles. Budgetary controls are maintained at the major category of expenditure level. All anticipated expenditures are budgeted for control purposes. Encumbrances are used for managerial control throughout the year.

MAJOR INITIATIVES

The City of Midland experienced increased sales tax and other revenue in 2023-2024 due to the continued growth in the local economy. The budget for FY 2025 had a total increase of 5% over 2024. Major priorities and initiatives are listed in the FY2025 budget book and include the following:

- Strong Economy with More Quality Jobs
- Set the Standard for a Safe and Secure City
- Quality of Life and Place for Recruitment and Retention
- Transparent and Consistent Communication
- Provide Sound Governance and Fiscal Management
- Strengthen and Sustain our Infrastructure

RECENT EVENTS AND ECONOMIC OUTLOOK

The City of Midland continues to experience steady growth, reflected in positive economic trends across multiple sectors. In 2024, sales tax revenue exceeded expectations by 2.4%, demonstrating strong consumer activity. Building permits more than doubled compared to 2023, signaling continued investment and development within the city.

The unemployment rate has remained stable, ranging from 2.5% in September 2023 to 2.6% in September 2024 (the lowest in the state), indicating a resilient local job market. Additionally, Midland International Airport is experiencing record-high activity, and hotel/motel tax revenue has reached new peaks, highlighting increased travel and tourism.

The stability in oil prices has played a crucial role in maintaining steady growth, supporting both local businesses and the City's revenue streams. As Midland moves forward, these economic indicators suggest continued strength and sustainability in the local economy.

AWARDS AND ACKNOWLEDGMENTS

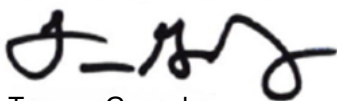
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Midland, Texas, for its annual comprehensive financial report for the fiscal year ended September 30, 2023. This was the forty-first consecutive year that the government had achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

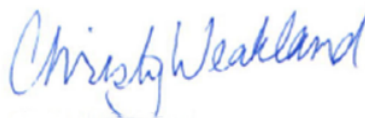
The preparation of this report, and the maintenance of the records upon which it is based, required the services and cooperation of the staff of the Finance Department, together with assistance from other departments and divisions of the City, and the assistance of the City's independent auditors. All of these efforts are greatly appreciated.

We also wish to thank the Mayor and members of the City Council for their responsible manner of conducting the financial operations of the City.

Respectfully submitted,



Tommy Gonzalez
City Manager



Christy Weakland
Director of Finance

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Financial Section

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Independent Auditor's Report

The Honorable Mayor, City Council
and City Manager
City of Midland, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Midland, Texas (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, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, 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.

We did not audit the financial statements of Midland Firemen's Relief and Retirement Fund (MFRRF), a fiduciary component unit, which represents 26%, 27%, and 15%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for MFRRF is based solely on the reports of the other auditors.

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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information 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 and the other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Forvis Mazars, LLP

**Dallas, Texas
March 21, 2025**

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City of Midland, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2024

As management of the City of Midland, Texas (City of Midland or City), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City of Midland for the fiscal year ended September 30, 2024. Please read this in conjunction with the transmittal letter at the beginning of the report and the City's financial statements following this section.

Financial Highlights

- The assets and deferred outflows of resources of the City of Midland exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$957.9 million (net position). Unrestricted net position of \$80 million, an increase of \$10.0 million from the prior year, may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of fiscal year 2024, the City of Midland governmental activities reported combined net position of \$376.6 million, an increase of \$65.5 million, or 21.1 % from the prior year. The increase was primarily driven by a strong investment return, a 9% increase in property taxes and the use of the American Rescue Plan Act grant dollars for capital activity. Unrestricted net position was a \$74.6 million deficit.
- As of September 30, 2024, unassigned fund balance of the General Fund was \$97.8 million, or 50% of total General Fund expenditures. At the close of the prior fiscal year, unassigned fund balance for the General Fund was \$84.5 million or 53.6% of that year's expenditures.
- As of September 30, 2024, the City had total committed balances of approximately \$51.4 million, a 27% decrease from prior year committed balances of approximately \$70.4 million which was due due to the completion of the new radio system and progress on parks and roads projects.
- The City's business-type activities total net position increased from \$530.1 million in fiscal year 2023 to \$581.3 million in the current year, an increase of 9.7%. This increase was due mainly to investment return related to higher interest rates, an increase in grant activities, and an increase in charges for services driven by the analysis and adjustments to the revenue structures of the business-type activities.

Overview of the Financial Statements

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

Government-wide Financial Statements

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred 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 of Midland is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the City of Midland that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type

City of Midland, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2024

activities). The governmental activities of the City include general government, development services, engineering, parks and recreation, police, and fire. The business-type activities of the City include airport, water and sewer, drainage, and sanitation operations.

The government-wide financial statements include not only the City of Midland itself (known as the primary government), but also a legally separate corporation for economic development for which the City is financially accountable or can impose its will. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

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

Governmental Funds

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 fiscal year. Such information may be useful in evaluating a government'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Midland maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Park Donation and Special Purposes, which are considered to be major funds. Data for the other 20 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Midland uses enterprise funds to account for its airport, water and sewer, sanitation, and drainage operations. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City of Midland's various functions. The City uses internal service funds to account for its garage, technology equipment and support, and two self-insurance funds. The internal service funds predominantly benefit governmental rather than business-type functions and have been primarily included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport Fund, the Water and Sewer Fund and the Sanitation Fund, each of which is considered to be a major

City of Midland, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2024

fund of the City of Midland. Data for the only nonmajor enterprise fund, the Drainage Fund, is presented separately as well.

All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one fiduciary fund. The Pension trust fund is used to report resources held in trust for retirees and beneficiaries covered by the Midland Firemen's Relief & Retirement Fund.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Midland's progress in funding its obligation to provide pension benefits to its employees, progress in funding its obligations to provide other postemployment benefits to its employees, and budgetary comparison schedules. The City of Midland adopts annual appropriated budgets for its General and Debt Service Funds. A budgetary comparison schedule is presented as required supplementary information for the General Fund to demonstrate budgetary compliance.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information on pensions and OPEB.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position was \$957.9 million at September 30, 2024.

By far the largest portion of the City's net position, \$745.6 million, or 77.8%, reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Midland 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 capital assets themselves cannot be used to liquidate these liabilities. The restricted portion of the City's net position, \$132.4 million, or 13.8%, represents resources that are subject to external restrictions on how they may be used.

City of Midland, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2024

The remaining balance of net position, referred to as unrestricted, is \$80.0 million, or 8.3%, and may be used to meet the government's ongoing obligations to citizens and creditors.

City of Midland's Net Position

	Governmental Activities		Business-type Activities		Totals	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Current and other assets	\$ 380,059,233	\$ 379,254,440	\$ 316,021,476	\$ 250,631,743	\$ 696,080,709	\$ 629,886,183
Capital, lease, and subscription assets, net	501,275,580	436,168,433	726,744,254	689,496,582	1,228,019,834	1,125,665,015
Total assets	881,334,813	815,422,873	1,042,765,730	940,128,325	1,924,100,543	1,755,551,198
Deferred outflows of resources	82,048,714	101,222,757	14,358,009	17,332,086	96,406,723	118,554,843
Other liabilities	20,413,186	32,417,802	39,800,561	26,211,257	60,213,747	58,629,059
Long-term liabilities	496,061,417	490,114,942	429,916,274	392,828,665	925,977,691	882,943,607
Total liabilities	516,474,603	522,532,744	469,716,835	419,039,922	986,191,438	941,572,666
Deferred inflows of resources	70,258,971	82,993,321	6,141,866	8,311,121	76,400,837	91,304,442
Net investment in capital assets	345,041,232	315,961,224	400,554,015	371,112,093	745,595,247	687,073,317
Restricted	106,252,975	64,957,835	26,098,412	19,243,761	132,351,387	84,201,596
Unrestricted	(74,644,254)	(69,799,494)	154,612,611	139,753,514	79,968,357	69,954,020
Total net position	\$ 376,649,953	\$ 311,119,565	\$ 581,265,038	\$ 530,109,368	\$ 957,914,991	\$ 841,228,933

At the end of the current fiscal year, for governmental activities, two categories of net position were positive, and one category of net position was negative. For business-type activities, all three categories of net position were positive.

Total assets in the Governmental activities increased by \$65.9 million and in the Business-type activities increased by \$102.6 million. Both Governmental and Business-type activities experienced operational growth and benefitted from capital grants and contributions.

The City's long-term liabilities increased by \$43.0 million due primarily to the issuance of bonds for water, sewer, solid waste and golf projects.

Overall, the City's net position increased \$116.7 million, during the current fiscal year, with governmental activities reflecting an increase of \$65.5 million and business-type activities an increase of \$51.2 million. While both governmental and business-type funds experienced a decrease (governmental activities) or moderate increase (business-type activities) in oil and gas revenue, they both benefitted from a continued increase in investment returns. Governmental activities also benefitted from a 9.4% increase in property taxes over 2023. In addition, business-type funds saw a 76.3% increase in capital grant revenue, due to contributions received from developers. Expenditures for governmental activities showed a decrease of 4.4% while business-type activities showed an increase of 10.0%, respectively.

The following table provides a summary of the City's operations for the year ended September 30, 2024, with comparative totals for the year ended September 30, 2023.

City of Midland, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2024

City of Midland's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
REVENUES						
<i>Program revenues:</i>						
Charges for services	\$ 22,956,065	\$ 16,966,879	\$ 142,091,439	\$ 127,968,779	\$ 165,047,504	\$ 144,935,658
Operating grants and contributions	1,854,366	2,717,379	12,573,283	10,572,246	14,427,649	13,289,625
Capital grants and contributions	13,858,707	5,691,669	14,063,871	7,977,731	27,922,578	13,669,400
Total program revenues	38,669,138	25,375,927	168,728,593	146,518,756	207,397,731	171,894,683
<i>General revenues:</i>						
Property taxes	73,978,925	67,617,647	-	-	73,978,925	67,617,647
Sales taxes	66,602,391	68,857,224	-	-	66,602,391	68,857,224
Franchise and other taxes	18,717,648	18,790,678	-	-	18,717,648	18,790,678
Hotel-motel taxes	7,519,814	7,275,924	-	-	7,519,814	7,275,924
Grants not restricted to specific programs	12,118,087	4,083,522	-	-	12,118,087	4,083,522
Investment income	25,402,216	12,803,850	14,971,070	6,436,758	40,373,286	19,240,608
Oil and gas royalties	11,516,924	15,699,482	3,273,785	2,113,738	14,790,709	17,813,220
Gain on sale of assets	-	625	4,971	33,001	4,971	33,626
Miscellaneous	5,751,898	2,943,113	6,849,422	16,616,630	12,601,320	19,559,743
Total general revenues	221,607,903	198,072,065	25,099,248	25,200,127	246,707,151	223,272,192
Total Revenues	260,277,041	223,447,992	193,827,841	171,718,883	454,104,882	395,166,875
EXPENSES						
General government	23,761,960	21,991,291	-	-	23,761,960	21,991,291
Development services	5,401,560	4,108,029	-	-	5,401,560	4,108,029
Engineering	27,537,251	25,475,424	-	-	27,537,251	25,475,424
Parks and recreation	12,317,772	15,734,720	-	-	12,317,772	15,734,720
Police	43,021,956	37,126,195	-	-	43,021,956	37,126,195
Fire	55,986,673	74,821,550	-	-	55,986,673	74,821,550
Golf	3,442,730	3,086,870	-	-	3,442,730	3,086,870
Sports complex	2,899,690	2,877,754	-	-	2,899,690	2,877,754
Housing programs	765,003	1,525,055	-	-	765,003	1,525,055
Economic development	5,068,428	4,024,382	-	-	5,068,428	4,024,382
Other	6,921,899	6,704,435	-	-	6,921,899	6,704,435
Interest on long-term debt	6,211,857	4,833,302	-	-	6,211,857	4,833,302
Airport	-	-	26,036,843	20,919,858	26,036,843	20,919,858
Water and sewer	-	-	92,242,869	86,318,024	92,242,869	86,318,024
Sanitation	-	-	25,004,403	23,103,022	25,004,403	23,103,022
Drainage	-	-	797,930	618,553	797,930	618,553
Total expenses	193,336,779	202,309,007	144,082,045	130,959,457	337,418,824	333,268,464
Increase in net position before transfers	66,940,262	21,138,985	49,745,796	40,759,426	116,686,058	61,898,411
Transfers	(1,409,874)	6,500,769	1,409,874	(6,500,769)	-	-
Change in net position	65,530,388	27,639,754	51,155,670	34,258,657	116,686,058	61,898,411
Net position, beginning	311,119,565	283,479,811	530,109,368	495,850,711	841,228,933	779,330,522
Net Position, ending	\$ 376,649,953	\$ 311,119,565	\$ 581,265,038	\$ 530,109,368	\$ 957,914,991	\$ 841,228,933

City of Midland, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2024

Governmental Activities

Governmental activities net position increased by \$65.5 million or 21.1%. Total revenues for governmental activities increased from the previous year by \$36.8 million. General revenue had a net increase of \$23.5 million or 11.9%. Sales taxes decreased \$2.3 million or 3.3% due to the flattening of economic growth in 2024, and a one-time negative adjustment to one of the local taxpayers. Investment income increased by \$12.6 million or 98.4% due to successful returns on the investments held by the City. Oil and gas royalties' revenues decreased by \$4.2 million or 26.6% due to the leveling off of the oil prices. Hotel-motel tax increased by \$243.9 thousand or 3.4%, emphasizing the growth of the city's tourism and business growth.

Program revenues had a net increase of \$13.3 million or 52.4% due mostly to increased service revenues and increased contributions from developers.

Total expenses for governmental activities decreased \$9.0 million or 4.4%. The primary driver related to the decrease was the firemen's pension plan. In fiscal year 2023, pension expense related to this plan was \$39 million, but was down to \$8.7 million in fiscal year 2024. Annual pension expense is comprised of many variables, including impact of actual investment return, plan experience versus projected amounts, change in discount rate, etc. and will fluctuate year-over-year. This decrease was partially offset by employee raises, increases related to overall growth within the City and inflationary pressures.

Business-type Activities

Net position from business-type activities increased by \$51.2 million or 9.7% from \$530.1 million to \$581.3 million due to City growth and fee restructuring of business-type activities.

Program revenues for business-type activities increased by \$22.2 million, or 15.2% due to growth within the City and increasing rates after a fee analysis was performed. Total revenue increased \$22.1 million, due mainly to solid investment returns and increased charges for services.

Total business-type expenses increased by \$13.1 million. Airport increased \$5.1 million, Sanitation increased \$1.9 million, while Water and Sewer increased \$5.9 million from prior year. All funds had increases in personnel costs related to employee raises and an increase in pension expense and in contractual services related to increased services and inflation.

Financial Analysis of the City's Funds

Governmental Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$312.8 million. Within this total \$986 thousand is nonspendable for prepaid items and inventories, \$151.3 million is restricted for specific purposes such as debt service, streets, buildings, public safety, roadway improvements, or other purposes; \$51.4 million has been committed to specific types of expenditures, primarily capital related; and \$11.3 million has been assigned for the sports complex and golf. The remaining \$97.8 is unassigned fund balance in the General Fund and can be used for any lawful purposes.

City of Midland, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2024

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned General Fund fund balance was \$97.8 million, while total fund balance was \$143.5 million. This is a decrease over last year of \$5.0 million, or 3.4 %. Unassigned fund balance represents 50.0% of total general fund expenditures.

Debt Service Fund. The Debt Service Fund fund balance increased in 2024 by \$186 thousand.

Park Donation and Special Purposes Fund. The Park Donation Fund fund balance increased by \$1.4 million. This increase comes from investment earnings.

Nonmajor Governmental Funds. This consists of all the governmental funds that were not presented as major funds. Total fund balance increased by \$12.8 million primarily due to new bond issuance that will be expended on upcoming capital projects.

Proprietary Funds

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

Airport Fund. The Airport Fund ended the year with a net position of \$170.8 million, which was an increase of \$15.9 million or 10.3% compared to the previous year. The unrestricted net position of the Airport Fund was \$48.6 million. Operating expenses exceeded operating revenues by \$10.7 million. The operating loss was offset by non-operating revenues of \$24.5 million, which includes federal government contributions of \$12.6 million and oil and gas royalties of \$3.1 million.

Water and Sewer Fund. Water and Sewer Fund net position amounted to \$338.2 million, which was an increase of \$22.8 million or 7.2% higher than the previous year. There was net operating income of \$13.3 million, capital contributions \$14.1 million and net non-operating expense of \$(4.0) million driven primarily by \$15.0 million long term-debt interest.

Sanitation Fund. The City's Sanitation Fund net position increased by \$7.8 million or 26.5% driven by investment return and an increase in charges for service related to fee analysis and an increase to account for growth. Total operating revenues amounted to \$32.4 million while total operating expenses were \$26.9 million.

Drainage Fund (Nonmajor). Total net position increased by \$1.7 million primarily from operations.

City of Midland, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2024

General Fund Budgetary Highlights

Actual General Fund revenues collected in FY2024 exceeded management's budget by \$26.5 million or 16.1%. This positive variance was due to the recognition of grant funds spent from the *America Rescue Plan Act*, as well as an increase in property taxes due to economic growth. Investment income came in \$7.9 million higher than expected, due to higher interest rates.

Overall, FY2024 expenditures were \$6.7 million over budget. This was primarily due to capital outlay expenditures appropriated in previous years that were utilized in current year. This excess was partially offset by significant savings within the Engineering, Parks & Recreation, Support Services, and Police Department. All departments have experienced an increase in prices of chemicals for maintenance as well as other operational supplies and equipment yet saw savings in personnel vacancies.

Capital, Lease, and Subscription Assets

The City of Midland's investment in capital, lease, and subscription assets for its governmental and business type activities as of September 30, 2024, amounts to \$1.2 billion (net of accumulated depreciation and amortization), compared to \$1.1 billion (net of accumulated depreciation and amortization) at September 30, 2023. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, intangible and other assets, lease assets, and construction in progress. Capital, lease, and subscription assets detail can also be found in *Note 5* to the financial statements.

Capital, Lease, and Subscription Assets, net of Depreciation and Amortization

	Governmental Activities		Business-type Activities		Totals	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Land	\$ 22,128,793	\$ 21,453,747	\$ 23,458,844	\$ 23,362,880	\$ 45,587,637	\$ 44,816,627
Buildings	91,135,299	91,401,347	35,484,437	27,020,745	126,619,736	118,422,092
Improvements other than buildings	46,308,481	47,902,474	45,788,272	43,257,377	92,096,753	91,159,851
Machinery and equipment	43,692,293	33,068,435	11,719,694	11,133,140	55,411,987	44,201,575
Infrastructure	214,945,895	196,699,298	534,414,478	524,373,545	749,360,373	721,072,843
Lease assets	538,528	850,201	145,068	224,941	683,596	1,075,142
SBITA assets	1,086,651	870,534	369,711	-	1,456,362	870,534
Intangible and other	706,052	1,183,758	725,586	836,700	1,431,638	2,020,458
Construction in programss	80,733,588	42,738,639	74,638,164	59,287,254	155,371,752	102,025,893
Total	<u>\$ 501,275,580</u>	<u>\$ 436,168,433</u>	<u>\$ 726,744,254</u>	<u>\$ 689,496,582</u>	<u>\$ 1,228,019,834</u>	<u>\$ 1,125,665,015</u>

City of Midland, Texas
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Major capital asset activities during fiscal year 2024 included the following:

- Parks - Reyes, Mashburn, Nelms Park improvements; Beal Park improvement project planning.
- Engineering - Construction and improvements on several traffic signals and street projects including Garfield Street, Sinclair Avenue, Wadley Avenue and Main Street, and several unpaved roads throughout the City.
- Airport - Airpark fence replacement, taxiway improvements and continued renovation in terminal.
- Water and Sewer - Northeast Water and Sewer Infrastructure projects.
- Technology - Interoperable Radio Project - near completion
- Facilities - Central Fire Wellness Center and Police Department Remodel.

Debt Administration

At the end of the current fiscal year, the City of Midland had total bond debt, lease and subscription obligations outstanding of \$530.9 million. Of this amount, \$177.1 million was general government bond debt and lease obligations and \$353.8 million was from business-type activities.

The City of Midland's bond debt increased by \$21.5 million during the current fiscal year. The increase was due to the issuance of Certificate of Obligation Bonds, Series 2024 in the amount of \$51.385 million, partially offset by scheduled principal payments. The City maintains an AAA rating with Fitch Ratings, Inc. and an Aa1 rating with Moody's on tax-supported debt.

Long-Term Debt at Year-end

	Governmental Activities		Business-type Activities		Totals	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
General obligation refunding bonds	\$ 109,646,552	\$ 114,810,518	\$ 281,445,000	\$ 283,645,000	\$ 391,091,552	\$ 398,455,518
Certificates of obligation	66,363,448	58,469,482	72,020,000	51,040,000	138,383,448	109,509,482
Lease and subscription obligations	1,113,357	967,460	313,192	229,117	1,426,549	1,196,577
	<u>\$ 177,123,357</u>	<u>\$ 174,247,460</u>	<u>\$ 353,778,192</u>	<u>\$ 334,914,117</u>	<u>\$ 530,901,549</u>	<u>\$ 509,161,577</u>

The City of Midland carefully plans debt acquisitions to fund only capital replacement and new construction. This process includes matching the maturity of the debt to the useful lives of the assets to be funded, as closely as possible. This allows for the use of debt to complement operations by allowing for matching the cash flows of asset cost to the period deriving the benefit from the asset.

Additionally, this allows the City to plan for and structure debt payments in such a manner that debt service tends to be generally declining across the years creating a known, decreasing demand upon resources for debt service and limiting the demand upon resources to a managed level. As a result of the development and refinement of this process, the impact of current debt upon present and future operations is minimized and annual operations can be based upon a known level of expendable, available resources to respond to the immediate needs of the City.

Additional information concerning the City's long-term debt may be found in *Note 10* of the Notes to Financial Statements.

City of Midland, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2024

Economic Factors and Next Year's Budgets and Rates

The focus of the budgetary process for fiscal year 2025 was built around the City's Strategic Plan which is made up of 6 goals: Strong Economy with More Quality Jobs, Set the Standard for a Safe and Secure City, Quality of Life and Place for Recruitment and Retention, Transparent and Consistent Communication, Provide Sound Governance and Fiscal Management, and Strengthen and Sustain our Infrastructure.

The total General Fund Budget is \$184.7 million, an increase of \$10.2 million from the FY 2024 original adopted budget. The combined property tax rate is 34.8662 cents per \$100 valuation, compared with a rate of 35.0662 in fiscal year 2024, a .6% decrease. Property tax revenue for General Fund is expected to increase by \$3.3 million or 5.53%, based on increased property value and new property. Sales tax revenue, another major revenue source, is budgeted at \$65.0 million, which mirrors the adopted budget of FY2024.

The City of Midland has been on a growth trajectory over the last two years and continues to show positive trends across various economic metrics. Sales taxes for 2024 came in 2.4% higher than expected. The unemployment rate has remained steady over the last year ending at 2.6% as of September 2024. Activity at the airport is at an all-time high, as well as hotel/motel tax revenue. The stability in the oil prices has resulted in consistent growth and stability for the local businesses, as well as the City's revenue streams.

Request for Information

This financial report is designed to provide a general overview of the City of Midland's finances for all those with an interest in the government's finances. Questions concerning information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Midland, P.O. Box 1152, 300 N. Loraine, Midland, TX 79702-1152.

Basic Financial Statements

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City of Midland, Texas
Statement of Net Position
September 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Midland Development Corporation
Assets and Deferred Outflows of Resources				
Assets				
Cash and cash equivalents	\$ 122,096,792	\$ 79,243,206	\$ 201,339,998	\$ 34,453,673
Investments	142,049,063	83,310,497	225,359,560	5,961,285
Receivables (net of allowance where applicable)				
Property taxes	1,136,594	-	1,136,594	-
Sales taxes	11,115,541	-	11,115,541	2,778,885
Accounts	12,036,014	16,903,489	28,939,503	-
Interest	605,973	359,751	965,724	83,500
Assessments	110	-	110	-
Intergovernmental	931,747	5,453,511	6,385,258	-
Leases	1,797,033	3,874,139	5,671,172	-
Prepaid items and other assets	969,626	37,469	1,007,095	134,721
Inventories	1,137,222	-	1,137,222	-
Internal balances	(24,504,018)	24,504,018	-	-
Notes receivable	-	491,156	491,156	6,579
Restricted assets				
Cash and cash equivalents	69,882,190	62,947,416	132,829,606	-
Investments	40,805,346	38,228,620	79,033,966	-
Accounts receivable	-	668,204	668,204	-
Capital and lease assets				
Nondepreciable	102,862,381	98,097,008	200,959,389	14,546,927
Depreciable, net of accumulated depreciation/amortization	398,413,199	628,647,246	1,027,060,445	13,634,865
Total assets	881,334,813	1,042,765,730	1,924,100,543	71,600,435
Deferred Outflows of Resources				
Pension items	76,214,469	3,757,898	79,972,367	-
OPEB items	5,834,245	1,058,115	6,892,360	-
Loss on refunding	-	9,541,996	9,541,996	-
Total deferred outflows of resources	82,048,714	14,358,009	96,406,723	-
Total assets and deferred outflows of resources	\$ 963,383,527	\$ 1,057,123,739	\$ 2,020,507,266	\$ 71,600,435

City of Midland, Texas
Statement of Net Position
September 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Midland Development Corporation
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 8,528,027	\$ 22,928,596	\$ 31,456,623	\$ 392,733
Accrued payroll	5,041,158	839,048	5,880,206	-
Accrued interest payable	595,109	1,319,294	1,914,403	2,681
Retainage payable	2,084,823	1,605,313	3,690,136	130,200
Customer deposits	-	4,758,338	4,758,338	-
Unearned revenue	1,877,569	805,294	2,682,863	-
Other accrued liabilities	2,286,500	7,544,678	9,831,178	-
Long-term liabilities				
Due within one year				
Bonds payable	7,860,000	4,365,000	12,225,000	-
Lease obligations payable	233,865	73,711	307,576	70,768
Lease obligations payable - primary government	-	-	-	101,048
Subscription liability	352,005	163,717	515,722	-
Compensated absences	3,151,050	386,859	3,537,909	21,648
Estimated unpaid claims	2,316,869	-	2,316,869	-
Total OPEB liability	188,643	33,682	222,325	-
Due in more than one year				
Bonds payable	182,982,452	386,526,816	569,509,268	-
Arbitrage liability	750,419	714,740	1,465,159	-
Lease obligations payable	306,886	75,764	382,650	72,881
Lease obligations payable - primary government	-	-	-	1,250,864
Subscription liability	220,601	-	220,601	-
Compensated absences	9,453,150	1,160,577	10,613,727	9,726
Estimated unpaid claims	2,659,616	-	2,659,616	-
Landfill closure/postclosure care	-	23,645,660	23,645,660	-
Total OPEB liability	18,779,967	3,497,631	22,277,598	-
Net pension liability	266,805,894	9,272,117	276,078,011	-
Total liabilities	516,474,603	469,716,835	986,191,438	2,052,549
Deferred Inflows of Resources				
Pension items	58,574,363	423,590	58,997,953	-
OPEB items	9,779,859	1,786,122	11,565,981	-
Lease related	1,904,749	3,932,154	5,836,903	-
Total deferred inflows of resources	70,258,971	6,141,866	76,400,837	-
Net Position				
Net investment in capital assets	345,041,232	400,554,015	745,595,247	26,369,357
Restricted for				
Debt service	1,273,588	-	1,273,588	-
Public safety	1,441,084	-	1,441,084	-
Court	679,834	-	679,834	-
Buildings and renovations	444,924	-	444,924	-
Roadway improvements	11,947,238	-	11,947,238	-
Parks and recreation	41,273,763	-	41,273,763	-
Passenger facility improvements	-	17,743,894	17,743,894	-
Customer facility improvements	-	3,204,469	3,204,469	-
Capital projects	29,830,403	-	29,830,403	-
Hotel/motel	18,643,675	-	18,643,675	-
Economic development	-	-	-	43,178,529
Other purposes	718,466	5,150,049	5,868,515	-
Unrestricted (deficit)	(74,644,254)	154,612,611	79,968,357	-
Total net position	376,649,953	581,265,038	957,914,991	69,547,886
Total liabilities, deferred inflows of resources and net position	\$ 963,383,527	\$ 1,057,123,739	\$ 2,020,507,266	\$ 71,600,435

City of Midland, Texas
Statement of Activities
Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues	
		Primary Government	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 23,761,960	\$ 956,771	\$ -
Other	6,921,899	52,525	-
Development services	5,401,560	111,164	22,459
Engineering	27,537,251	4,306,677	58,500
Parks and recreation	12,317,772	460,369	995
Police	43,021,956	3,648,254	169,607
Fire	55,986,673	7,548,523	406,898
Golf	3,442,730	4,155,549	-
Sports complex	2,899,690	1,622,811	-
Housing programs	765,003	93,422	1,195,907
Economic development	5,068,428	-	-
Interest	6,211,857	-	-
Total governmental activities	193,336,779	22,956,065	1,854,366
Business-Type Activities			
Airport	26,036,843	18,455,824	12,573,283
Water and sewer	92,242,869	88,755,441	-
Sanitation	25,004,403	32,440,717	-
Drainage	797,930	2,439,457	-
Total business-type activities	144,082,045	142,091,439	12,573,283
Total primary government	\$ 337,418,824	\$ 165,047,504	\$ 14,427,649
Component Unit			
Midland Development Corporation	9,717,650	976,743	65,000
Total component unit	\$ 9,717,650	\$ 976,743	\$ 65,000
General Revenues			
Taxes			
Property			
Sales			
Franchise and other taxes			
Hotel-motel			
Grants not restricted to specific programs			
Investment income			
Oil and gas royalties			
Gain on sale of capital assets			
Miscellaneous			
Transfers in (out)			
Total general revenues and transfers			
Change in net position			
Net position, beginning of year			
Net position, end of year			

Program Revenues	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Midland Development Corporation
\$ 10,277	\$ (22,794,912)	\$ -	\$ (22,794,912)	\$ -
13,155,322	6,285,948	-	6,285,948	-
185,534	(5,082,403)	-	(5,082,403)	-
57,156	(23,114,918)	-	(23,114,918)	-
-	(11,856,408)	-	(11,856,408)	-
250,162	(38,953,933)	-	(38,953,933)	-
200,256	(47,830,996)	-	(47,830,996)	-
-	712,819	-	712,819	-
-	(1,276,879)	-	(1,276,879)	-
-	524,326	-	524,326	-
-	(5,068,428)	-	(5,068,428)	-
-	(6,211,857)	-	(6,211,857)	-
13,858,707	(154,667,641)	-	(154,667,641)	-
4,345	-	4,996,609	4,996,609	-
14,059,526	-	10,572,098	10,572,098	-
-	-	7,436,314	7,436,314	-
-	-	1,641,527	1,641,527	-
14,063,871	-	24,646,548	24,646,548	-
\$ 27,922,578	\$ (154,667,641)	\$ 24,646,548	\$ (130,021,093)	\$ -
-	-	-	-	(8,675,907)
\$ -	\$ -	\$ -	\$ -	\$ (8,675,907)
	73,978,925	-	73,978,925	-
	66,602,391	-	66,602,391	16,650,471
	18,717,648	-	18,717,648	-
	7,519,814	-	7,519,814	-
	12,118,087	-	12,118,087	-
	25,402,216	14,971,070	40,373,286	1,305,040
	11,516,924	3,273,785	14,790,709	-
	-	4,971	4,971	-
	5,751,898	6,849,422	12,601,320	6,010
	(1,409,874)	1,409,874	-	-
	220,198,029	26,509,122	246,707,151	17,961,521
	65,530,388	51,155,670	116,686,058	9,285,614
	311,119,565	530,109,368	841,228,933	60,262,272
\$ 376,649,953	\$ 581,265,038	\$ 957,914,991	\$ 69,547,886	

City of Midland, Texas
Balance Sheet
Governmental Funds
September 30, 2024

	General	Debt Service	Park Donation and Special Purposes	Total Nonmajor	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 62,396,027	\$ 1,150,391	\$ 26,151,353	\$ 69,882,190	\$ 159,579,961
Investments	74,324,070	-	32,000,820	40,805,346	147,130,236
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	1,020,756	115,838	-	-	1,136,594
Sales taxes	11,115,541	-	-	-	11,115,541
Assessments	110	-	-	-	110
Accounts	8,869,444	7,659	1,169,209	1,404,921	11,451,233
Interest receivable	257,747	-	102,739	130,794	491,280
Intergovernmental	521,651	-	-	410,096	931,747
Leases	1,797,033	-	-	-	1,797,033
Prepaid items and other assets	679,841	-	-	79,170	759,011
Due from other funds	577,140	-	-	-	577,140
Inventories	227,301	-	-	-	227,301
Total assets	<u>\$ 161,786,661</u>	<u>\$ 1,273,888</u>	<u>\$ 59,424,121</u>	<u>\$ 112,712,517</u>	<u>\$ 335,197,187</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 3,997,253	\$ 300	\$ 838,720	\$ 1,706,184	\$ 6,542,457
Accrued payroll	4,836,529	-	-	-	4,836,529
Retainage payable	902,023	-	503,004	678,284	2,083,311
Due to other funds	-	-	-	208,866	208,866
Unearned revenue	1,877,569	-	-	-	1,877,569
Other liabilities	2,280,933	-	-	3	2,280,936
Total liabilities	<u>13,894,307</u>	<u>300</u>	<u>1,341,724</u>	<u>2,593,337</u>	<u>17,829,668</u>
Deferred Inflows of Resources					
Unavailable revenue	2,530,943	125,365	-	-	2,656,308
Lease related	1,904,749	-	-	-	1,904,749
Total deferred inflows of resources	<u>4,435,692</u>	<u>125,365</u>	<u>-</u>	<u>-</u>	<u>4,561,057</u>

City of Midland, Texas
Balance Sheet
Governmental Funds
September 30, 2024

	General	Debt Service	Park Donation and Special Purposes	Total Nonmajor	Total Governmental Funds
Fund Balances					
Nonspendable					
Prepayments and inventories	907,142	-	-	79,170	986,312
Restricted					
Debt service	-	1,148,223	-	-	1,148,223
Public safety	21,449	-	-	1,419,635	1,441,084
Court	299,538	-	-	380,296	679,834
Buildings and renovations	-	-	-	493,767	493,767
Roadway improvements	-	-	-	11,947,238	11,947,238
Streets and drainage	-	-	-	46,577,239	46,577,239
Parks and recreation	-	-	41,273,763	16,125,837	57,399,600
Golf	-	-	-	11,367,488	11,367,488
Hotel motel	-	-	-	18,643,675	18,643,675
Community development	-	-	-	62,443	62,443
Other purposes	846,464	-	-	656,023	1,502,487
Committed					
Buildings and renovations	1,089,117	-	-	2,366,369	3,455,486
Streets and drainage	21,721,547	-	-	-	21,721,547
Parks and recreation	-	-	16,808,634	-	16,808,634
Public safety	4,062,293	-	-	-	4,062,293
Technology	2,559,756	-	-	-	2,559,756
Emergency response	2,834,785	-	-	-	2,834,785
Assigned					
Golf	211,949	-	-	-	211,949
Sports complex	11,134,415	-	-	-	11,134,415
Unassigned	97,768,207	-	-	-	97,768,207
Total fund balances	143,456,662	1,148,223	58,082,397	110,119,180	312,806,462
Total liabilities, deferred inflows of resources and fund balances	\$ 161,786,661	\$ 1,273,888	\$ 59,424,121	\$ 112,712,517	\$ 335,197,187

City of Midland, Texas
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2024

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

Total fund balances - governmental funds		\$ 312,806,462
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		459,176,207
Certain revenues receivable by the City and recognized in the statement of net position do not provide current financial resources and are deferred in the governmental funds balance sheet.		2,656,308
Long-term liabilities and related deferred outflows and inflows of resources (deferred outflows of resources – pension, deferred outflows of resources – OPEB, deferred inflows of resources – pension, and deferred inflows of resources – OPEB), including bonds payable, compensated absences, net pension liability and total OPEB liability are not due and payable in the current period and, therefore are not reported in the governmental funds financial statements. Long-term liabilities consist of:		
Compensated absences payable	\$ (12,138,129)	
Bonds payable	(176,010,000)	
Premium on bonds	(14,832,452)	
Arbitrage liability	(750,419)	
Leases	(540,751)	
Total other postemployment benefit (OPEB) liability	(18,335,570)	
Net pension liability	(265,062,439)	
Deferred outflows of resources – pension	75,533,689	
Deferred outflows of resources – OPEB	5,644,820	
Deferred inflows of resources – pension	(58,497,625)	
Deferred inflows of resources – OPEB	(9,459,986)	
		(474,448,862)
Accrued interest on long-term liabilities is reported as a liability on the statement of net position.		(585,615)
A portion of the net position of the internal service funds are included in the governmental activities in the statement of net position:		
Cash	32,399,021	
Investments	35,724,173	
Receivables	699,474	
Capital assets net of depreciation	42,099,373	
Internal balances	(24,504,018)	
Other assets	1,120,536	
Deferred outflows related to pensions	680,780	
Deferred outflows related to OPEB	189,425	
Current liabilities	(8,026,076)	
Noncurrent liabilities	(2,940,624)	
Deferred inflows related to pensions	(76,738)	
Deferred inflows related to OPEB	(319,873)	
		77,045,453
Total net position - governmental activities		\$ 376,649,953

City of Midland, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2024

	General	Debt Service	Park Donation and Special Purposes	Total Nonmajor	Total Governmental Funds
Revenues					
Taxes	\$ 146,420,004	\$ 12,653,400	\$ -	\$ 7,361,652	\$ 166,435,056
Licenses and permits	4,861,953	-	-	52,525	4,914,478
Fines and forfeitures	2,551,482	-	-	111,288	2,662,770
Charges for services	12,400,262	-	-	300,687	12,700,949
Rentals	195,489	-	-	460,369	655,858
Program income	-	-	-	3,548	3,548
Intergovernmental	13,536,596	-	-	1,960,113	15,496,709
Investment earnings	10,890,103	78,823	3,633,148	6,375,586	20,977,660
Oil and gas royalties	-	-	11,516,924	-	11,516,924
Impact fees	-	-	-	4,805,281	4,805,281
Contributions and donations	67,433	-	185,834	477,215	730,482
Miscellaneous	748,815	-	-	100,282	849,097
Total revenues	191,672,137	12,732,223	15,335,906	22,008,546	241,748,812
Expenditures					
Current					
General government	16,905,496	-	-	4,884	16,910,380
Development services	5,336,817	-	-	-	5,336,817
Engineering	15,968,892	-	-	185,621	16,154,513
Parks and recreation	10,256,447	-	-	-	10,256,447
Police	41,976,776	-	-	396,090	42,372,866
Fire	52,756,662	-	-	106,622	52,863,284
Housing programs	-	-	-	765,003	765,003
Economic development	-	-	170,250	4,898,178	5,068,428
Golf	3,357,785	-	-	-	3,357,785
Sports Complex	2,864,869	-	-	-	2,864,869
Other	6,308,223	-	470,718	88,001	6,866,942
Debt Service					
Principal retirement	303,466	7,360,000	-	-	7,663,466
Interest and fiscal charges	17,982	6,983,048	-	-	7,001,030
Issuance costs	-	-	-	102,635	102,635
Capital outlay	39,501,774	-	13,241,684	11,973,106	64,716,564
Total expenditures	195,555,189	14,343,048	13,882,652	18,520,140	242,301,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,883,052)	(1,610,825)	1,453,254	3,488,406	(552,217)
Other Financing Sources (Uses)					
Transfers in	540,748	1,796,800	-	36,379	2,373,927
Transfers out	(1,946,462)	-	(36,379)	(1,800,960)	(3,783,801)
Bonds issued	-	-	-	10,090,000	10,090,000
Premium on bonds	-	-	-	1,015,644	1,015,644
Proceeds from sale of capital assets	299,846	-	-	-	299,846
Total other financing sources (uses)	(1,105,868)	1,796,800	(36,379)	9,341,063	9,995,616
Net Change in Fund Balances	(4,988,920)	185,975	1,416,875	12,829,469	9,443,399
Fund Balances, Beginning of Year	148,445,582	962,248	56,665,522	97,289,711	303,363,063
Fund Balances, End of Year	\$ 143,456,662	\$ 1,148,223	\$ 58,082,397	\$ 110,119,180	\$ 312,806,462

City of Midland, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2024

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

Net Change in Fund Balances - Governmental Funds	\$	9,443,399
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital expenditures (\$64,716,564) exceeded depreciation/amortization expense (\$20,794,391) in the current period.		43,922,173
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position		13,139,061
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (i.e., earned but unavailable revenues). This is the net change in these revenues.		663,302
The issuance of long-term debt (e.g., bonds, leases) 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 premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bond issued including premium	\$ (11,105,644)	
Principal amount of debt paid to bondholders and lessors	7,663,466	
Amortization of bond premium	<u>1,596,764</u>	
		(1,845,414)
Current year change in accrued interest payable does/(does not) require the use of current financial resources; but they (are)/are not reported as expenses in governmental activities.		45,463
Current year changes in arbitrage liability does not require the use of current financial resources, and therefore, are not reported as expenses in governmental funds		(750,419)
Current year changes in long-term liabilities for compensated absences does/(does not) require the use of current financial resources; but they (are)/are not reported as expenses in governmental activities.		(6,615,352)
Current year pension and OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in net pension liability, total OPEB liability, and related deferred outflows/inflows of resources balances.		(2,175,068)
Internal service funds are used by management to charge the costs of the garage, warehouse, and three self-insurance funds to other individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>9,703,243</u>
Change in the Net Position of Governmental Activities	\$	<u>65,530,388</u>

City of Midland, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-Type Activities					Governmental Activities -
	Airport	Water and Sewer	Sanitation	Nonmajor Drainage	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets						
Cash and cash equivalents	\$ 19,871,700	\$ 40,561,616	\$ 17,378,538	\$ 1,431,352	\$ 79,243,206	\$ 32,399,021
Investments	24,686,763	35,061,430	21,739,972	1,822,332	83,310,497	35,724,173
Accounts receivable (net of allowance for uncollectibles)	1,348,428	12,063,310	3,232,613	259,138	16,903,489	584,781
Interest receivable	79,257	204,847	69,797	5,850	359,751	114,693
Intergovernmental receivable	5,453,511	-	-	-	5,453,511	-
Lease receivable	3,653,937	220,202	-	-	3,874,139	-
Inventories	-	-	-	-	-	909,921
Prepaid items and other assets	-	-	37,469	-	37,469	210,615
Restricted assets						
Cash and equivalents	11,773,562	31,157,346	20,016,508	-	62,947,416	-
Investments	9,485,197	28,743,423	-	-	38,228,620	-
Accounts receivable	668,204	-	-	-	668,204	-
Total current assets	77,020,559	148,012,174	62,474,897	3,518,672	291,026,302	69,943,204
Noncurrent assets						
Capital, lease, and subscription assets						
Land	9,573,455	13,110,737	221,717	552,935	23,458,844	44,343
Buildings	51,657,939	6,471,901	14,679,175	-	72,809,015	3,294,017
Improvements other than buildings	22,758,850	39,009,399	23,424,816	884,785	86,077,850	1,875,397
Infrastructure	112,427,805	715,823,034	-	3,134,689	831,385,528	-
Machinery and equipment	14,957,350	5,435,078	2,043,230	143,054	22,578,712	92,839,794
Intangible and other	1,867,836	4,353,693	98,002	-	6,319,531	360,092
Subscription assets	-	-	492,951	-	492,951	2,056,962
Construction in progress	25,329,379	43,716,368	3,084,857	2,507,560	74,638,164	2,184,842
Lease assets	9,712	348,554	12,769	-	371,035	-
Less: accumulated depreciation/amortization	(134,172,009)	(237,045,735)	(20,074,449)	(95,183)	(391,387,376)	(60,556,074)
Net capital, lease, and subscription assets	104,410,317	591,223,029	23,983,068	7,127,840	726,744,254	42,099,373
Notes receivable	-	491,156	-	-	491,156	-
Total noncurrent assets	104,410,317	591,714,185	23,983,068	7,127,840	727,235,410	42,099,373
Total assets	181,430,876	739,726,359	86,457,965	10,646,512	1,018,261,712	112,042,577
Deferred Outflows of Resources						
Pension items	706,065	1,836,157	1,215,676	-	3,757,898	680,780
OPEB items	181,990	519,468	356,657	-	1,058,115	189,425
Loss on refunding	-	9,541,996	-	-	9,541,996	-
Total deferred outflows of resources	888,055	11,897,621	1,572,333	-	14,358,009	870,205

City of Midland, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-Type Activities					Governmental Activities -
	Airport	Water and Sewer	Sanitation	Nonmajor Drainage	Total Enterprise Funds	Internal Service Funds
Liabilities						
Current liabilities						
Accounts payable	\$ 2,463,959	\$ 18,733,243	\$ 648,004	\$ 130,140	\$ 21,975,346	\$ 1,985,570
Accrued payroll	148,891	352,561	328,259	9,337	839,048	204,629
Accrued interest	-	-	5,627	-	5,627	9,494
Retainage payable	314,574	1,250,409	-	14,980	1,579,963	1,512
Customer deposits	-	4,758,338	-	-	4,758,338	-
Bonds payable from unrestricted assets	-	4,365,000	-	-	4,365,000	-
Lease liability	1,195	70,173	2,343	-	73,711	-
Subscription liability	-	-	163,717	-	163,717	352,005
Compensated absences	105,844	133,778	147,237	-	386,859	116,518
Total OPEB liability	5,758	16,541	11,383	-	33,682	6,025
Estimated unpaid claims	-	-	-	-	-	4,976,485
Unearned revenue	484,038	-	321,256	-	805,294	-
Due to other funds	-	-	-	-	-	368,274
Other liabilities	131,941	7,410,488	1,794	455	7,544,678	5,564
Current liabilities payable from restricted assets						
Accounts payable	953,250	-	-	-	953,250	-
Retainage payable	25,350	-	-	-	25,350	-
Accrued interest payable	2	1,273,812	39,853	-	1,313,667	-
Total current liabilities	4,634,802	38,364,343	1,669,473	154,912	44,823,530	8,026,076
Noncurrent liabilities						
Bonds payable	-	366,336,621	20,190,195	-	386,526,816	-
Arbitrage liability	-	714,740	-	-	714,740	-
Subscription liability	-	-	-	-	-	220,601
Net pension liability	1,818,881	4,519,673	2,933,563	-	9,272,117	1,743,455
Compensated absences	317,532	401,335	441,710	-	1,160,577	349,553
Total OPEB liability	607,627	1,716,230	1,173,774	-	3,497,631	627,015
Lease liability	-	75,764	-	-	75,764	-
Landfill closure post closure care	-	-	23,645,660	-	23,645,660	-
Total noncurrent liabilities	2,744,040	373,764,363	48,384,902	-	424,893,305	2,940,624
Total liabilities	7,378,842	412,128,706	50,054,375	154,912	469,716,835	10,966,700
Deferred Inflows of Resources						
Pension items	79,587	206,972	137,031	-	423,590	76,738
OPEB items	308,021	876,753	601,348	-	1,786,122	319,873
Lease related	3,716,127	216,027	-	-	3,932,154	-
Total deferred inflows of resources	4,103,735	1,299,752	738,379	-	6,141,866	396,611
Net Position						
Net invested in capital assets	101,252,667	268,397,958	23,790,530	7,112,860	400,554,015	41,525,255
Restricted for passenger facility improvements	17,743,894	-	-	-	17,743,894	-
Restricted for customer facility improvements	3,204,469	-	-	-	3,204,469	-
Restricted for impact fees	-	5,150,049	-	-	5,150,049	-
Unrestricted	48,635,324	64,647,515	13,447,014	3,378,740	130,108,593	60,024,216
Total net position	\$ 170,836,354	\$ 338,195,522	\$ 37,237,544	\$ 10,491,600	\$ 556,761,020	\$ 101,549,471
Reconciliation to government-wide statement of net position:						
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds					24,504,018	
Net position of business-type activities					<u>\$ 581,265,038</u>	

City of Midland, Texas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2024

	Business-type Activities					Governmental Activities -
	Airport	Water and Sewer	Sanitation	Nonmajor Drainage	Total Enterprise Funds	Internal Service Funds
Operating Revenues						
International airport parking revenues	\$ 8,380,442	\$ -	\$ -	\$ -	\$ 8,380,442	\$ -
Airport building and ground area rentals	6,294,180	-	-	-	6,294,180	-
Landing fees	696,698	-	-	-	696,698	-
Water sales	-	68,908,134	-	-	68,908,134	-
Sewer charges	-	19,206,600	-	-	19,206,600	-
Tap installations and service charges	-	457,602	-	2,439,457	2,897,059	-
Impact fees	-	2,536,831	-	-	2,536,831	-
Garbage collection fees	-	-	32,440,717	-	32,440,717	-
Billings to other funds	-	-	-	-	-	51,899,412
Employee payments	-	-	-	-	-	2,213,284
Miscellaneous	119,345	17,387	-	-	136,732	-
Total operating revenues	15,490,665	91,126,554	32,440,717	2,439,457	141,497,393	54,112,696
Operating Expenses						
Cost of goods sold	-	-	-	-	-	2,434,394
Salaries and fringe benefits	3,385,261	8,501,374	8,127,316	249,547	20,263,498	4,755,145
Contractual services	15,181,532	34,289,063	12,768,613	360,291	62,599,499	12,781,107
Maintenance of structure	350,952	3,368,537	23,763	112,722	3,855,974	33,673
Maintenance of equipment	189,629	4,488,419	29,864	-	4,707,912	5,157,035
Payment of claims	-	-	-	-	-	10,708,744
Franchise fees	-	6,482,889	2,297,043	182,082	8,962,014	-
Closure and postclosure care	-	-	1,366,878	-	1,366,878	-
Supplies	155,915	4,518,309	1,375,836	7,187	6,057,247	4,315,683
Other expenses	490,848	277,004	158,140	1	925,993	110,558
Depreciation and amortization	6,411,848	15,940,875	746,165	26,891	23,125,779	6,181,755
Total operating expenses	26,165,985	77,866,470	26,893,618	938,721	131,864,794	46,478,094
Operating Income (Loss)	(10,675,320)	13,260,084	5,547,099	1,500,736	9,632,599	7,634,602
Nonoperating Revenues (Expenses)						
Investment income	4,374,237	7,960,897	2,436,870	199,066	14,971,070	4,424,556
Interest expense	(16)	(14,970,033)	(219,191)	-	(15,189,240)	(9,677)
Rentals	-	167,644	-	-	167,644	-
Right of way or airway sales	-	166,174	-	-	166,174	-
Intergovernmental	12,573,283	-	-	-	12,573,283	-
Oil and gas royalties	3,070,594	203,191	-	-	3,273,785	-
Gain on sale of capital assets	-	-	4,971	-	4,971	445,326
Passenger facility charge revenue	2,929,235	-	-	-	2,929,235	-
Other, net	1,571,688	2,509,862	98,865	-	4,180,415	180,425
Total nonoperating revenues (expenses)	24,519,021	(3,962,265)	2,321,515	199,066	23,077,337	5,040,630
Income Before Transfers and Contributions	13,843,701	9,297,819	7,868,614	1,699,802	32,709,936	12,675,232
Transfers in	2,059,530	-	-	-	2,059,530	-
Transfers out	-	(590,786)	(58,870)	-	(649,656)	-
Capital contributions	4,345	14,059,526	-	-	14,063,871	-
Change in Net Position	15,907,576	22,766,559	7,809,744	1,699,802	48,183,681	12,675,232
Net Position, Beginning of Year	154,928,778	315,428,963	29,427,800	8,791,798	508,577,339	88,874,239
Net Position, End of Year	\$ 170,836,354	\$ 338,195,522	\$ 37,237,544	\$ 10,491,600	\$ 556,761,020	\$ 101,549,471
Reconciliation to government- wide statement of net position:						
Change in net position enterprise funds					\$ 48,183,681	
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds					2,971,989	
Change in Net Position of Business-Type Activities					<u>\$ 51,155,670</u>	

City of Midland, Texas
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2024

	Business-Type Activities				Governmental Activities	
	Airport	Water and Sewer	Sanitation	Nonmajor Drainage	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 15,117,167	\$ 90,123,032	\$ 31,421,841	\$ 2,388,026	\$ 139,050,066	\$ (318,894)
Receipts from interfund service transactions	-	-	-	-	-	51,899,412
Receipts from miscellaneous revenues	4,642,282	3,046,871	98,865	(1)	7,788,017	75,484
Receipts from employees and retirees	-	-	-	-	-	2,262,404
Payments to suppliers and service providers	(12,785,394)	(44,966,810)	(12,885,703)	(498,406)	(71,136,313)	(37,241,785)
Payments to employees for salaries and benefits	(3,308,673)	(8,170,815)	(7,736,379)	(248,619)	(19,464,486)	(4,347,224)
Payments for interfund service transactions	(3,170,640)	(8,461,219)	(3,142,273)	(219,149)	(14,993,281)	(578,896)
Net cash from operating activities	494,742	31,571,059	7,756,351	1,421,851	41,244,003	11,750,501
Cash Flows from Noncapital Financing Activities						
Transfers in	2,059,530	-	-	-	2,059,530	-
Transfers out	-	(590,786)	(58,870)	-	(649,656)	-
Operating grants	9,725,287	-	-	-	9,725,287	-
Net cash from (used in) noncapital financing activities	11,784,817	(590,786)	(58,870)	-	11,135,161	-
Cash Flows from Capital and Related Financing Activities						
Capital grants and contributions	4,345	-	-	-	4,345	-
Acquisition and construction of capital assets	(6,886,720)	(26,341,470)	(1,723,543)	(2,154,533)	(37,106,266)	(13,520,502)
Proceeds from capital debt	-	25,265,915	20,203,213	-	45,469,128	-
Principal paid on capital debt, notes payable, and leases	(2,855)	(4,160,000)	-	-	(4,162,855)	(367,301)
Interest and fees paid on capital debt, notes payable, and leases	(17)	(15,127,325)	(519,461)	-	(15,646,803)	(4,284)
Proceeds from the sale of capital assets	-	-	4,971	-	4,971	536,321
Passenger facility charge revenue	2,834,081	-	-	-	2,834,081	-
Net cash from (used in) capital and related financing activities	(4,051,166)	(20,362,880)	17,965,180	(2,154,533)	(8,603,399)	(13,355,766)
Cash Flows from Investing Activities						
Purchase of investments	-	(5,609,424)	-	-	(5,609,424)	(1,728,935)
Sale of investments	9,935,526	-	3,428,321	1,266,419	14,630,266	4,454,472
Interest on investments	2,798,242	4,901,814	1,634,401	166,139	9,500,596	2,744,654
Net cash from (used in) investing activities	12,733,768	(707,610)	5,062,722	1,432,558	18,521,438	5,470,191
Net Increase in Cash and Cash Equivalents	20,962,161	9,909,783	30,725,383	699,876	62,297,203	3,864,926
Cash and Cash Equivalents, October 1	10,683,101	61,809,179	6,669,663	731,476	79,893,419	28,534,095
Cash and Cash Equivalents, September 30	\$ 31,645,262	\$ 71,718,962	\$ 37,395,046	\$ 1,431,352	\$ 142,190,622	\$ 32,399,021

City of Midland, Texas
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2024

	Business-Type Activities				Governmental Activities	
	Airport	Water and Sewer	Sanitation	Nonmajor Drainage	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities						
Operating income (loss)	\$ (10,675,320)	\$ 13,260,084	\$ 5,706,989	\$ 1,500,737	\$ 9,792,490	\$ 7,634,602
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Depreciation and amortization	6,411,848	15,940,875	746,165	26,891	23,125,779	6,181,755
Other income	4,642,282	3,046,871	98,865	(1)	7,788,017	180,425
(Increase) decrease in						
Receivables	1,355,670	(980,985)	(1,080,039)	(51,431)	(756,785)	(374,715)
Inventories	-	-	-	-	-	(100,438)
Prepaid items and other assets	28,600	425	-	-	29,025	(90,748)
Pension deferred outflow of resources	390,994	1,016,798	673,198	-	2,080,990	376,990
OPEB deferred outflow of resources	(39,509)	(114,217)	(78,781)	-	(232,507)	(41,555)
Increase (decrease) in						
Accounts payable and accrued liabilities	384,242	(4,233)	482,695	(55,273)	807,431	(926,815)
Accrued payroll	(111,441)	75,352	67,178	928	32,017	69,016
Customer deposits	-	98,472	-	-	98,472	-
Estimated unpaid claims	-	-	-	-	-	(1,161,486)
Unearned revenue	484,038	-	43,861	-	527,899	-
Pension deferred inflow of resources	193,606	503,485	333,345	-	1,030,436	186,673
OPEB deferred inflow of resources	(45,494)	(126,823)	(86,313)	-	(258,630)	(46,445)
Lease deferred inflow of resources	(2,213,206)	296,171	-	-	(1,917,035)	-
Compensated absences	205,973	(1,613,897)	349,309	-	(1,058,615)	354,486
Net pension liability	(620,598)	293,690	(1,068,523)	-	(1,395,431)	(598,372)
Total other postemployment benefit liability	103,057	(121,009)	201,524	-	183,572	107,128
Closure/postclosure cost liabilities	-	-	1,366,878	-	1,366,878	-
Net Cash From Operating Activities	<u>\$ 494,742</u>	<u>\$ 31,571,059</u>	<u>\$ 7,756,351</u>	<u>\$ 1,421,851</u>	<u>\$ 41,244,003</u>	<u>\$ 11,750,501</u>
Noncash Transactions						
Purchase of capital assets with accounts payable	\$ 3,156,455	\$ 11,504,025	\$ -	\$ 2,696	\$ 14,663,176	\$ 1,512
Contributions of capital assets	-	14,059,025	-	-	14,059,025	-
Acquisition of capital assets with subscription	-	-	492,951	-	492,951	816,664

City of Midland, Texas
Statement of Fiduciary Net Position - Fiduciary Fund
December 31, 2023

	Pension Trust Fund
Assets	
Cash and cash equivalents	\$ 8,172,539
Receivables	
Accrued interest and declared dividends	54,977
Miscellaneous receivables	2,947,780
Investments, at fair market value	
Domestic equities	21,406,483
International equities	12,589,330
Fixed income	13,388,352
Real estate	9,062,370
Private equity and credit	17,001,120
Total assets	84,622,951
Liabilities	
Accounts payable	121,206
DROP payable	726,358
QDRO payable	83,724
Total liabilities	931,288
Net Position Restricted for Pension Benefits	<u><u>\$ 83,691,663</u></u>

City of Midland, Texas
Statement of Changes in Fiduciary Net Position - Fiduciary Fund
Year Ended December 31, 2023

	Pension Trust Fund
Additions	
Contributions	
Employer contributions	\$ 5,580,525
Member contributions	<u>3,569,340</u>
Total contributions	9,149,865
Investment income (loss)	
Net appreciation in fair value of investments	3,474,131
Interest	1,366,256
Dividends	299,798
Partnership	869,363
Rental income	89,831
Investment expenses	<u>(616,170)</u>
Net investment income (loss)	5,483,209
Other cash receipts	<u>253</u>
Total additions	14,633,327
Deductions	
Benefits paid including refunds of plan member contributions	11,521,513
Wages expense, benefits, and taxes	129,040
Administrative expenses	<u>270,549</u>
Total deductions	<u>11,921,102</u>
Changes in pension plan net position	2,712,225
Net Position Restricted for Pension Benefits, Beginning	<u>80,979,438</u>
Net Position Restricted for Pension Benefits, Ending	<u><u>\$ 83,691,663</u></u>

Notes to Financial Statements

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Note 1. Summary of Significant Accounting Policies

The City of Midland, Texas (the City) is a municipal corporation incorporated under the laws of the State of Texas (the State) on January 25, 1911. The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting policies of the City, as reflected in the accompanying financial statements, conform to generally accepted accounting principles (GAAP) for local government units as prescribed by the Governmental Accounting Standards Board (GASB), the accepted body for promulgating governmental accounting and reporting principles.

The Financial Reporting Entity

The financial reporting entity presented in the basic financial statements of the City includes the primary government, the City, and its component units. Component units are legally separate organizations for which the City is financially accountable and organizations which, if excluded, would cause the City's basic financial statements to be misleading or incomplete. GASB Statement Nos. 14, 39, 61, 80, and 84, establish the criteria to be considered in determining component units of a primary government.

These criteria are financial accountability, appointment of board members, imposition of will, financial dependency on or benefit to the primary government, dependency, and accuracy and completeness of the reporting entity's financial statements. In the absence of financial accountability, if the organization is a legally separate, tax-exempt entity meeting the following criteria, it should also be discretely presented as a component unit:

1. The resources of the organization are entirely or almost entirely for the direct benefit of the City, its component units, or its constituents.
2. The City, or its component units, is entitled to, or has access to a majority of the resources of the organization.
3. The resources of the organization are significant to the City.

The Midland Development Corporation (MDC) and the Midland Firemen's Relief and Retirement Fund (MFRRF) are the only component units of the City. MDC is discretely presented and MFRRF is a fiduciary component unit.

The MDC is discretely presented because it is a legally separate entity with a majority of its board appointed by the City and the City can impose its will upon the MDC. Additionally, the City Council and the MDC boards are not substantively the same and the MDC does not provide services entirely or almost entirely to the City. Furthermore, the City is not obligated for MDC debt and the City is not a sole corporate member.

The MDC is a legally separate nonprofit corporation organized under the Texas Development Corporation Act of 1979, Article 5190.6 Vernon's Texas Revised Civil Statutes, annotated as amended and governed by Section 4A of the Act. The purposes of the MDC include, but are not limited to, keeping existing jobs and businesses in the City, expansion of current and attraction of new business to the City, providing long-term employment opportunities, and other such purposes as delineated in Article 4 of the Articles of Incorporation of the MDC.

MFRRF is established under the authority of the Texas Local Firefighters' Retirement Act passed in 1937 by the Texas State Legislature. The City's firefighters participate in MFRRF. MFRRF is governed by seven trustees composed of the Mayor or his designee, the Director of Finance of the City, or his designee, three firefighters elected by majority vote of firefighters, and two citizens who are not officers or employees of the City and who must be elected by the majority vote of the board of trustees. MFRRF is reported as a fiduciary component unit in the accompanying financial statements as a pension trust fund, under the provisions of GASB 84 and GASB 14, as amended. The financial information included in these statements is as of MFRRF's year end, December 31, 2023.

Complete audited financial statements of the MDC and MFRRF may be examined at City of Midland, City Hall, 300 North Loraine, Midland, Texas.

Joint Venture

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or (b) an ongoing financial responsibility. The City participates in the following joint venture:

The Midland-Odessa Urban Transit District (MOUTD) was established through an interlocal agreement between the City and the City of Odessa on August 28, 2001, to provide mass transit to both cities. The MOUTD is to be exclusively governed by both City Councils or through an equally appointed board. The Transit Board (the Board) is the official governing agency of EZ-Rider. It is comprised of six individuals from both cities, appointed by their respective City Councils. The Board approves the budget, routes, fares, schedules, policies and procedures, new services, etc. Further information concerning MOUTD may be found in *Note 18* of this financial report.

Government-wide and Fund Financial Statements

As previously discussed, the basic financial statements of the City are presented at two basic levels, the government-wide level and the fund level. These statements focus on the City as a whole at the government-wide level and on major funds at the fund level. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. All fiduciary activities are reported only in the fund financial statements.

Although the effect of indirect interfund activity has been removed from these statements, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the City is reported separately from certain legally separate component units that meet the criteria for discrete presentation as set forth in GASB Statements No. 14, 39, 61, 80 and 84. The government-wide statement of net position reports all financial and capital resources of the City and is presented in an "assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position" format. Assets and liabilities are presented in relative order of liquidity with liabilities that have an average maturity of more than one year separated into the amount due within one year and the amount due in more than one year.

The government-wide statement of activities identifies the relative financial burden of each of the City's functions (Development Services, Community Service, Fire, Police, etc.) or segments (Water and Sewer, Sanitation, Airport, etc.) on the taxpayers by identifying direct expenses and the extent of self-support through program revenues. Direct expenses are clearly identifiable expenses that can be specifically associated with a function or segment. Program revenues are revenues derived directly from the function or segment, or from other sources that reduce the net cost of the function to be financed from general government revenues.

Program revenues are: (1) charges to customers who purchase, use, or directly benefit from services provided by a function or segment and which are generated by that function, (2) grants and contributions restricted to operating requirements of a function or segment, and (3) grants and contributions restricted to capital requirements of a function or segment. Items such as taxes, investment earnings and nonspecific grants are not included as program revenues but are instead reported as general revenues, which normally cover the net cost of a function or segment.

Internal service funds report activities that provide goods or services to the financial reporting entity on a cost-reimbursement basis. Any net profit or loss from these activities is allocated back to the function or segment that benefited from the goods or services provided based upon their proportionate benefit, to the extent possible. The effect of internal service fund activities in the government-wide statements is eliminated, as necessary, to avoid the effect of “doubling up” internal service fund activity. Any residual assets of internal service funds are reported with governmental activities at the entity-wide level.

Separate fund level financial statements are presented for governmental funds, proprietary funds, and fiduciary funds. The financial information for each major fund is presented in a separate column, with nonmajor funds aggregated and displayed in a single column, on either the governmental or proprietary fund financial statements. A major fund is defined by GASB Statement No. 34, paragraph 76, as amended, as a governmental or enterprise fund meeting certain specific asset, liability, revenue, or expenditure/ expense criteria relative to all funds of that type and relative to the total for all governmental and enterprise funds combined. GASB Statement No. 65 states that assets should be combined with deferred outflows of resources and liabilities should be combined with deferred inflows of resources for purposes of determining which elements meet the criteria for major fund determination in accordance with GASB Statement No. 34. Additionally, any fund deemed particularly important by the City may be reported as a major fund.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in summary form as part of the proprietary fund financial statements.

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 recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary fund, and fiduciary 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 when they have been earned and 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 grant revenues to be available if they are collected within 1 year of the end of the current fiscal period and all other 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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are

reported as other financing sources. Property taxes, sales taxes, franchise taxes, occupancy taxes, ambulance fees, assessments and federal and state grant proceeds, 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 1 year of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary fund activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. This measurement focus includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources on the statement of net position. Operating statements using this focus present a total net position view of increases (revenues) and decreases (expenses) in the fund.

Proprietary fund operating statements distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses generally are the result of providing or delivering goods or services in association with the fund's principal ongoing operations.

The principal operating revenues of the City's Airport, Water and Sewer, Sanitation, and Drainage are charges of this type. Operating expenses include the costs of administration, sales, services, and depreciation.

Transactions resulting in non-operating revenues and expenses are normally created by such items as cash flows from capital and related financing activities, noncapital financing activities, investing activities, and include revenues such as the Passenger Facility Charges (PFC) reported in the Airport Fund. It is the City's general policy to first use restricted assets, such as the PFC revenues, for costs that meet the resource restrictions and then unrestricted assets as needed.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and other government units, on a cost-reimbursement basis. These activities include, but are not limited to, garage, technology, and self-insurance services for medical/dental and general liability.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The following funds are used by the City:

Governmental Funds - Major Funds

General Fund - The principal operating unit of the City, this fund accounts for the primary activities of the City, such as police protection, fire protection, public works, maintenance of parks, and general administration, which are not accounted for and reported in any other fund.

Debt Service Fund - This fund is used to account for and report financial resources that are restricted to expenditure for principal and interest. Although this fund did not qualify as a major fund for the current year, the City has designated it to be reported as such.

Park Donation and Special Purpose Fund - to account for funds received from private organizations, individuals, and oil lease money generated from park land. Such funds are used solely for park related development.

Governmental Funds - Nonmajor Funds

Other Governmental Funds - This is a summarization of all of the nonmajor governmental funds. Included are the following funds:

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Funds - These funds account for and report financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of capital facilities and other capital assets other than those financed by business-type activities.

Enterprise Funds – Major Funds

Water and Sewer Fund - This fund is used to account for the operation of the City's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system, and billing and collection for water and sewer services. The fund is also used to accumulate resources for certain capital projects and to meet the requirements of bond indentures, obligations for capital leases, and other long-term obligations of the system. Charges to customers, based upon rates that are reviewed on a regular basis, and investment income provide the revenue stream to finance these costs.

Airport Fund - This fund is used to account for the operation and maintenance of the airfield, terminal building, parking facilities, general aviation airport, and industrial park. The fund is also used to accumulate resources for certain capital projects and to meet the long-term obligations of the airport. Charges to customers provide the revenue stream to finance operating costs, some capital projects costs, and other long-term obligations of the airport. The Passenger Facility Charge, which is non-operating revenue, is used to supplement charges to customers in supporting the requirements of bond indentures and certain capital projects.

Sanitation Fund - This fund is used to account for the collection of refuse, delivery of refuse to the landfill and landfill operations. The fund is also used to accumulate resources for certain capital projects and to meet long-term obligations of the system. Charges to customers, based upon rates that are reviewed on a regular basis, and investment income provide the revenue stream to finance these costs.

Enterprise Funds – Nonmajor Funds

The drainage fund is the only nonmajor enterprise fund.

Other Fund Types

Internal Service Funds - account for fleet management services, provision of goods through a garage, technology equipment and services, and self-insurance activities in health and general liability to the financial reporting entity on a cost-reimbursement basis.

Pension Trust fund – accounts for the activities of the Midland Firemen's Relief and Retirement Fund, which accumulates resources held in trust for pension benefit payments to qualified beneficiaries.

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and debt service fund. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances technically lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations, and the encumbrances are automatically reestablished in the next year.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include any cash on hand, demand deposits, and any highly liquid investments that have an original maturity of three months or less from date of purchase. Investments in TexPool, Texas Class, and TexStar are considered cash equivalents as the amounts are available on demand.

Investments, other than investments in pools as previously referenced, are recorded at fair value based upon verifiable market prices.

Inventories and Prepaid Items

Inventories are valued at average cost. Inventories for all funds consist of expendable supplies and are recorded as expenditures or expenses, as appropriate, when consumed rather than when purchased.

The City makes certain payments to vendors in the current year for expenses/expenditures applicable to future accounting periods. A reserve for inventories and prepayments in governmental funds is recognized at the fund level to indicate that a portion of the fund balance is not appropriable for expenditure. Prepaid items are recorded as expenditures or expenses when consumed.

Receivables, Payables, and Interfund Transactions

Short-term loans between funds are reported as interfund receivables in the fund making the loan and as interfund payables in the fund receiving the loan. Arms-length transactions between funds for goods and services are reported as revenues in the selling fund and as expenses/expenditures in the acquiring fund. Any unpaid amounts are appropriately recorded as interfund receivables/payables when liquidation is expected within one year. If anticipated repayment is longer than one year, amounts are classified as advances to/from other funds. Flows of assets from one fund to another with no requirement for repayment or without an equivalent flow of assets in return are accounted for as transfers.

Capital, Lease, and Subscription Assets

Capital, lease, and subscription assets include the purchase, other acquisition, or construction, of equipment, facilities, or other similar assets at a cost in excess of \$5,000 (\$15,000 for lease and subscription assets) and for which a useful life of over one year is expected. These assets include property, plant, equipment, infrastructure, lease, and all other tangible and intangible assets purchased or acquired. Purchased or constructed assets are carried at historical cost or estimated historical cost. Infrastructure assets, which include streets and associated drainage, sidewalks, bridges, drainage systems, water and sewer systems, runways and taxiways, lighting systems, and other similar type assets, have been recorded at historical cost for all assets acquired after April 1986. Infrastructure assets acquired prior to April 1986 and after June 1980 were capitalized based upon estimated historical cost obtained from bond documents used to obtain financing for construction of infrastructure

assets. Donated capital assets are recorded at acquisition value at the date of donation. Intangible assets are reported in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital, lease, and subscription assets are depreciated/amortized using the straight-line method over the following estimated useful lives, or the lease/subscription term, whichever is shorter:

Assets	
Buildings	10 to 40 years
Infrastructure	20 to 50 years
Improvements other than buildings	2 to 50 years
Machinery and equipment	4 to 30 years
Intangible and other	3 to 15 years

Lease Receivable

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

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

Lease Liability

The City is a lessee for noncancellable leases. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The City recognizes lease liability with an initial, individual value of \$15,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life, or the lease term, whichever is shorter.

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

Subscription Liability

The City recognizes a subscription liability and an intangible right-to-use IT asset (subscription asset) in the financial statements. The City recognizes subscription liability with an initial, individual value of \$15,000 or more. Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets

are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

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

Compensated Absences

The City's employees earn vacation, which may either be taken or accumulated, subject to a specified maximum, until paid upon retirement or termination. The City's employees are allowed to accumulate compensatory time up to a specified maximum.

The City has accrued vacation and compensatory time, and related salary payments using the regular pay and termination pay rates in effect at the balance sheet date. This liability has been accrued in the government-wide and proprietary fund statements.

Federal and State Grants

Community Development Block Grants, Coronavirus State and Local Fiscal Recovery Funds, Federal and State of Texas Equitable Property Sharing proceeds and certain other public safety grants are accounted for within special revenue funds. Other grants and entitlements received for purposes normally financed through the general government are accounted for within the General Fund. Grant revenues are recognized when the expenditures are incurred, and other related requirements are met.

Airport Improvement Program (AIP) grants are accounted for within the Airport Fund, which is an enterprise fund. Grant revenues are recognized on an accrual basis.

Long-Term Debt

General Obligation Bonds and Certificates of Obligation that have been issued to fund capital projects of the general government that are to be repaid from tax revenues of the City are reported in the government-wide statement of net position.

Certificates of Obligation, which are secured by tax revenues, and Revenue Bonds, which have been issued to fund capital projects of proprietary funds that are to be repaid with funds from proprietary fund assets, are reported in the proprietary funds. Bonds payable are reported net of the associated premium or discount at the government-wide level and in the fund level proprietary fund statements.

The government-wide and proprietary fund level statements defer bond premiums, and discounts and recognize these items over the life of the issue using the effective interest rate method. In the fund level statements, governmental fund types recognize these items in the current period.

Governmental and business-type activities in the government-wide statements and the proprietary funds report the difference between the reacquisition price (new debt) and the net carrying amount of the old debt on refunded debt transactions as a deferred outflow or inflow of resources and recognize it as a component of interest expense in a systematic and rational manner over the shorter of the remaining life of the old debt or the life of the new debt.

Defined Benefit Pension Plans

The City has two separate defined benefit retirement plans that cover substantially all employees. The Texas Municipal Retirement System (TMRS) provides benefits for all full-time employees who are not firefighters. The Midland Firemen's Relief and Retirement Fund provides benefits for all full-time firefighters and administrative employees who work in the fire department.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by TMRS and the Midland Firemen's Relief and Retirement Fund. 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.

Defined Benefit Other Postemployment Benefit Plans

The City has two separate defined benefit other postemployment (OPEB) plans. The TMRS Supplemental Death Benefits Fund is a group-life insurance plan for eligible TMRS retirees. The City of Midland Postemployment Healthcare Benefit Plan provides benefits to substantially all employees.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and OPEB expense, information about the balances and additions to/deductions from the balances have been determined on the same basis as they are reported by the City and 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.

Indirect and Centralized Expenses

The City charges the hotel motel fund, garage fund, and all enterprise funds for "centralized" expenses, which include an administrative overhead initially paid by the General Fund. These costs are determined on an annual basis through a full cost allocation study. During the fiscal year ended September 30, 2024, the City's General Fund was reimbursed \$9,424,812 for these services. Allocations are treated as reimbursements rather than as interfund services provided and used because they do not involve a programmatic service of the provider fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure/reduction of net pension liability or total OPEB liability) until then. The City has the following items that qualify for reporting in this category:

- Loss on refunding – This results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded and refunding debt.
- Pension contributions after measurement date – These contributions are deferred and will be recognized in the subsequent fiscal year end.
- Difference in expected and actual experience – pension – This difference is deferred and amortized over the average remaining service life of all participants in the pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.

- Difference in assumption changes – pension – This difference is deferred and amortized over the average remaining service life of all participants in the pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.
- Difference in projected and actual earnings on pension plan investments – This difference is deferred and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.
- OPEB contributions after measurement date – These contributions are deferred and will be recognized in the subsequent fiscal year end.
- Difference in assumption changes – OPEB – This difference is deferred and amortized over the average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.
- Difference in expected and actual experience – OPEB – This difference is deferred and amortized over the average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.

In addition to liabilities, the statement of net position or balance sheet 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 assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue/increase of net pension liability or total OPEB liability) until that time. The City has the following items that qualify for reporting in this category:

- Difference in assumption changes – pension – This difference is deferred and amortized over the average remaining service life of all participants in the pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.
- Difference in expected and actual experience – pension – This difference is deferred and amortized over the average remaining service life of all participants in the pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.
- Difference in assumption changes – OPEB – This difference is deferred and amortized over the average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.
- Difference in expected and actual experience – OPEB – This difference is deferred and amortized over the average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.
- Leases – This is reported under both the full accrual and modified accrual basis of accounting. This is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The City will recognize an inflow of resources from the deferred inflows of resources in a systematic and rational manner over the term of the lease.
- Unavailable revenue – This arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position of the City is classified in three components on its statement of net position.

- Net investment in capital assets consists of capital, lease, and subscription assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets.
- Restricted net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the City, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings.

- Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Expenditures are to be made from the most restrictive net position classification first when more than one classification is available.

Nature and Purpose of Classifications of Fund Equity

Governmental funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on Council direction. Expenditures are to be made from the most restrictive fund balance classification first when more than one classification is available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Future Changes in Accounting Principle

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement will take effect for the City's fiscal year 2025. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement will take effect for the City's fiscal year 2025. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve the financial reporting model by standardizing the presentation for various matters within governmental financial statements. The purpose is to eliminate diversity practice and improve comparability. The requirements of this Statement will take effect for the City's fiscal year 2026. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to improve disclosures related to certain types of capital assets. The purpose is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement will take effect for the City's fiscal year 2026. Management has not yet determined the impact of this Statement on its financial statements.

Note 2. Deposits and Investments

Deposits and investments held by MFRRF are discussed in *Note 6*, below, and are excluded from the discussion in this section.

Deposits

State statute requires that public funds in the City's depository institution be secured by eligible securities, as defined in V.T.C.A., Local Government Code Chapter 2257, in an amount not less than the amount on deposit plus any accrued interest less any amount provided for by insurance of the United States or an instrumentality thereof. The City's depository agreement further restricts acceptable collateral, 65% secured by direct obligations of the United States and 35% meeting the requirements of Chapter 2257, and the level of collateral to 102% of the City's funds on deposit or the amount of the City's funds on deposit plus \$1,000,000, whichever is greater.

The City's deposits were fully insured or collateralized as of September 30, 2024. At September 30, 2024, the carrying amount of cash for the City and MDC was \$13,753,523 and \$17,506,701, respectively, of which \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining bank balance was collateralized by securities, with a fair value of \$40,035,436 at September 30, 2024, held in the City's name by BNY Mellon as agent for the City.

In addition to these bank balances, Wells Fargo Bank serves as custodian for eligible federal treasury and agency securities in the amount of \$310,354,811, which includes the MDC balances of \$5,961,285.

Investments

The City's investment policies are governed by state statutes. The City's investment policies further limit state statutes such that eligible investments include the following:

Obligations of the United States or Its Agencies and Instrumentalities

1. United States of America Treasury Securities;
2. Farmers Home Administration (FmHA) obligations backed by the full faith and credit of the United States;
3. Federal Home Loan Bank (FHLB) bonds;
4. Federal National Mortgage Association (Fannie Mae or FNMA) notes and debentures;
5. Farm Credit System obligations; and
6. Federal Home Loan Mortgage Corporation (Freddie Mac or FHLMC) obligations, i.e., discount notes or debentures.

Direct Obligations of the State of Texas or Its Agencies

Texas State, City, County, or School District General Obligation Bonds with a remaining maturity of ten years or less having been rated as to investment quality by Moody's or Standard and Poor's (nationally recognized investment rating firms) and having received a rating of no less than "A" or its equivalent.

Certificates of Deposit Issued by State and National Banks Domiciled in this State

Certificates of deposit issued by state and national banks domiciled in this state that are: (1) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (2) secured by obligations that are described in V.T.C.A., Local Government Code Sections 105.001 et seq.

Fully Collateralized Repurchase Agreements Having a Defined Termination Date

Fully collateralized direct repurchase agreements and reverse repurchase agreements with a defined termination date of no more than 90 days from the date such investment is purchased and secured by obligations of the United States or its agencies and instrumentalities with a market value of not less than the amount of the funds disbursed and held by a custodian for the City.

Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in Texas. Money received under the terms of a reverse repurchase agreement shall be used to acquire additional eligible investments whose maturity does not exceed the expiration date of the reverse repurchase agreement.

Money Market Funds

Investment pools of public or private sponsorship, as provided in the Act and Approved by Council. Money Market Funds fully authorized by state statute of both public and private sponsorship.

Other Securities or Obligations Approved by the City Council

Other such securities or obligations as authorized by State statute and approved by the City Council.

Investments of the City, other than for amortized cost pools, are valued based upon quotes obtained from Interactive Data Pricing and Reference Data (IDC). Investments in these pools are valued based upon the value of pool shares. No investments are reported at amortized cost, except for the City's investments in the Texas Local Government Investment Pool. The City invests in three pools; TexStar, Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) and the Texas Local Government Investment Pool (TexPool), which were created under the Interlocal Cooperation Act, Texas Government Code Ann. Ch. 791, and the Texas Government Code Ann. Ch. 2256. TexStar and Texas CLASS are rated AAAM and seeks to maintain a constant net asset value of \$1.00. Investments in the pools are considered to be cash equivalents when preparing these financial statements.

The Texas Treasury Safekeeping Trust Company (the Trust) is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code Ann. Section 404.103 for which the Texas State Comptroller is the sole officer, director, and shareholder. The advisory board of TexPool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act, Texas Government Code Ann. chapter 2256. TexStar is governed by a five-member Board of Directors comprising three government officials or employees and two other persons with expertise in public finance. Additionally, TexStar has a five-member Advisory Board. Texas CLASS is supervised by a Board of Trustees (the Board) who are elected by the Participants and shall be an odd number of three or more. Additionally, Texas CLASS has a five-member Advisory Board. Fair value of the City's position in the pools is, in all material respects, the same as the value of the pool shares. Investment income earned on pooled cash and investments is allocated to each fund based upon each fund's weighted-average daily cash and investment balances.

State statutes permit the City to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in market value of the securities. If the dealers' default on their obligations to resell these securities to the City or provide securities or cash of equal value, the City would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. During the year ended September 30, 2024, the City invested in no reverse repurchase agreements.

City of Midland, Texas
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Credit Risk

In compliance with the City's investment policy, as of September 30, 2024, the City minimized credit risk by limiting investments to the safest types of securities and diversifying the portfolio so that potential losses on individual securities were minimized. The investment pools (which represent approximately 52% of the portfolio) are rated AAAm by Standard and Poor's. The Federal National Mortgage Association, Federal Home Loan Bank notes and Federal Home Loan Mortgage Corporation obligations were all rated AAA by Standard and Poor's.

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the City's investment policy requires that the portfolio remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements. Liquidity and marketability will be ensured by investing in securities with active secondary markets. Final stated maturities may not exceed ten years with no more than 30% exceeding seven years and dollar weighted average portfolio maturity not to exceed five years in the investments listed above.

The City's investments carried at fair value as of September 30, 2024, are:

Investments	Fair Value		Total	Weighted-Average Maturity (in Years)	Credit Risk
	Primary Government	Component Unit			
FHLB	\$ 185,074,325	\$ 3,624,522	\$ 188,698,847	6.25	AAA
FFCB	57,685,866	1,129,728	58,815,594	8.50	AAA
FHLMC	50,041,077	980,011	51,021,088	5.00	AAA
FNMA	10,598,381	207,560	10,805,941	6.60	AAA
Municipal bonds	993,877	19,464	1,013,341	6.00	AAA
TexPool	57,274,996	6,370,313	63,645,309	0.25	AAAm
TexStar	26,204,669	5,091,316	31,295,985	0.19	AAAm
Texas CLASS	236,936,416	5,485,343	242,421,759	0.23	AAAm
Total	<u>\$ 624,809,607</u>	<u>\$ 22,908,257</u>	<u>\$ 647,717,864</u>	3.22	

Concentration of Credit Risk

The City's investment policy states that the portfolio(s) shall be diversified by type of investment and maturities to reduce risks resulting from undue investment concentration. At September 30, 2024, more than 5% of the City's investments are in the following investments:

Investment	Amount
FHLB	\$ 188,698,847
FFCB	58,815,594
FHLMC	51,021,088
TexPool	63,645,309
Texas CLASS	242,421,759

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs other than those in Level 1; and

Level 3: Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices. The City has no Level 3 investments at September 30, 2024.

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2024:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. agency securities	\$ 309,341,470	\$ 24,686,997	\$ 284,654,473	\$ -
Municipal bonds	1,013,341	-	1,013,341	-
Total investments by fair value level	<u>\$ 310,354,811</u>	<u>\$ 24,686,997</u>	<u>\$ 285,667,814</u>	<u>\$ -</u>
Investments measured at net asset value				
TexStar	31,295,985			
TexClass	<u>242,421,759</u>			
Total investments at net asset value	<u>273,717,744</u>			
Investments measured at amortized cost				
TexPool	<u>63,645,309</u>			
Total investments at amortized cost	<u>63,645,309</u>			
Total investments	<u>\$ 647,717,864</u>			

City of Midland, Texas
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Note 3. Property Taxes

Property taxes for the current fiscal year are levied on October 1; attach as an enforceable lien on property as of January 1; and become delinquent at January 31, unless the half-payment option is elected by the taxpayer, in which case one-half of the tax is due November 30, and the balance is due the following June 30. On February 1, delinquent taxes are assessed a 6% penalty plus 1% interest. Penalty and interest rates each increase 1% per month through June. According to Article V, Section (2) of the City Charter, the maximum tax rate is \$2.00 per \$100.00 assessed valuation, which includes debt service. The combined tax rate of the 2023 tax roll or Fiscal Year 2023-2024 was \$0.350662 per \$100.00 assessed valuation, resulting in a tax levy in the amount of \$76,682,406 on an assessed valuation of \$21,867,847,089. The levy is composed of a maintenance and operations levy of \$0.289810 and an interest and sinking fund (debt service) levy of \$0.060852 per \$100.00 assessed valuation. Property taxes are imposed non-exchange revenues and, as such, require different revenue recognition at the government-wide level and fund level.

In the government-wide statements, property taxes are recorded on an accrual basis with a receivable for any delinquent taxes and the associated revenue recognized at September 30 of each year. At the fund level, property tax revenues are recognized on the modified accrual basis of accounting, meaning collected within the current period or soon enough thereafter, not to exceed 60 days, to be used to pay liabilities of the current period.

Note 4. Receivables

Receivables, excluding those related to leases, as of September 30, 2024, for the City's individual major and nonmajor funds, and internal service funds in the aggregate, including applicable allowances for uncollectible amounts, are as follows:

	General	Debt Service	Park Donation and Special Purposes	Airport	Water and Sewer	Sanitation	Nonmajor and Other Funds	Total
Receivables								
Property taxes	\$ 1,973,074	\$ 315,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,288,824
Sales taxes	11,115,541	-	-	-	-	-	-	11,115,541
Accounts	11,918,581	7,659	1,169,209	1,362,934	20,591,173	4,595,329	2,329,011	41,973,896
Interest	257,747	-	102,739	79,257	204,847	69,797	251,393	965,780
Assessments	491,736	-	-	-	-	-	-	491,736
Intergovernmental	521,651	-	-	6,121,715	-	-	410,040	7,053,406
Gross Receivables	26,278,330	323,409	1,271,948	7,563,906	20,796,020	4,665,126	2,990,444	63,889,183
Less allowance for uncollectibles	(4,493,081)	(199,912)	-	(14,506)	(8,527,863)	(1,362,716)	(80,171)	(14,678,249)
Net total receivables	<u>\$ 21,785,249</u>	<u>\$ 123,497</u>	<u>\$ 1,271,948</u>	<u>\$ 7,549,400</u>	<u>\$ 12,268,157</u>	<u>\$ 3,302,410</u>	<u>\$ 2,910,273</u>	<u>\$ 49,210,934</u>

City of Midland, Texas
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Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The City also records unearned revenue, revenue received but not yet earned, in its governmental funds. At September 30, 2024, the composition of these revenues was as follows:

	Deferred Inflows – Unavailable Revenue	Governmental Unearned Revenue
Delinquent property taxes receivable - General Fund	\$ 1,064,726	\$ -
Ambulance receivable – General Fund	913,541	-
Municipal court fines – General Fund	552,676	-
Delinquent property taxes receivable Debt Service Fund	125,365	-
Grant drawdowns/receipts prior to meeting all eligibility requirements	-	1,877,569
	<u>\$ 2,656,308</u>	<u>\$ 1,877,569</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 2,656,308</u>	<u>\$ 1,877,569</u>

Note 5. Capital, Lease, and SBITA Assets

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

	Balance Beginning of Year	Additions	Sales/ Disposals	Transfers	Balance End of Year
Governmental activities					
Capital assets not being depreciated					
Land	\$ 21,453,747	\$ 675,046	\$ -	\$ -	\$ 22,128,793
Construction in progress	42,738,639	48,628,152	-	(10,633,203)	80,733,588
Total capital assets not being depreciated	64,192,386	49,303,198	-	(10,633,203)	102,862,381
Capital and lease assets being depreciated/amortized					
Buildings	124,118,856	1,101,117	-	1,754,781	126,974,754
Improvements other than buildings	110,144,386	399,877	-	1,688,612	112,232,875
Machinery and equipment	111,540,017	14,879,146	(2,814,641)	2,940,951	126,545,473
Infrastructure	331,044,208	25,604,498	-	4,248,859	360,897,565
Other	8,502,159	69,787	-	-	8,571,946
Lease assets	1,262,543	-	(50,721)	-	1,211,822
SBITA assets	1,302,418	816,664	(62,120)	-	2,056,962
Total capital, lease, and SBITA assets being depreciated	687,914,587	42,871,089	(2,927,482)	10,633,203	738,491,397
Less accumulated depreciation/amortization for					
Buildings	(32,717,509)	(3,121,946)	-	-	(35,839,455)
Improvements other than buildings	(62,241,912)	(3,682,482)	-	-	(65,924,394)
Machinery and equipment	(78,471,582)	(7,105,247)	2,723,649	-	(82,853,180)
Infrastructure	(134,344,910)	(11,606,760)	-	-	(145,951,670)
Other	(7,318,401)	(547,493)	-	-	(7,865,894)
Lease assets	(412,342)	(311,671)	50,719	-	(673,294)
SBITA assets	(431,884)	(600,547)	62,120	-	(970,311)
Total accumulated depreciation/amortization	(315,938,540)	(26,976,146)	2,836,488	-	(340,078,198)
Total capital, lease, and SBITA assets being depreciated/amortized, net	371,976,047	15,894,943	(90,994)	10,633,203	398,413,199
Governmental activities capital, lease, and SBITA assets, net	<u>\$ 436,168,433</u>	<u>\$ 65,198,141</u>	<u>\$ (90,994)</u>	<u>\$ -</u>	<u>\$ 501,275,580</u>

City of Midland, Texas
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	Balance Beginning of Year	Additions	Sales/ Disposals	Transfers	Balance End of Year
Business-type activities					
Capital assets not being depreciated					
Land	\$ 23,362,880	\$ 95,964	\$ -	\$ -	\$ 23,458,844
Construction in progress	59,287,254	43,875,524	-	(28,524,614)	74,638,164
Total capital assets not being depreciated	82,650,134	43,971,488	-	(28,524,614)	98,097,008
Capital and lease assets being depreciated/amortized					
Water rights	717,058	-	-	-	717,058
Buildings	62,693,693	-	-	10,115,322	72,809,015
Improvements other than building	80,923,713	2,666,700	-	2,487,437	86,077,850
Machinery and equipment	20,937,785	1,491,392	-	149,535	22,578,712
Infrastructure	803,993,354	11,619,854	-	15,772,320	831,385,528
Other	5,471,407	131,066	-	-	5,602,473
Lease assets	383,645	-	(12,610)	-	371,035
SBITA assets	-	492,951	-	-	492,951
Total capital and lease assets being depreciated	975,120,655	16,401,963	(12,610)	28,524,614	1,020,034,622
Less accumulated depreciation for					
Water rights	(717,058)	-	-	-	(717,058)
Buildings	(35,672,948)	(1,651,630)	-	-	(37,324,578)
Improvements other than building	(37,666,336)	(2,623,242)	-	-	(40,289,578)
Machinery and equipment	(9,804,645)	(1,054,373)	-	-	(10,859,018)
Infrastructure	(279,619,809)	(17,351,241)	-	-	(296,971,050)
Other	(4,634,707)	(242,180)	-	-	(4,876,887)
Lease assets	(158,704)	(79,873)	12,610	-	(225,967)
SBITA assets	-	(123,240)	-	-	(123,240)
Total accumulated depreciation/amortization	(368,274,207)	(23,125,779)	12,610	-	(391,387,376)
Total capital and lease assets being depreciated/amortized, net	606,846,448	(6,723,816)	-	28,524,614	628,647,246
Business-type activities capital and lease assets, net	\$ 689,496,582	\$ 37,247,672	\$ -	\$ -	\$ 726,744,254

City of Midland, Texas
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Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities

General government	\$	6,143,823
Engineering		11,725,170
Parks and recreation		2,162,788
Police		208,509
Fire		554,101
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets		<u>6,181,755</u>
Total depreciation and amortization expense – governmental activities	\$	<u>26,976,146</u>

Business-type Activities

Airport	\$	6,411,848
Water and sewer		15,940,875
Sanitation		746,165
Drainage		<u>26,891</u>
Total depreciation and amortization expense – business-type activities	\$	<u>23,125,779</u>

Discretely Presented Component Unit

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

	Balance Beginning of Year	Additions	Decreases/ Adjustments	Balance End of Year
Capital assets not being depreciated				
Land	\$ 13,239,334	\$ -	\$ -	\$ 13,239,334
Construction in progress	<u>1,079,791</u>	<u>227,802</u>	<u>-</u>	<u>1,307,593</u>
Total capital assets not being depreciated	<u>14,319,125</u>	<u>227,802</u>	<u>-</u>	<u>14,546,927</u>
Capital and lease assets being depreciated/amortized				
Buildings	10,011,046	-	-	10,011,046
Improvements other than buildings	2,746,714	774,549	-	3,521,263
Machinery and equipment	162,581	-	-	162,581
Lease asset	902,585	928,779	-	1,831,364
Infrastructure	<u>1,362,237</u>	<u>-</u>	<u>-</u>	<u>1,362,237</u>
Total capital and lease assets being depreciated/amortized	<u>15,185,163</u>	<u>1,703,328</u>	<u>-</u>	<u>16,888,491</u>
Less accumulated depreciation/amortization for				
Buildings	(1,745,605)	(227,473)	-	(1,973,078)
Improvements other than buildings	(274,923)	(60,519)	-	(335,442)
Machinery and equipment	(108,057)	(19,372)	-	(127,429)
Lease asset	(178,136)	(181,946)	-	(360,082)
Infrastructure	<u>(404,018)</u>	<u>(53,577)</u>	<u>-</u>	<u>(457,595)</u>
Total accumulated depreciation/amortization	<u>(2,710,739)</u>	<u>(542,887)</u>	<u>-</u>	<u>(3,253,626)</u>
Total capital and lease assets being depreciated, net	<u>12,474,424</u>	<u>1,160,441</u>	<u>-</u>	<u>13,634,865</u>
Midland Development Corporation capital and lease assets, net	<u>\$ 26,793,549</u>	<u>\$ 1,388,243</u>	<u>\$ -</u>	<u>\$ 28,181,792</u>

Note 6. Employee Benefit Plans

A summary of the net pension liability, deferred outflows, deferred inflows, and pension expense of each plan is shown below. Detailed discussion of each plan will follow in this note.

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Governmental Activities				
Texas Municipal Retirement System (TMRS)	\$ 39,071,821	\$ 15,692,918	\$ 1,768,906	\$ 7,491,068
Midland Firemen's Relief and Retirement Fund	227,734,073	60,521,551	56,805,457	8,685,493
Total governmental activities	266,805,894	76,214,469	58,574,363	16,176,561
Business-Type Activities*				
Texas Municipal Retirement System (TMRS)	9,272,117	3,757,898	423,590	1,793,845
Total business-type activities	9,272,117	3,757,898	423,590	1,793,845
Total primary government	\$ 276,078,011	\$ 79,972,367	\$ 58,997,953	\$ 17,970,406

*Same amounts for proprietary funds' financial statements.

Texas Municipal Retirement System (TMRS)

The City participates as one of over 930 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (annual report) that can be obtained at www.tmr.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. 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.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	702
Inactive employees entitled to but not yet receiving benefits	771
Active employees	<u>781</u>
	<u><u>2,254</u></u>

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry-Age Normal (EAN) actuarial cost method. The 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 14.41% and 15.28% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 was \$10,453,028 and were equal to the required contributions.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

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

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Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% 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 for 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 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 MP-2021 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 in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	6.70%
Core Fixed Income	6.00%	4.70%
Non-Core Fixed Income	20.00%	8.00%
Other Public and Private Markets	12.00%	8.00%
Real Estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private Equity	10.00%	11.60%
	<u>100.00%</u>	

Discount Rate

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at January 1, 2023	\$ 392,342,672	\$ 326,902,369	\$ 65,440,303
Changes for the period:			
Service cost	9,166,044	-	9,166,044
Interest	26,086,920	-	26,086,920
Difference between expected and actual experience	1,471,711	-	1,471,711
Changes of assumptions	(3,322,650)	-	(3,322,650)
Employer contributions	-	8,771,112	(8,771,112)
Employee contributions	-	4,260,777	(4,260,777)
Net investment income (loss)	-	37,708,884	(37,708,884)
Benefit payments, including refunds of employee contributions	(20,905,598)	(20,905,598)	-
Administrative expense	-	(240,699)	240,699
Other changes	-	(1,684)	1,684
Net Changes	12,496,427	29,592,792	(17,096,365)
Balance at December 31, 2023	\$ 404,839,099	\$ 356,495,161	\$ 48,343,938

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 102,444,899	\$ 48,343,938	\$ 3,915,811

Pension Plan Fiduciary Net Position

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2024, the City recognized pension expense of \$9,284,913.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 1,967,654	\$ -
Change of assumptions	-	2,192,496
Net difference between projected and actual earnings on pension plan investments	9,255,960	
Contributions made after the measurement date	8,227,202	-
	<u>\$ 19,450,816</u>	<u>\$ 2,192,496</u>
Total		

\$8,227,202 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 net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 2,767,489
2026	2,375,603
2027	7,016,614
2028	<u>(3,128,588)</u>
	<u>\$ 9,031,118</u>

Allocation of Pension Items

The City allocates pension items between governmental activities and business-type activities on the basis of employee payroll funding. For the governmental activities, the net pension liability is liquidated by the general fund, general liability fund, and garage fund. For the business type activities, the net pension liability is liquidated by the airport fund, water and sewer fund, and sanitation fund.

Midland Firemen’s Relief and Retirement Fund (MFRRF)

Plan Administration

The Midland Firemen’s Relief and Retirement Fund (MFRRF) is established under the authority of the Texas Local Firefighters’ Retirement Act (TLFFRA). The Board of Trustees of the MFRRF is the administrator of a single-employer defined benefit pension plan. The MFRRF is a separate legal entity with a board of trustees consisting of the mayor or designee of the municipality, the Chief Financial Officer or designee of the municipality, three elected members of the plan and two persons who reside in Texas who are not officers or employees of the municipality or other political subdivision who are elected by majority vote of the board of trustees.

The MFRRF issues separately available audited financial statements. Additionally, the MFRRF has its own actuarial valuations performed as of December 31 in odd numbered years. The latest actuarial report available is for the year ended December 31, 2023. All assumptions for this valuation are contained in the MFRRF’s Actuarial

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Valuation Report and Review as of December 31, 2023. Both the audited financial statements and actuarial valuation report may be obtained by writing the Midland Firemen's Relief and Retirement Fund Board of Trustees, 1500 W. Wall, Midland, TX 79701.

The plan was originally effective October 27, 1941, and was most recently amended in January 1, 2024.

Eligibility

All uniformed employees of the Midland Fire Department, who were younger than age 36 on the date they were certified under Civil Service, are members of the Midland Firemen's Relief and Retirement Fund. Other employees who perform emergency, medical, or fire department related services become members of the MFRRF when approved by the Board of Trustees unless the employee elects to be covered by TMRS.

Benefits Provided

The MFRRF provides service retirement, death, disability, and withdrawal benefits. These benefits become fully vested after 20 years of credited service. Employees may retire with a normal retirement benefit at age 50 with 20 years of service. A partially vested benefit is provided for employees who terminate employment with at least ten but less than 20 years of service. Firefighters may retire with 25 years of service at any age. Employees are also eligible for a reduced early service retirement benefit upon termination of eligible employment with between 20 and 25 years of service and after attaining age 45. Benefits of retired firefighters are determined on a "formula" plan with normal benefits based on a percentage of the highest consecutive 60 months' average pay: 75% plus \$80 per month for each service year in excess of 20 years to the last completed month for service and disability benefits.

Widow benefits are based on 75% of the benefit the deceased firefighter would have been entitled to as a normal service retirement based upon the firefighter's salary and service at the time of death. The widow's benefit is 75% of the benefit the firefighter was receiving at the time of death if the firefighter was retired. Children's benefits until age 22 are 11.25% of the firefighter's average highest consecutive 60 months' pay if there is a surviving spouse. If there is no surviving spouse, children receive 22.50% of the firefighter's average highest consecutive 60 months' pay.

There are four Deferred Retirement Option Plans (DROP) and a 100% joint and survivor option.

DROP 1 allows a firefighter to contract with the MFRRF to retire while he/she continues to be employed as a regular firefighter. His/her benefit and contributions are accumulated in a separate account with interest. DROP 1 may last no longer than three years at which time he/she leaves the fire department, receives his/her accumulated lump sum, and begins receiving benefits as contracted for three years earlier.

DROP 2 is a reverse plan whereby the firefighter contracts to receive 90% of his/her normal retirement benefit and receives as a lump sum of 24 times the monthly benefit.

DROP 3 allows a firefighter with at least 20 years of service and age 50 to declare his/her effective retirement date as no earlier than the date he/she actually had 20 years of service and was at least 50 years old. He/she receives a lump sum consisting of the benefit as of the effective date, his/her contributions since that date and interest thereon. A firefighter can DROP back to no more than three years. The 100% joint and survivor option allows the firefighter and his/her spouse to receive the same benefit for life, the normal benefit being reduced by 10% plus 0.40% per year that the beneficiary's age is less than the firefighter's age and minus 0.40% that the beneficiary's age is greater than the firefighter's. All benefits are subject to the IRS Section 415 limitation. Additionally, there is a \$10,000 death benefit for a beneficiary and a \$500 monthly supplement for the firefighter who retires at or after age 50 with 20 years of service or more. A 2% COLA is incorporated the January following five years of actual receipt of benefits and physical departure from the fire department. Under this plan, Midland firefighters are required to contribute 14.20% of their pay to the MFRRF.

DROP 4 provides a Combined (Forward and Retroactive) DROP plan benefit. This option states that the firefighter must retire within three years of his Combined (Forward and Retroactive) DROP. The monthly benefit he will receive is determined based upon his salary and service at the beginning of the DROP period. At the conclusion of the DROP period, the firefighter will be paid an amount which is the sum of his employee contributions from the Forward DROP portion of the period plus the product of his monthly benefit amount times the number of months of the Forward DROP portion of the Combined (Forward and Retroactive) DROP period.

There is no provision for automatic postretirement benefit increases. The MFRRF has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases. Retirees and beneficiaries who have received benefits for five full plan years or more will receive a 2% cost-of-living adjustment on August 1 provided the MFRRF's investment performance over the five plan years ending the previous December 31 averages 8.25% per year or more. DROP participation does not constitute time credited to the five-year requirement. The \$500 supplemental benefit will not be increased by the 2% cost-of-living adjustments.

Plan Membership

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

Retirees and beneficiaries currently receiving benefits	201
Terminated employees entitled to but not yet receiving benefits	8
Active employees	<u>249</u>
	<u><u>458</u></u>

Contributions

The City is statutorily required to make contributions that will equal the lesser of 9.00% or the firefighters' contribution rate. However, the City made contributions equal to 22.20% of pay in calendar year 2023as authorized by Ordinance 10110 that adopted the Fiscal Year 2023 budget that incorporated the increase above the statutory rate. The City contribution was increased to 24.2.% beginning January 1, 2024. The benefit and contribution provisions of this plan, other than the City's contribution rate, are authorized by the TLFFRA.

The MFRRF is required by statute to conduct actuarial studies every odd year and conducted the last study December 31, 2023 for the plan in effect at that time.

The funding policy of the MFRRF requires contributions equal to 14.20% of pay by the firefighters. The contribution rates for the City were 24.20% and 22.20% for calendar years 2024 and 2023, respectively. The City's contributions for the year ended September 30, 2024 were \$6,347,771 and were equal to the required contributions.

While the contribution requirements are not actuarially determined, state law requires that a qualified actuary must approve each plan of benefits adopted by the MFRRF. The actuary certifies that the contribution commitments by the firefighters and the City provide an adequate financing arrangement.

Cash and Investments

Investment Policy: The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board or Trustees by a majority vote of its members. Substantially all of the Plan's investments are held by its trustee/custodians. The Plan's Board of Trustees authorizes various portfolio managers to manage investments within certain policies as set forth by the Board. These policies mandate a diversified portfolio, which includes investments, either directly or in commingled accounts, in real estate, cash, money market funds, bonds, hedge funds, venture capital and equity securities. The Board's adopted asset allocation policy as of December

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31, 2021 was 10% in cash or cash equivalents, 15% in fixed income, 30% in equities, 35% in private equity, and 10% in real estate.

Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures* - an amendment to GASB Statement No. 3 (GASB 40), addresses common deposit and investment risks including custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Required disclosures related to these risks are presented below:

Custodial Credit Risk – Deposits: Deposits with financial institutions are fully secured by federal deposit insurance coverage at December 31, 2023.

The Plan's investment policies are governed by state statutes and by Board adoption. Cash funds are deposited in Federal Deposit Insurance Corporation insured banks. The Plan is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and government agencies, commercial paper, and certain repurchase agreements.

As required by GASB 40, investments included in assets whose use is limited and long-term investments are categorized by investment type. As of December 31, 2023, the Plan had the following debt securities and their related maturities:

Investment Type	Fair Value	2023 Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Mutual Bond funds	\$ 8,331,509	\$ -	\$ 2,407,544	\$ 4,454,864	\$ 1,469,101
Total fair value	\$ 8,331,509	\$ -	\$ 2,407,544	\$ 4,454,864	\$ 1,469,101

Custodial Credit Risk: Custodial credit risk is the risk that in the event of failure of the counterparty, the Plan would not be able to recover the value of its investments. The Plan does not have a formal policy for custodial credit risk. As of December 31, 2023, all investments are registered in the name of the Midland Firemen's Relief and Retirement Fund or in the name of the Plan's custodian, established through a master trust custodial agreement, with the exception of investments in real estate and commingled funds.

Interest Rate Risk: In compliance with the Plan's investment policy, the Plan minimizes the interest rate risk related to the decline in fair value of securities due to rising interest rates in the portfolio by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity and monitoring credit ratings of portfolio positions.

The Plan's investments in U.S. and foreign government agency obligations are subject to credit risk. Under the Texas Local Firefighters' Retirement Act, the Board's general investment policy is to apply the following prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income and preserve capital. In terms of diversification, the Plan should not invest more than 5% of the total assets in the stock or bonds of one company.

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Credit Risk: Under the Texas Local Firefighters' Retirement Act, the Board's general investment policy is to apply the prudent-person rule. As a matter of course, the Board expects to be notified promptly of the following:

1. A significant change in investment strategy and portfolio structure;
2. A material change in the ownership, personnel, financial condition, or investment approach of the organization;
3. Any changes in the regulatory environment that would affect the Plan or organization's role in its management; and
4. Any litigation or violation of securities regulation in which the investment manager is involved.

The Plan's rated debt investments as of December 31, 2023, using the Moody's, S&P, or Fitch rating scale are presented below:

December 31, 2023			
Investment Type	Moody's Ratings	Fair Value	Total
Mutual bonds	AAA	\$ 2,621,605	\$ 2,621,605
	AA	2,881,322	2,881,322
	A	483,891	483,891
	BBB	1,473,260	1,473,260
	BB	366,734	366,734
	B	197,661	197,661
	Below B	273,483	273,483
	NR	33,553	33,553
Total		<u>\$ 8,331,509</u>	<u>\$ 8,331,509</u>

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Plan's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in accordance with the allocation range stated below and within the limitations so noted. The Asset Mix Policy established by the Board of Trustees represents a long-term view (a full market cycle). As such, rapid and sudden market movements may cause the Fund's actual asset mix to fall outside the stated policy range. Any such divergence, however, should be short-term in nature and must be ratified by the Board of Trustees at the first regularly scheduled Board meeting following this occurrence.

Concentrations: GASB Statement No. 67 *Financial Reporting for Pension Plans* (GASB 67), requires the disclosure of concentrations of investments in any one organization that represent 5% or more of the pension plan's fiduciary net position. The Plan had investment holdings investment holdings in excess of 5% of the Plan's fiduciary net position with StepStone and Radcliffe as of December 31, 2023.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchanged rates will adversely affect the fair value of an investment or deposit. All 2023 assets were priced in U.S. dollars.

Rate of return: For the years ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.89%. The money-weighted rate of return expresses investment performance, net of plan investment expense, adjusted for the changing amounts actually invested.

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The following tables summarize the Plan's financial instruments measured at fair value as of December 31, 2023, based on the three-tier hierarchy:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Inputs (Level 3)
Investments by fair value level				
Domestic equities	\$ 12,674,459	\$ 12,674,459	\$ -	\$ -
International equities	12,589,330	12,589,330	-	-
Master limited partnerships	8,732,024	8,732,024	-	-
Fixed Income	8,331,509	8,331,509	-	-
Real estate / private REIT	5,668,071	-	-	5,668,071
Total investments by fair value level	<u>\$ 47,995,393</u>	<u>\$ 42,327,322</u>	<u>\$ -</u>	<u>\$ 5,668,071</u>
Investments measured at net asset value				
Fixed income	5,056,843			
Real estate / private REIT	3,394,299			
Private equity and credit	<u>17,001,120</u>			
Total investments at net asset value	<u>25,452,262</u>			
Total investments	<u>\$ 73,447,655</u>			

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023.

Domestic and international equities/real estate and master limited partnerships (level 1): Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds (level 1): Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Real estate (level 3): Investments are comprised of equity interests in partially and wholly owned real estate entities and are reflected at their estimated fair values.

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Additional information related to investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2023, is presented on the following tables:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income				
Radcliffe	\$ 5,056,843	\$ -	G Monthly	40 days
Real estate / private REIT				
Harvest Interest Fund II	2,881,236	-	A n/a	n/a
Davis Investment Ventures Fund II-B	122,998	207,498	B n/a	n/a
Blackstone Real Estate	390,065	-	D Monthly	Repurchases at discretion of partner
Private equity and credit				
Bloomfield Capital	4,018,052	-	E n/a	n/a
Greenspring alternative invest	7,529,788	362,970	C n/a	n/a
Glendower alternative invest	2,930,556	1,434,188	C Not limited	Repurchases at discretion of partner
Serenitas Credit Gamma	<u>2,522,724</u>	<u>-</u>	F Quarterly	Last business day of month
Reported at net asset value	<u>\$ 25,452,262</u>	<u>\$ 2,004,656</u>		

The Funds seek to provide long-term growth through capital appreciation and income by investing in securities issued by high quality, financially sound domestic companies with market capitalizations greater than \$5 billion. The fair values of the investments in this type have been determined using the NAV per share of the investments.

- A. This type includes investments in real estate funds that develop, own, and operate multiple property types as well as multifamily projects, all located in the U.S. These investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. There is no set redemption schedule for the funds. The fair values of the investments in this type have been determined using the NAV per share of the investments.
- B. The real estate fund's investment objective is to acquire and originate debt and equity investments in real estate and real estate-related assets. This investment can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. The fair values of the investments in this type have been determined using the NAV per share of the investments.
- C. This type includes investments in 5 venture capital funds with the goal of investment returns from capital appreciation. Investments in the Greenspring investments in this type can never be redeemed. It is expected the fund will be liquidated on December 13, 2025. Investments in the Glendower investment can be redeemed with 30 days' notice, but only to another limited partner. The fair values of the investments in this type have been determined using the NAV per share of the investments.
- D. The Real Estate Income Trust (REIT) invests primarily in stabilized income-generating commercial real estate in the United States. To a lesser extent, the REIT may invest outside the U.S. and in real estate debt. The fair values of the investments in this type have been determined using the NAV per share of the investments.
- E. This type's investment targets middle market real estate opportunities, investing in both debt and equity investments. The investment strategy has a primary focus on private credit and specialty finance assets with short to intermediate-term durations and often contractual cash flows. The fair values of the investments in this type have been determined using the NAV per share of the investments.
- F. The fund's investment strategy is to trade and invest in a broad range of listed and unlisted credit securities.

- G. This type's investment objective is to generate risk-adjusted returns by trading primarily in short-term, non-investment grade corporate debt securities.

Net Pension Liability

The MFRRF's net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Overall payroll growth	3.00% per year, plus promotion, step and longevity increases that vary by service
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Municipal bond rate	3.26%
Discount rate	3.99%

There is no provision for automatic postretirement benefit increases. The MFRRF has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases. Pensioners who have received benefits for five full plan years or more will receive a 2% cost-of living adjustment on August 1 provided the MFRRF's investment performance over the five plan years ending the previous December 31 averages 8.25% per year or more. DROP participation does not constitute time credited to the five-year requirement. The \$500 supplemental benefit will not be increased by the 2% cost-of-living adjustments.

Salary increases were based on a service-related table, setting back each salary increase rate in the table used for the 2023 valuation by one year of service. Mortality rates were based on the PubS-2010 (public safety) total dataset tables for employees and for retirees (sex distinct), projected generationally using the projection scale MP-2019. Actuarial assumptions used in the December 31, 2023 valuation were based on results of actuarial experience studies. The experience study periods covered were different depending on how much prior data was available.

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The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.63%) and by adding expected inflation (2.75%). In addition, the final 7% assumption was selected by rounding down. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Cash and short-fixed income	5%	0.00%
Fixed income	15%	0.75%
Equities		
Large-cap domestic	20%	5.25%
Small/mid-cap domestic	5%	5.75%
International developed	15%	5.75%
Alternatives		
Real estate	10%	4.25%
Venture Capital/Private Equity	15%	7.25%
Master Limited Partnerships	10%	6.75%
Private credit	5%	3.75%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 3.99%. The projection of cash flows used to determine the discount rate, assumed that employee contributions will be made at the current 14.2% contribution rate and that city contributions will be made at the current 24.2% contribution rate. Based on those assumptions, the Fund's fiduciary net position was projected to make projected future benefit payments of current active and inactive employees through 2045. Therefore, the discount rate of 3.99% is the single rate of return that results in a present value of all projected benefits equal to the sum of (a) the present value of benefits through 2045 discounted at the long-term expected rate of return of 7% and (b) the present value of benefits after 2045 discounted at the 3.26% discount rate based on the Bond Buyer Index of general obligation bonds with 20 years to maturity at/near December 31, 2023.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at January 1, 2023	\$ 301,112,861	\$ 80,979,438	\$ 220,133,423
Changes for the period:			
Service cost	12,273,369	-	12,273,369
Interest	12,643,407	-	12,643,407
Difference between expected and actual experience	5,764,982	-	5,764,982
Changes of benefit provisions	(16,980,187)	-	(16,980,187)
Employer contributions	-	5,580,525	(5,580,525)
Employee contributions	-	3,569,340	(3,569,340)
Net investment income (loss)	-	5,483,462	(5,483,462)
Benefit payments and refunds	(11,521,513)	(11,521,513)	-
Administrative expense	-	(399,589)	399,589
Assumption changes	8,132,817	-	8,132,817
Net Changes	10,312,875	2,712,225	7,600,650
Balance at December 31, 2023	\$ 311,425,736	\$ 83,691,663	\$ 227,734,073

Changes in Actuarial Assumptions

The changes in assumptions relate to a change in the discount rate from 4.11% in prior year to 3.99% in current year. In addition, there were changes to exclude unscheduled overtime pay from the fixed average pay used to determine benefits and to use the highest 60 consecutive months of pay to determine the final average pay instead of the 60 highest months.

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

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 3.99% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.99%) or 1 percentage point higher (4.99%) than the current rate:

	1% Decrease (2.99%)	Current Discount Rate (3.99%)	1% Increase (4.99%)
Net pension liability	\$ 277,803,578	\$ 227,734,073	\$ 187,775,229

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued report and may be obtained by visiting www.midlandfrf.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2024, the City recognized pension expense of \$8,685,493. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 5,750,917	\$ 1,651,568
Changes of assumptions	42,189,059	55,153,889
Net difference between projected and actual earnings on pension plan investments	7,799,002	
Contributions made after the measurement date	4,782,573	-
Total	<u>\$ 60,521,551</u>	<u>\$ 56,805,457</u>

\$4,782,573 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 net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	
2025	\$ 11,107,950
2026	2,455,833
2027	(3,335,912)
2028	(9,378,999)
2029	(3,121,092)
Thereafter	1,205,741
	<u>\$ (1,066,479)</u>

Allocation of Pension Items

The City allocates pension items to the governmental activities on the basis of employee payroll funding. The net pension liability has typically been liquidated by the general fund.

Deferred Compensation Plans

The City offers all of its employees a defined contribution, deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). There are three plan options administered by Hartford Life Insurance Company, Nationwide Retirement Solutions, and Variable Annuity Life Insurance Company. All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries; therefore, it is not reported in the financial statements of the City.

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The plans, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Benefit provisions are contained in the plan document and were established and can be amended by the action of City Council. The City does not contribute to any of the plans.

Flexible Spending Account

The City offers all employees a flexible spending account, known as a cafeteria plan, which was established under Section 125 of the Internal Revenue Code. Administration of the plan is contracted to a third-party administrator. Employee contributions are transferred to the administrator and posted to a debit card which the employee may use to pay for qualified medical expenses. The City retains no assets or liabilities of the plan. The City does not contribute to the plan.

Health Reimbursement Account

The City established a Health Reimbursement Account (HRA) in accordance with Internal Revenue Code Section 105-106 for employees who participate in the City's health insurance program. Administration of the plan is handled by a third-party administrator. Effective January 1, 2016, the City no longer contributes monies into the HRA.

Note 7. Other Postemployment Benefits

A summary of the total OPEB liability, deferred outflows, deferred inflows and OPEB expense of each plan is shown below. Detailed discussion of each plan will follow in this note.

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Governmental Activities				
Retiree Health Care Plan	\$ 16,598,280	\$ 5,565,027	\$ 9,124,693	\$ 906,757
Supplemental Death Benefits Plan	2,370,330	269,218	655,166	42,295
Total Governmental Activities	18,968,610	5,834,245	9,779,859	949,052
Business-type Activities *				
Retiree Health Care Plan	2,963,628	993,639	1,629,217	161,902
Supplemental Death Benefits Plan	567,685	64,476	156,905	10,129
Total Business-type Activities	3,531,313	1,058,115	1,786,122	172,031
Total Primary Government	\$ 22,499,923	\$ 6,892,360	\$ 11,565,981	\$ 1,121,083

*Same amounts for proprietary funds' financial statements.

City of Midland Postemployment Healthcare Benefit Plan

Plan Description

One of the City's other postemployment benefits (OPEB) plan is a single-employer defined benefit "substantive plan" as understood by past practices of the employer and its employees. City employees are eligible for retiree medical benefits if they are eligible for retirement plan benefits under the provisions of the TMRS or the Fund. Generally, employees eligible for retiree medical benefits are employees who retire with 20 years of service at any age or those employees who retire at age 60 with five years of service. Eligible participants include eligible spouses. The eligible member shall not be gainfully employed if receiving benefits from this plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The City's OPEB plan does not issue a publicly available financial report.

Benefits are payable through a self-insured plan for eligible retirees and spouses until age 65. A Medicare Supplement Plan is available for eligible retirees and spouses who are age 65 and over.

Benefits Provided

The City allows retired employees to enroll in the City's health insurance plan. Medical benefits are payable through a self-insured plan for eligible retirees and spouses until age 65. Medicare supplement plans are available for eligible retirees and spouses who are age 65 and older. Eligible retirees and spouses who are age 65 and over may participate in the Medicare Supplement Plan. The City pays \$30 per month per eligible member for the plan. Retirees with a retirement date prior to 2009 are entitled to a \$30/month insurance premium credit and retirees with a retirement date after 2008 are entitled to an RRA account \$30/month contribution.

City contributions for these postemployment retirement benefits are strictly discretionary and are financed on a pay-as-you-go basis. Participating retirees must make monthly contributions. The contribution rates are set by the City, and generally change on each January 1. The retiree's contribution rate depends on the dependents covered. The retiree's contribution rate may also vary based on the number of years of service at retirement, depending on the date of retirement. The Medicare Supplement policies are funded by both city and retiree contributions.

Plan Membership

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

Active primary members	997
Self-insured plan regular members (<65)	106
Medicare supplement plan members (>65)	198
	1,301

Total OPEB Liability for Retiree Health Care Plan

The Plan's total OPEB liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Plan’s total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions; applied to all periods included in the measurement, unless otherwise specified.

Inflation	3.00% per year
Discount rate	4.00% (4.31% in prior year)
Health-care cost trend rates	7.0% for 2024 decreasing annually, to an ultimate rate of 4.5% for 2029 and later years
Assumed utilization	70% of eligible retirees will elect plan benefits

The discount rate used to measure the Plan’s total OPEB liability was 4.00% at year end and was based on the bond buyer 20-bond GO index. The prior year discount rate was 4.31%.

Mortality rates were based on the RP-2014 Mortality Table with adjustments for mortality improvements based on scale MP-2021. Prior year morality rates were based on the RP-2014 Mortality Table with adjustments for mortality improvements based on scale MP-2021.

Changes in the Plan’s Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2023	<u>\$ 15,914,361</u>
Changes for the period	
Service cost	1,057,297
Interest on total OPEB liability	673,232
Difference between expected and actual experience	1,484,625
Change of assumptions	692,790
Benefit payments	<u>(260,397)</u>
Net changes	<u>3,647,547</u>
Balance at December 31, 2023	<u><u>\$ 19,561,908</u></u>

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.00%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	\$ 22,394,588	\$ 19,561,907	\$ 17,147,934

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 7.0%, decreasing to 4.50% by 2029, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB liability	\$ 17,121,550	\$ 19,561,907	\$ 22,572,813

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$1,068,659. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 3,063,193	\$ 4,960,047
Difference in assumption changes	2,758,083	5,793,863
Contributions made subsequent to measurement date	737,390	-
Total	<u>\$ 6,558,666</u>	<u>\$ 10,753,910</u>

City of Midland Texas
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The \$737,390 reported as deferred outflows related to OPEB resulting from contributions subsequent to the measurement date will reduce the total OPEB liability during the year ending September 30, 2025. The amount reported as deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending September 30,</u>	
2025	\$ (661,869)
2026	(661,869)
2027	(661,869)
2028	(661,869)
2029	(661,869)
2030	(661,869)
Thereafter	<u>(961,420)</u>
	<u>\$ (4,932,634)</u>

Allocation of OPEB Items

The City allocates OPEB items between governmental activities and business-type activities on the basis of employee payroll funding. For the governmental activities, the total OPEB liability is liquidated by the general fund, general liability fund, and garage fund. For the business type activities, the total OPEB liability is liquidated by the airport fund, water and sewer fund, and sanitation fund.

Texas Municipal Retirement System Supplemental Death Benefits Fund

Plan Description

TMRS administers a single employer 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. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single- employer OPEB plan (i.e., no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for city reporting.

Benefits Provided

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.

Plan Membership

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

Inactive employees currently receiving benefits	514
Inactive employees entitled to but not yet receiving benefits	145
Active employees	<u>781</u>
Total	<u><u>1,440</u></u>

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

Contributions are made monthly based on the covered payroll of the city. The contractually required contribution rate is determined annually for the city. The rate is based on mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of the contribution rates to the SDBF for the City was 0.19% and 0.19% in calendar years 2023 and 2024, respectively. The City's contributions to the SDBF for the year ended September 30, 2024 were \$115,641 and were equal to the required contributions.

Total OPEB Liability for Supplemental Death Benefits

The City's total OPEB liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	3.60% to 11.85%, including inflation
Discount rate	3.77% (4.05% in prior year)
Retirees' share of benefit-related costs	\$ 0

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the 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 with scale MP-2021. Mortality rates for disabled retirees were based on 2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis with scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

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

The discount rate used to measure the Total OPEB Liability was 3.77% and was based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2023.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at January 1, 2023	\$ 2,701,666
Changes for the period	
Service cost	79,123
Interest on total OPEB liability	108,678
Differences between expected and actual experience	23,791
Changes in assumptions or other inputs	140,398
Benefit payments	<u>(115,641)</u>
Net changes	<u>236,349</u>
Balance at December 31, 2023	<u><u>\$ 2,938,015</u></u>

Rate Sensitivity

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB liability	\$ 3,468,562	\$ 2,938,015	\$ 2,520,590

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$52,424. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,586	\$ 85,794
Changes in assumptions and other inputs	212,806	726,277
Contributions made subsequent to measurement date	102,302	-
Total	<u>\$ 333,694</u>	<u>\$ 812,071</u>

The \$102,302 reported as deferred outflows related to OPEB resulting from contributions subsequent to the measurement date will reduce the total OPEB liability during the year ending September 30, 2025. The other amount reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ending September 30,	
2025	\$ (199,920)
2026	(252,227)
2027	(149,008)
2028	20,476
	<u>\$ (580,679)</u>

Allocation of OPEB Items

The City allocates OPEB items between governmental activities and business-type activities on the basis of employee payroll funding. For the governmental activities, the total OPEB liability is liquidated by the general fund, general liability fund, and garage fund. For the business type activities, the total OPEB liability is liquidated by the airport fund, water and sewer fund, and sanitation fund.

Note 8. Leases

Leases Liability

The City's general fund has agreements for equipment and buildings, the terms of which expire in various years through 2027. During the fiscal year ended September 30, 2024, the City did not recognize any rental expense for variable payments not previously included in the measurement of the lease liability.

The City's proprietary funds have agreements for equipment and buildings, the terms of which expire in various years through 2027. During the fiscal year ended September 30, 2024, the City did not recognize any rental expense for variable payments not previously included in the measurement of the lease liability.

The MDC has agreements for buildings, a hanger, and land, the terms of which expire in various years through 2049. During the fiscal year ended September 30, 2024, the MDC did not recognize any rental expense for variable payments not previously included in the measurement of the lease liability. Two of the lease agreements for the hanger and land are with the City and have an ending lease liability balance of \$1,351,912 at September 30, 2024.

The following is a schedule by year of payments under the leases as of September 30, 2024:

Governmental Activities

Year Ending September 30,	Principal	Interest	Total
2025	\$ 233,865	\$ 11,038	\$ 244,903
2026	157,193	5,491	162,684
2027	149,693	431	150,124
	<u>\$ 540,751</u>	<u>\$ 16,960</u>	<u>\$ 557,711</u>

Business-type Activities

Year Ending September 30,	Principal	Interest	Total
2025	\$ 73,711	\$ 2,575	\$ 76,286
2026	69,870	996	70,866
2027	5,894	11	5,905
	<u>\$ 149,475</u>	<u>\$ 3,582</u>	<u>\$ 153,057</u>

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MDC

Year Ending September 30,	Principal	Interest	Total
2025	\$ 171,816	\$ 30,751	\$ 202,567
2026	176,640	27,588	204,228
2027	106,551	24,549	131,100
2028	109,421	21,679	131,100
2029	112,373	18,727	131,100
2030-2034	500,626	47,774	548,400
2035-2039	103,256	16,744	120,000
2040-2044	109,912	10,088	120,000
2045-2049	104,966	3,034	108,000
	<u>\$ 1,495,561</u>	<u>\$ 200,934</u>	<u>\$ 1,696,495</u>

Leases Receivable

The City's general fund leases building space to third parties, the terms of which expire between 2025 and 2037. The City recognized approximately \$72,000 in lease revenue and interest revenue during the current fiscal year related to the leases. As of September 30, 2024, the City's general fund receivable for lease payments was \$1,797,033 and the balance of the deferred inflow of resources was \$1,904,749.

The City's proprietary funds lease buildings, land and equipment to third parties, the terms of which expire between 2025 and 2032. The City recognized approximately \$2,375,000 in lease revenue and interest revenue during the current fiscal year related to the leases. Certain leases include a monthly percentage fee of gross revenues earned from sales of items or gross revenues derived from operations at City property. The gross revenue percentage payments are not included in the measurement of the lease receivable because they are not fixed in substance. As of September 30, 2024, the City's proprietary funds receivable for lease payments was \$3,874,139 and the balance of the deferred inflow of resources was \$3,932,154. The City recognized lease revenue of approximately \$617,000 for the year ended September 30, 2024, for variable payments not previously included in the measurement of the lease receivable.

Regulated Leases

Governmental Activities and Business-type Activities

In accordance with GASB 87, the City does not recognize a lease receivable and a deferred inflow of resources for regulated leases in which the City is the lessor. Regulated leases are certain leases that are subject to external laws, regulation, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carriers and other aeronautical users. The City has regulated leases related to the City's regional airport. These leases are for use of the land and structures owned by the City. The tenant constructs or improves, owns, and maintains all the improvements on the land. These leases allow access to the land for aeronautical use. At the end of the ground lease, the improvements revert to City ownership. The City had 18 leases during the year that had terms exceeding one year. The revenue recognized by the governmental activities and business-type activities for the leases during the fiscal year ended September 30, 2024 was approximately \$131,000 and \$543,000, respectively.

One of the City's regulated leases is with the MDC. The amount of future lease receipts for the regulated leases with MDC at September 30, 2024 is approximately \$965,000.

City of Midland, Texas
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The future lease receipts for the City's regulated leases as of September 30, 2024 were as follows:

Governmental Activities

Year Ending September 30,	Future Regulated Lease Receipts
2025	\$ 131,100
2026	131,100
2027	131,100
2028	131,100
2029	131,100
2030-2034	548,400
2035-2039	120,000
2040-2044	120,000
2045-2049	108,000
	<u>\$ 1,551,900</u>

Business-type Activities

Year Ending September 30,	Future Regulated Lease Receipts
2025	\$ 536,837
2026	484,169
2027	434,357
2028	441,740
2029	443,217
2030-2034	1,999,853
2035-2039	1,122,246
2040-2044	686,211
2045-2049	652,320
2050-2054	459,851
2055-2059	150,935
	<u>\$ 7,411,736</u>

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MDC

The MDC has a regulated lease related to a sublease at the City of Midland's regional airport. The lease is for use of the land leased by MDC and subsequently subleased to the tenant. The tenant constructs or improves, owns, and maintains all the improvements on the land. These leases allow access to the land for aeronautical use. At the end of the ground lease, the improvements revert to City ownership. The MDC had 1 lease during the year that had a term exceeding one year. The revenue recognized for the lease during the fiscal year ended September 30, 2024 was approximately \$975,000.

The future lease receipts for MDC's regulated lease are as follows:

Year Ending September 30,	Future Regulated Lease Receipts
2025	\$ 976,644
2026	976,644
2027	976,644
2028	976,644
2029	976,644
2030-2034	<u>3,987,963</u>
	<u><u>\$ 8,871,183</u></u>

Note 9. Subscription Liability

The City's internal service fund has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2027. During the fiscal year ended September 30, 2024, the City did not recognize any rental expense for variable payments not previously included in the measurement of the lease liability.

The City's proprietary funds has one subscription-based information technology arrangement (SBITA), the terms of which expire in 2025. During the fiscal year ended September 30, 2024, the City did not recognize any rental expense for variable payments not previously included in the measurement of the lease liability.

The following is a schedule by year of payments under the subscriptions as of September 30, 2024:

Governmental Activities			
Year Ending September 30,	Principal	Interest	Total
2025	\$ 352,005	\$ 13,364	\$ 365,369
2026	205,337	6,072	211,409
2027	<u>15,264</u>	<u>43</u>	<u>15,307</u>
	<u><u>\$ 572,606</u></u>	<u><u>\$ 19,479</u></u>	<u><u>\$ 592,085</u></u>

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Year Ending September 30,	Business-type Activities		Total
	Principal	Interest	
2025	\$ 163,717	\$ 5,627	\$ 169,344
	<u>\$ 163,717</u>	<u>\$ 5,627</u>	<u>\$ 169,344</u>

Note 10. Long-Term Debt

Changes in the government's long-term liabilities for the year ended September 30, 2024, are as follows:

Governmental Activities	Balance Beginning of Year	Borrowings/ Additions	Repayments/ Reductions	Adjustments/ Transfers	Balance End of Year	Due within One Year
General obligation and refunding bonds	\$ 114,810,518	\$ -	\$ 5,163,966	\$ -	\$ 109,646,552	\$ 5,563,276
Certificates of obligation	58,469,482	10,090,000	2,196,034	-	66,363,448	2,296,724
Bond Premiums	<u>15,413,572</u>	<u>1,015,644</u>	<u>1,596,764</u>	-	<u>14,832,452</u>	-
Total bonds payable	<u>188,693,572</u>	<u>11,105,644</u>	<u>8,956,764</u>	-	<u>190,842,452</u>	<u>7,860,000</u>
Lease obligations	844,217	-	303,466	-	540,751	233,865
SBITA obligations	123,243	816,664	367,301	-	572,606	352,005
Compensated absences	5,634,362	14,735,555	7,765,717	-	12,604,200	3,151,050
Arbitrage liability	-	750,419	-	-	750,419	-
Self-insurance liability	<u>6,137,971</u>	<u>10,708,744</u>	<u>11,870,230</u>	-	<u>4,976,485</u>	<u>2,316,869</u>
Total Governmental Activities	<u>\$ 201,433,365</u>	<u>\$ 38,117,026</u>	<u>\$ 29,263,478</u>	<u>\$ -</u>	<u>\$ 210,286,913</u>	<u>\$ 13,913,789</u>

The retirement of the compensated absences liability is normally paid from the General Fund, General Liability Fund, and Garage Fund.

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Business-type Activities	Balance Beginning of Year	Borrowings/ Additions	Repayments/ Reductions	Adjustments/ Transfers	Balance End of Year	Due within One Year
Water and Sewer						
Certificates of obligation	\$ 51,040,000	\$ 22,940,000	\$ 1,960,000	\$ -	\$ 72,020,000	\$ 2,070,000
General obligation refunding bonds	283,645,000	-	2,200,000	-	281,445,000	2,295,000
Plus issuance premiums	16,447,497	2,325,915	1,536,791	-	17,236,621	-
Sanitation						
Certificates of obligation	-	18,355,000	-	-	18,355,000	-
Plus issuance premiums	-	1,848,213	13,018	-	1,835,195	-
Total bonds and premium payable	351,132,497	45,469,128	5,709,809	-	390,891,816	4,365,000
Water and Sewer						
Compensated absences	238,942	1,028,956	732,785	-	535,113	133,778
Arbitrage liability	-	714,740	-	-	714,740	-
Lease obligations	219,229	-	73,292	-	145,937	70,173
Sanitation Fund						
Closure/postclosure care	22,278,782	1,366,878	-	-	23,645,660	-
Compensated absences liability	239,638	745,234	395,925	-	588,947	147,237
Lease obligations	5,838	-	3,495	-	2,343	2,343
SBITA obligations	-	492,951	329,234	-	163,717	163,717
Airport Fund						
Compensated absences liability	217,403	422,445	216,472	-	423,376	105,844
Lease obligations	4,050	-	2,855	-	1,195	1,195
Total business-type activities	\$ 374,336,379	\$ 50,240,332	\$ 7,463,867	\$ -	\$ 417,112,844	\$ 4,989,287

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 25 years.

City of Midland, Texas
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Long-term debt at September 30, 2024 consists of the following issues:

	Original Issue	Interest Rates to Maturity	Final Maturity Date	Principal Outstanding at September 30, 2024	Call Provisions
Governmental Activities:					
<i>General Obligation Bonds</i>					
General Obligation Refunding Bonds, Series 2018A	\$ 21,700,000	3.25% - 5.00%	2043	\$ 20,665,000	2
General Obligation Refunding Bonds, Series 2019	24,950,000	3.00% - 5.00%	2042	23,780,000	3
General Obligation Bonds, Series 2020	20,385,000	2.00% - 5.00%	2045	19,800,000	4
General Obligation Refunding Bonds, Series 2020	17,475,517	0.36% - 1.86%	2034	15,976,552	5
General Obligation Refunding Bonds, Series 2021	6,370,000	2.00% - 5.00%	2032	5,795,000	5
General Obligation Bonds, Series 2023	23,930,000	4.00% - 5.00%	2040	23,630,000	7
<i>Certificates of Obligation</i>					
Tax and Limited Pledge Revenue Certificates of Obligation, Series 2016	23,070,000	2.00% - 5.00%	2042	22,285,000	1
Tax and Limited Pledge Revenue Certificates of Obligation, Series 2019	7,010,000	4.00% - 5.00%	2040	6,735,000	3
General Obligation Refunding Bonds, Series 2020	1,294,483	0.36% - 1.86%	2034	1,183,448	5
Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020	6,630,000	4.00% - 5.00%	2040	6,370,000	4
Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021	20,465,000	3.00% - 5.00%	2041	19,700,000	5
Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024	10,090,000	4.00% - 5.00%	2045	<u>10,090,000</u>	7
				<u>\$ 176,010,000</u>	
Business-type Activities:					
<i>General Obligation Bonds</i>					
General Obligation Refunding Bonds, Series 2018A	\$ 21,860,000	3.25% - 5.00%	2043	\$ 20,780,000	2
General Obligation Refunding Bonds, Taxable Series 2018B	6,550,000	3.25% - 4.08%	2037	6,110,000	2
General Obligation Refunding Bonds, Series, 2021	7,440,000	2.00% - 5.00%	2032	6,765,000	5
General Obligation Refunding Bonds, Series 2022A	167,620,000	3.48% - 4.20%	2050	167,620,000	6
General Obligation Refunding Bonds, Series 2022B	80,170,000	4.00% - 5.00%	2050	80,170,000	6
<i>Certificates of Obligation</i>					
Tax and Limited Pledge Revenue Certificates of Obligation, Series 2019	13,620,000	4.00% - 5.00%	2040	13,085,000	3
Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020	12,860,000	4.00% - 5.00%	2040	12,355,000	4
Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021	24,560,000	3.00% - 5.00%	2041	23,640,000	5
Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024	41,295,000	4.00% - 5.00%	2041	<u>41,295,000</u>	7
				<u>\$ 371,820,000</u>	

Call provisions for long-term debt of the City are as follows:

1. Callable as a whole or in part, bonds maturing 2026 through 2042, on March 1, 2025, or on any interest payment date thereafter at par plus accrued interest.
2. Callable as a whole or in part, bonds maturing 2028 through 2043, on March 1, 2027, or on any interest payment date thereafter at par plus accrued interest.
3. Callable as a whole or in part, bonds maturing 2029 through 2042, on March 1, 2028, or on any interest payment date thereafter at par plus accrued interest.
4. Callable as a whole or in part, bonds maturing 2030 through 2045, on March 1, 2029, or on any interest payment date thereafter at par plus accrued interest.

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5. Callable as a whole or in part, bonds maturing 2031 through 2041, on March 1, 2030, or on any interest payment date thereafter at par plus accrued interest.
6. Callable as a whole or in part, bonds maturing 2033 through 2050, on March 1, 2032, or on any interest payment date thereafter at par plus accrued interest.
7. Callable as a whole or in part, bonds maturing 2034 through 2045, on March 1, 2034, or on any interest payment date thereafter at par plus accrued interest.

The City intends to retire all of the long-term debt associated with governmental activities, other than bonds payable and certificates of obligation, from General Fund revenues as it has done in prior years. Debt associated with business-type activities will be retired with revenues generated by those activities.

The debt service requirements for the City's bonds are as follows:

Fiscal Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 7,860,000	\$ 6,970,977	\$ 4,365,000	\$ 16,646,649	\$ 35,842,626
2026	8,455,000	6,665,351	5,815,000	16,350,693	37,286,044
2027	8,795,000	6,320,811	6,110,000	16,061,154	37,286,965
2028	8,680,000	5,958,647	6,395,000	15,763,131	36,796,778
2029	9,035,000	5,597,336	6,695,000	15,456,645	36,783,981
2030-2034	45,550,000	22,625,459	58,375,000	70,423,768	196,974,227
2035-2039	42,405,000	13,899,688	72,295,000	56,498,293	185,097,981
2040-2044	37,225,000	4,906,569	90,130,000	38,659,786	170,921,355
2044-2029	8,005,000	523,300	99,580,000	16,381,999	124,490,299
2049-2053	-	-	22,060,000	491,191	22,551,191
	<u>\$ 176,010,000</u>	<u>\$ 73,468,138</u>	<u>\$ 371,820,000</u>	<u>\$ 262,733,309</u>	<u>\$ 884,031,447</u>

The City issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. The City is restricted by City Charter to a maximum of \$2.00 on each \$100.00 of appraised valuation. The City's current tax levy is \$0.060852 per \$100.00 valuation for the payment of debt. The Constitution and Statutes of the State and the Charter of the City do not provide for a legal debt limit. However, a limit of 8% of assessed value has been recommended by the Finance Advisory Board of the City and has been adopted by the City Council as a guideline of safe debt limit. This guideline provides the City with a debt limit of \$1,749,427,767.

The City has also issued certificates of obligation to provide funds for the acquisition and construction of major capital facilities owned and operated by the enterprise funds of the City. These certificates of obligation are supported by revenues of the respective enterprise funds and appropriately recorded as liabilities of the appropriate fund. There are a number of restrictions and requirements contained in the various indentures. Management believes that the City is in compliance with such restrictions and requirements at September 30, 2024.

Changes in Financing

In fiscal year 2024, the City issued \$51,385,000 of tax and limited pledge revenue certificates of obligation bonds, series 2024 dated August 1, 2024 with a premium of approximately \$5.2 million bearing interest rates ranging from 4.0% to 5.0%. The Bonds will be used for the purpose of paying contractual obligations to be incurred for improving and extending the City's waterworks and sewer system, including the purchase of land, rights-of-way and equipment therefor; acquiring, constructing, improving and equipping solid waste disposal facilities, including the purchase of land, rights-of-way and equipment therefor; improving, constructing and equipping municipal golf facilities, including the purchase of land, rights-of-way and equipment therefor; and paying professional services rendered in connection therewith, such certificates to be payable form ad valorem taxes and a limited pledge of the net revenues of the City's waterworks and sewer system.

Note 11. Restricted Assets

Certain resources of the City are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or City ordinance, resulting in enabling legislation. Customer deposits, passenger facility charges, customer facility charges, capital projects, debt service and impact fees are, by law, to be considered restricted assets. These activities are spread across the City's various enterprise funds. The City's recorded the following restricted assets at September 30, 2024:

	Business-Type Activities			Total Enterprise Funds
	Airport	Water and Sewer	Sanitation	
Restricted Assets				
Passenger facility charge				
Cash and cash equivalents	\$ 10,356,489	\$ -	\$ -	\$ 10,356,489
Investments	7,842,347	-	-	7,842,347
Accounts receivable	523,658	-	-	523,658
Customer facility charge				
Cash and cash equivalents	1,417,073	-	-	1,417,073
Investments	1,642,850	-	-	1,642,850
Accounts receivable	144,546	-	-	144,546
Customer deposits				
Investments	-	4,758,338	-	4,758,338
Bond construction fund				
Cash and cash equivalents	-	28,805,872	20,016,508	48,822,380
Investments	-	21,194,128	-	21,194,128
Impact fees				
Cash and cash equivalents	-	2,351,474	-	2,351,474
Investments	-	2,790,957	-	2,790,957
Total restricted assets	<u>\$ 21,926,963</u>	<u>\$ 59,900,769</u>	<u>\$ 20,016,508</u>	<u>\$ 101,844,240</u>

City of Midland, Texas
Notes to Financial Statements
September 30, 2024

Note 12. Interfund Transactions

Due to/from Other Funds

The composition of interfund balances for the year ended September 30, 2024 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Development	\$ 208,866
General Fund	Garage Fund	368,274
Totals		<u>\$ 577,140</u>

The outstanding balance between the funds is related to working capital loans in which the general fund expects to collect in the subsequent year.

Transfers

Legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

Interfund transfers during the year ended September 30, 2024 were as follows:

Transfer from Fund / Purpose	Transfer to Fund	Amount
Major Governmental Funds:		
General Fund		
Overhead allocation	Airport	\$ 1,946,462
Park Donation and Special Purpose Fund		
Animal related donations	Animal Shelter Facility & Equipment	36,379
Nonmajor Governmental Funds:		
<u>Hotel Motel</u>		
Hotel tax supported debt service	Debt Service	1,796,800
<u>Street Repair Improvement, New Street and Sidewalk Installation</u>		
Close out fund	General Fund	4,160
Proprietary Funds:		
<u>Water and Sewer</u>		
Capital projects	General Fund	536,588
Rental fees	Airport	54,198
<u>Sanitation</u>		
Rental fees	Airport	58,870
Totals		<u>\$ 4,433,457</u>

Note 13. Contingent Liabilities

Federal Grant Programs

The City participates in various federally assisted programs, on both a direct and state pass-through basis, as well as on a service-provider basis. Principal among these are ARPA, Community Development Block Grants, Airport Improvement Program Grants, and various construction and capital acquisition grants.

In connection with these grants, the City is required to comply with specific terms and agreements, as well as applicable federal and state laws and regulations. Such compliance is subject to review and audit by the grantors and their representatives, including audits under the "single audit" concept and compliance examinations, which build upon such audits.

In the opinion of management, the City has complied with all requirements. However, since such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of such disallowance of claimed expenditures, if any, the City expects the resulting liability to be immaterial.

Texas Natural Resource Conservation Commission

The City appealed a Class I classification of a waste pit by the Texas Water Commission Waste Classification Group to the Environmental Protection Agency (E.P.A.). The E.P.A. denied the City's appeal and upheld the Class I classification of the waste pit. Subsequently, the City applied to the Texas Natural Resource Conservation Commission (T.N.R.C.C.) for permission to close the waste pit in place. The application to close the waste pit in place was approved and closure was completed and approved by T.N.R.C.C. in June 1997. The City has properly recorded the property deed and must inspect the waste pit quarterly through June 1999 and annually thereafter.

Note 14. Risk Management

The City is exposed to various risks of loss related to torts: environmental or eminent domain claims; civil rights claims; equal employment opportunity claims; wage and hour claims; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical and dental claims of employees and their dependents; and natural disasters. The City maintains fire and extended coverage insurance for city buildings, furnishings, and computer equipment. This coverage provides replacement cost coverage with an annual limit of \$747,938,222 and a \$25,000 per occurrence deductible.

The City also maintains the following other insurance coverage:

- Airport liability coverage for premises, products, personal injury liability and malpractice aggregate liability coverage with a \$10,000,000 per occurrence and annual aggregate with \$25,000 per occurrence deductible for each type of coverage
- Ground hangar keepers legal liability coverage with a \$10,000,000 per occurrence and annual aggregate, and \$100,000 fire damage coverage
- Boiler and machinery liability coverage of \$100,000 per occurrence with a \$25,000 deductible
- Healthcare professional liability protection for the health department with a \$1,000,000 per occurrence and a \$3,000,000 aggregate limit
- Errors and omissions coverage with a \$25,000 per occurrence deductible, \$3,000,000 per claim limit and a \$6,000,000 aggregate annual limit
- Law enforcement liability coverage with a \$25,000 per occurrence deductible, \$3,000,000 per claim limit and a \$6,000,000 aggregate annual limit
- Auto catastrophe coverage with limit of liability \$3,726,339 and a \$50,000 deductible
- Automobile liability coverage of \$1,000,000 per occurrence with a \$50,000 deductible
- General liability coverage of \$1,000,000 each occurrence and a \$2,000,000 aggregate limit with a \$50,000 deductible

- Medical claims stop-loss coverage for claims exceeding \$175,000 per occurrence, lifetime maximum unlimited with an annual aggregate lifetime maximum of \$1,000,000 with a minimum aggregate deductible of \$12,321,746 and specific excess and aggregate excess workers' compensation coverage meets the statutory limit requirement for claims
- Cyber liability and data breach response coverage of a \$2,000,000 aggregate limit
- Supplemental sewage backup coverage with a \$500 per occurrence deductible, \$25,000 per structure limit, and \$50,000 per occurrence limit

No settlements during each of the last three years have exceeded commercial coverage purchased. Other than the above coverages provided by insurance, the City retains all risk of loss.

The City charges interfund premiums based primarily upon the insured funds' claims experience and exposure, which are reported as insurance expenditure/expense in the funds charged and operating revenue in the self-insurance funds, which are accounted for as internal service funds. The City accrues all losses and claims if information available before the financial statements are issued indicates that it is probable that an asset has been impaired, or a liability incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Claims incurred but not reported (IBNR) are also accrued if it is probable that a claim will be asserted, and the loss can be reasonably estimated. The accrued liabilities for IBNR in the General Liability Fund are estimates calculated by an actuary. The accrued liability for IBNR in the Medical/Dental Self-Insurance Fund is based on management's estimate.

The City also maintains a Medical/Dental Self-Insurance Fund. The purpose of this fund is to pay medical and dental claims that are outside the limitations of purchased coverage, for city employees and their covered dependents and to minimize the cost of medical and dental insurance to the City.

The City also maintains a General Liability Self-Insurance Fund to pay general liability claims, other than those covered by purchased insurance against the City from accumulated assets of the fund. The Texas Tort Claims Act provides for statutory limits of \$250,000 per person and \$500,000 per occurrence for bodily injury or death and \$100,000 per occurrence for property damage in liability claims against a municipality.

The claims liabilities for self-insurance funds are based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred and the amount of the loss can be reasonably estimated at the date of the financial statements.

City of Midland, Texas
Notes to Financial Statements
September 30, 2024

Changes in the claim's liability amounts for each of the self-insurance funds in the fiscal years ended September 30, 2023 and 2024 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2022 to 2023				
Medical/Dental	1,059,394	9,155,646	8,299,670	1,915,370
General Liability	4,018,788	1,308,811	1,104,998	4,222,601
	<u>\$ 5,078,182</u>	<u>\$ 10,464,457</u>	<u>\$ 9,404,668</u>	<u>\$ 6,137,971</u>
2023 to 2024				
Medical/Dental	\$ 1,915,370	\$ 9,352,915	\$ 9,762,634	\$ 1,505,651
General Liability	4,222,601	1,355,829	2,107,596	3,470,834
	<u>\$ 6,137,971</u>	<u>\$ 10,708,744</u>	<u>\$ 11,870,230</u>	<u>\$ 4,976,485</u>

Note 15. Commitments

Contracts

The City leases water rights from two sources. One of the leases renewed in August 2008, and as of August 2013 requires payment at a constant five-year rate of \$0.50 per 1,000 gallons. The second, smaller lease was renewed in February 2011 and as of 2016 requires payment at a constant five-year rate of \$0.50 per 1,000 gallons. Total royalty paid amounted to \$876,380 in fiscal year 2024.

The City owns property that serves as a wastewater disposal site. There are approximately 12,500 acres at two sites for this purpose.

The City's primary source of water is Colorado River Municipal Water District (CRMWD), which delivers untreated water from Lake J.B. Thomas (in Scurry and Borden Counties), E.V. Spence Reservoir (in Coke County) and O.H. Ivie Reservoir (in Coleman, Concho and Runnels Counties) through underground aqueduct systems. The CRMWD's member cities, Odessa, Big Spring and Snyder, receive all of their water supply from CRMWD. CRMWD also has supply contracts with four "Contract Cities" Midland, San Angelo, Stanton, and Robert Lee, and with the City of Abilene, for the O.H. Ivie Reservoir.

Midland's water supply contract with CRMWD (the "1966 Contract") is dated May 10, 1966, was amended in 1995, and extends through the City's fiscal year ending September 30, 2030. The City commenced receiving water under the 199 Contract in 1970. Under the 1966 Contract, Midland is entitled to receive 1900 acre feet (17.11 MGD) in FY 2024 and continuing to increase annually to 20,167 acre feet (17.94 MGD) in FY2029. Maximum daily contract delivery increases annually to 18.47\ MGD in FY 2029. For the final fiscal year of the 1966 Contract, which is the City's FY 2030, the amount provided is 4,364 acre feet or 3.9 MGD. The cost of the water to the City is the contract price per 1,000 gallons of water paid by the City of Odessa to CRMWD during the immediate preceding calendar year; the City's FY 2024 cost was \$2.29 per 1,000 gallons. Payments for water under the 1966 Contract are an operating expense of the System.

In addition, the City participates in the CRMWD's O.H. Ivie Reservoir (the "Reservoir") on the Colorado River in Coleman, Concho and Runnels Counties. The Reservoir, which has a conservation pool capacity of 554,340 acre feet of water, was completed in March 1990; water impoundment commenced April 25, 1990. Other participants include Abilene, San Angelo and the CRMWD's member cities. Under a 1985 Water Supply Contract with

City of Midland, Texas
Notes to Financial Statements
September 30, 2024

CRMWD, the City purchased the right to an estimated 10,900 acre feet per year of water, or 16.54% of the safe yield of the reservoir, which is equivalent to an average daily volume of 9.7 MGD which, when added to the City's daily allocation under the 1966 Contract, gives the City a raw water surface supply average capacity of over 26.81 MGD. Maximum daily contract deliver from the Reservoir is 20 MGD.

Reservoir water is being delivered to Midland through a transmission system, completed in 1995. Under a 1988 Water Transission Contract with CRMWD, the City is paying its pro rata share of transmission fixed costs, including debt services, and its share of operation and maintenance expenses; these payments are an operating expenses of the System. During the City's FY2024, Midland received approximately 66% of its water supply from water obtained under the 1966 Contract and approximately 10% of its water supply from the Reservoir.

The City shared in the total construction costs at the rate of 22.222% of Segment 1, 30.769% of Segment 2, and 36.364% of Segment 3. The City also shared 22.222% of the total construction costs of the O. H. Ivie Pump Station Substructure. Operation and maintenance of the system is provided for by contractual agreements executed between the parties. The City paid \$2,095,010 to CRMWD in 2024, pursuant to this agreement.

Construction Commitments

The City has active construction projects as of September 30, 2024. Approved budgets for the larger ongoing capital projects are as follows:

Streets and Drainage	\$ 32,866,702
General Facilities	1,656,757
Parks	10,011,535
Technology	4,812,959
Airport	28,737,289
Utilities	55,728,951
Sanitation	4,804,428
Total	<u><u>\$ 138,618,621</u></u>

Customer Water Credit Liability

The City entered into an agreement with Pioneer Water Management LLC (Pioneer), whereby Pioneer undertook a construction project to improve a Water Pollution Control Plant owned by the City. During 2021, construction was completed, and the City recorded a capital contribution in the Water and Sewer Fund for approximately \$120 million. Pioneer received a credit from the City for \$8,919,362 to be used over seven years towards the amount owed to the City for reclaimed water. If Pioneer is unable to use the credit amount in any calendar year, such unused portion and any prior unused portion shall be carried over and added to the next calendar year's approved amortized amount. The seven-year term described above shall be extended as needed for additional calendar years for Pioneer to fully use the total credit amount. At September 30, 2024, the Water and Sewer Fund reports a liability of \$6,970,737 for the remaining credit amount. See estimated amortization of the credit amount below:

<u>Year Ending September 30,</u>	
2025	\$ 1,742,684
2026	1,742,684
2027	1,742,684
2028	1,742,685
	<u><u>\$ 6,970,737</u></u>

Economic Development Agreements

The City entered into a 380 agreement for a full service, 4.0 + star hotel and new parking facility in downtown Midland. This will be a \$125 + million-dollar project containing 135 to 150 rooms and up to 10,000 square feet of meeting and ballroom areas. Included is the 800-space parking garage with additional retail and restaurant space. The city will provide certain fee waivers and performance-based tax rebates. The agreement is between the City of Midland, Midland Development Corporation and Private Investors.

Another agreement was entered into with a developer for the construction of a six-story, 34,000 square foot hotel with 80 rooms, a boardroom, market or pantry area, fitness center, lounge with a lobby, and an upscale restaurant including a bar. The City will allow for an incentive for municipal hotel tax funds annually for ten years to promote tourism, and will allow for property tax abatement for ten years, in accordance with Chapter 312. The City will also assist the developer by waiving inspection, utility and tap fees.

The City has entered into an agreement with a wholesale retail facility to build a 174,000 square foot wholesale and retail general merchandise facility. The City is providing an incentive of 50% property tax reimbursement for 20 years and 100% sales tax reimbursement for 30 years. They will also pay development and permitting fees during construction.

These agreements and related projects are in early stages and have not generated a liability for the City currently. Commitments for the future, based on certain contractual milestones, range from \$25,000 a year for hotel taxes for 10 years, to a 50% sales tax rebate over 30 years.

Additionally, at September 30, 2024, the MDC had contracts for economic development commitments of approximately \$84,000,000 with the majority due over the next six years if various conditions are satisfied by the third parties.

Note 16. Litigation

The City is a party to several legal actions arising in the ordinary course of its business. In the opinion of the City's management, upon advice of the City Attorney, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position.

Note 17. Closure and Post-closure Care Cost

State and federal laws and regulations require the City to place a final cover on the City of Midland Municipal Solid Waste Facility, Texas Natural Resource Conservation Commission Permit #1605 site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date. Total current cost has been adjusted for a recent study performed by an engineering firm and for the effects of inflation by using the Consumer Price Index for all Urban Consumers (CPI-U): Selected areas by Expenditure Category and Commodity and Service Group for Dallas-Fort Worth, Texas.

The \$23,645,660 reported as a landfill closure and post-closure care liability at September 30, 2024, represents the cumulative amount reported to date based on the use of 67.13% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$11,578,552 as the remaining estimated capacity is filled.

These amounts are based on what it would cost to perform all closure and post-closure care in the fiscal year ended September 30, 2024. The City expects to close the landfill around the year 2063. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

On April 9, 1997, the Financial Responsibility Requirements found in Environmental Protection Agency Subtitle D regulations as they relate to publicly owned or operated municipal solid waste landfill facilities became effective. These regulations require that financial assurance to perform closure, post-closure and corrective activities for landfill operations be provided.

The City has chosen to provide this assurance through use of the Local Government Financial Test and Government Guarantee. This guarantee consists of three basic components, which are a financial component, public notice component and a record keeping and reporting component.

The public notice component of the Local Government Financial Test and Government Guarantee demonstrating financial assurance for closure, post-closure, or corrective action required by Environmental Protection Agency Subtitle D regulations for landfills operated by a local government requires the following disclosures be made.

The specific facility covered is the City of Midland Municipal Solid Waste Facility, Texas Natural Resource Conservation Commission Permit #1605.

Financial assurance costs are anticipated in the following categories of expenditures and in the amount of the corresponding cost estimates.

Closure costs	\$ 21,934,645
Postclosure costs	<u>13,289,567</u>
	<u>\$ 35,224,212</u>

The anticipated year of closure is 2063 with closure costs having been fully incurred at that time. It is anticipated that post-closure costs will be incurred evenly across the 30-year post-closure monitoring period.

Note 18. Joint Venture

An interlocal agreement between the City and the City of Odessa established the MOUTD as an urban transportation system provider under Chapter 458 of the Texas Transportation Code. The MOUTD began operating bus routes during the year ended September 30, 2004. Federal and state grants were obtained to cover start-up costs and purchases of buses and vehicles, as well as portions of operating costs. For the year ended September 30, 2024, the City contributed money to the MOUTD in the amount of \$680,000. Both cities have budgeted contributions to the MOUTD but do not have an equity interest at dissolution. Audited financial statements are available by contacting the Midland-Odessa Urban Transit District at PO Box 60808, Midland, Texas, 79711.

Note 19. Discretely Presented Component Unit

Significant Accounting Policies

The MDC is accounted for using the economic resources measurement focus and is presented as a discretely presented component unit on the accrual basis of accounting.

Revenues and Expenses

The main revenue source for the MDC is the Type A sales tax revenue, which became effective April 1, 2002. The MDC incurs expenses for economic development activities and operating expenses.

Assets and Liabilities

The MDC assets consist primarily of cash and cash equivalents, sales tax revenues receivable, notes receivable, and capital assets. The MDC's liabilities as of September 30, 2024 consist primarily of accounts payable and leases in which the City is the lessor.

Note 20. Subsequent Events

The City paid out \$54.4 million to Midland Firemen's Relief and Retirement Fund on February 14, 2025 to help bring the unfunded liability of the Fund to within a 30 year amortization, as recommended by the Pension Review Board of Texas.

The City sold Certificates of Obligation on February 18, 2025 for \$56.8 million. \$28 million is for park infrastructure and improvements, while \$28.8 million is for road infrastructure.

Required Supplementary Information (Unaudited)

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City of Midland, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes	\$ 143,726,613	\$ 143,726,613	\$ 146,420,004	\$ 2,693,391
Licenses and permits	3,332,200	3,332,200	4,861,953	1,529,753
Fines and penalties	2,304,500	2,304,500	2,551,482	246,982
Services, rentals, and other charges	11,694,837	11,694,837	12,595,751	900,914
Intergovernmental	1,084,960	1,084,960	13,536,596	12,451,636
Investment income	3,018,000	3,018,000	10,890,103	7,872,103
Contributions and donations	-	-	67,433	67,433
Miscellaneous	-	-	748,815	748,815
Total revenues	165,161,110	165,161,110	191,672,137	26,511,027
Expenditures				
Current				
General government				
Administration	1,302,272	1,302,272	2,319,329	(1,017,057)
Support Services	21,567,871	21,567,871	11,886,252	9,681,619
Fiscal management	2,338,968	4,846,430	2,699,915	2,146,515
Development services	5,417,909	5,417,909	5,336,817	81,092
Engineering	23,575,780	28,398,955	15,968,892	12,430,063
Parks and recreation	16,904,638	17,696,864	10,256,447	7,440,417
Police	45,413,374	45,413,374	41,976,776	3,436,598
Fire	43,720,554	43,720,554	52,756,662	(9,036,108)
Golf	3,363,661	3,363,661	3,357,785	5,876
Sports Complex	3,729,966	3,729,966	2,864,869	865,097
Other	7,250,929	7,250,929	6,308,223	942,706
Debt service:				
Principal	-	-	303,466	(303,466)
Interest and fiscal charges	-	-	17,982	(17,982)
Capital outlay	-	6,176,401	39,501,774	(33,325,373)
Total expenditures	174,585,922	188,885,186	195,555,189	(6,670,003)
Excess (deficiency) of revenues over (under) expenditures	(9,424,812)	(23,724,076)	(3,883,052)	19,841,024
Other Financing Sources (Uses)				
Transfers in	9,424,812	9,424,812	540,748	(8,884,064)
Transfers out	-	-	(1,946,462)	(1,946,462)
Proceeds from sale of capital assets	-	-	299,846	299,846
Total other financing sources (uses)	9,424,812	9,424,812	(1,105,868)	(10,530,680)
Net Change in Fund Balances	\$ -	\$ (14,299,264)	\$ (4,988,920)	\$ 9,310,344
Fund Balances, October 1			148,445,582	
Fund Balances, September 30			\$ 143,456,662	

The City budgets for capital projects in the year of commencement and initial funding; carryover budgets for these capital projects are not included herein.

City of Midland, Texas
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2024

Budgetary Data

The City Council follows these procedures in establishing the annual budget:

1. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are legally adopted for the General Fund and the Debt Service Fund on a basis consistent with generally accepted accounting principles, except for the classification of interfund transfers for General Fund services to other funds as charges for services for budgetary purposes instead of interfund transfers. Formal budgetary integration is not employed for the proprietary funds. The City adopts an annual budget for managerial control for all proprietary funds.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget is legally enacted by the City Council through passage of an ordinance.
4. Expenditures may not legally exceed appropriations at the division level for legally adopted annual operating budgets. The City Manager has the authority to transfer appropriation balances from one department, the primary subunits of each fund, or division and the primary subunit of each department, to another within a single fund of the City. Department heads may approve amendments of amounts between line items within a division so long as the transfers do not significantly change the work program contemplated in the approved budget.
5. Supplemental appropriations during the year must be approved and adopted by City Council action through passage of a resolution or motion. Budget appropriations throughout fiscal year 2024 in the General Fund were primarily for new capital projects.
6. At the close of each fiscal year, unexpended budgetary appropriations lapse or revert to the undesignated fund balance. The unexpended appropriation balances in capital projects do not lapse at year end.

The budgetary comparison schedule, included in the required supplementary information, presents a comparison of the original and final amended budgets for the period to actual results of operations for the General Fund. There are no major special revenue funds.

City of Midland, Texas
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Texas Municipal Retirement System
Supplemental Death Benefits Fund

Measurement Date December 31,	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	\$ 73,857	\$ 92,146	\$ 82,858	\$ 113,882	\$ 154,467	\$ 146,155	\$ 79,123
Interest	91,101	91,369	108,018	89,681	76,007	72,963	108,678
Benefit payments	(32,312)	(29,099)	(36,250)	(37,961)	(102,978)	(101,184)	(115,641)
Differences between expected and actual experience	-	190,456	(328,253)	(103,111)	(77,209)	(80,580)	23,791
Changes in assumptions	206,935	(185,515)	508,567	488,915	118,018	(1,278,580)	140,398
Net change in total OPEB liability	339,581	159,357	334,940	551,406	168,305	(1,241,226)	236,349
Total OPEB liability – beginning	2,389,303	2,728,884	2,888,241	3,223,181	3,774,587	3,942,892	2,701,666
Total OPEB Liability - Ending	\$ 2,728,884	\$ 2,888,241	\$ 3,223,181	\$ 3,774,587	\$ 3,942,892	\$ 2,701,666	\$ 2,938,015
Covered-employee payroll	\$ 46,160,369	\$ 48,498,044	\$ 51,786,368	\$ 54,229,577	\$ 57,210,115	\$ 56,213,391	\$ 60,863,506
Employer's total OPEB liability as a percentage of covered-employee payroll	5.91%	5.96%	6.22%	6.96%	6.89%	4.81%	4.83%

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

December 31, 2016 – 3.78%
December 31, 2017 – 3.31%
December 31, 2018 – 3.71%
December 31, 2019 – 2.75%
December 31, 2020 – 2.00%
December 31, 2021 – 1.84%
December 31, 2022 – 4.05%
December 31, 2023 – 3.77%

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

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

City of Midland, Texas
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Other Postemployment Benefit Plan
Retiree Health

Measurement Date December 31,	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	\$ 1,481,407	\$ 1,638,363	\$ 893,162	\$ 1,037,092	\$ 1,165,404	\$ 1,613,131	\$ 1,057,296
Interest	618,336	629,421	567,354	374,640	341,617	389,271	673,232
Difference between expected and actual experience	108,933	(6,561,175)	(1,944,463)	(255,599)	1,834,952	222,831	1,484,625
Change of assumptions	831,742	(2,144,151)	990,072	1,050,491	425,778	(5,404,030)	692,790
Benefit payments	<u>(740,576)</u>	<u>(778,169)</u>	<u>(715,398)</u>	<u>(356,896)</u>	<u>(254,314)</u>	<u>(152,265)</u>	<u>(260,397)</u>
Net change in total OPEB liability	2,299,842	(7,215,711)	(209,273)	1,849,728	3,513,437	(3,331,062)	3,647,546
Total OPEB liability – beginning	<u>19,007,400</u>	<u>21,307,242</u>	<u>14,091,531</u>	<u>13,882,258</u>	<u>15,731,986</u>	<u>19,245,423</u>	<u>15,914,361</u>
Total OPEB Liability - Ending	<u>\$ 21,307,242</u>	<u>\$ 14,091,531</u>	<u>\$ 13,882,258</u>	<u>\$ 15,731,986</u>	<u>\$ 19,245,423</u>	<u>\$ 15,914,361</u>	<u>\$ 19,561,907</u>
Covered-employee payroll	\$ 62,175,066	\$ 66,066,278	\$ 71,190,080	\$ 74,426,311	\$ 79,314,016	\$ 79,641,432	\$ 85,999,703
Employer's total OPEB liability as a percentage of covered-employee payroll	34.27%	21.33%	19.50%	21.14%	24.26%	19.98%	22.75%

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

December 31, 2016 – 3.78%
December 31, 2017 – 3.00%
December 31, 2018 – 4.10%
December 31, 2019 – 2.74%
December 31, 2020 – 2.21%
December 31, 2021 – 2.05%
December 31, 2022 – 4.31%
December 31, 2023 – 4.00%

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

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

City of Midland, Texas
Schedule of Employer Contributions
Texas Municipal Retirement System

Fiscal Year Ended September 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 6,682,872	\$ 6,927,806	\$ 6,614,908	\$ 7,063,858	\$ 7,184,163	\$ 7,673,542	\$ 8,272,675	\$ 8,286,526	\$ 8,706,243	\$ 10,453,028
Contributions in relation to the actuarially determined contribution	<u>6,682,872</u>	<u>6,927,806</u>	<u>6,614,908</u>	<u>7,063,858</u>	<u>7,184,163</u>	<u>7,673,542</u>	<u>8,272,675</u>	<u>8,286,526</u>	<u>8,706,243</u>	<u>10,453,028</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 43,561,193	\$ 45,487,794	\$ 43,854,427	\$ 48,149,842	\$ 50,365,108	\$ 53,438,852	\$ 57,059,458	\$ 57,878,038	\$ 59,123,353	\$ 69,289,343
Contributions as a percentage of covered payroll	15.34%	15.23%	15.08%	14.67%	14.26%	14.36%	14.50%	14.32%	14.73%	15.09%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 22 years; the asset valuation method was at ten-year smoothed market value, with 12.00% soft corridor; and the significant actuarial assumptions were an investment rate of return at 6.75% annually, projected salary increases assumption of 3.60% to 11.85% compounded annually, and postretirement benefit increases of 2.50% compounded annually.

City of Midland, Texas
Schedule of Employer Contributions
Midland's Firemen's Relief and Retirement Fund

Fiscal Year Ended September 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Required contributions	\$ 3,672,302	\$ 3,560,801	\$ 3,405,259	\$ 3,555,264	\$ 4,213,911	\$ 4,393,733	\$ 4,665,419	\$ 5,336,820	\$ 5,275,731	\$ 6,347,771
Contributions in relation to the required contributions	<u>\$ 3,672,302</u>	<u>3,560,801</u>	<u>3,405,259</u>	<u>3,555,264</u>	<u>4,213,911</u>	<u>4,393,733</u>	<u>4,665,419</u>	<u>5,336,820</u>	<u>5,275,731</u>	<u>6,347,771</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 16,926,073	\$ 16,130,469	\$ 15,339,005	\$ 16,014,703	\$ 18,981,581	\$ 19,791,590	\$ 21,015,401	\$ 24,039,730	\$ 23,764,554	\$ 28,593,563
Contributions as a percentage of covered payroll	21.70%	22.07%	22.20%	22.20%	22.20%	22.20%	22.20%	22.20%	22.20%	24.20%

Notes to Required Supplementary Information

While the contribution requirements are not actuarially determined, state law requires that a qualified actuary must approve each plan of benefits adopted by the Fund. The actuary certifies that the contribution commitments by the firefighters and the City provide an adequate financing arrangement.. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, open, and the amortization period was 5 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.0% annually, projected salary increases assumption of 3.0%, plus promotion, step and longevity increases that vary by service, and inflation increases of 2.75% compounded annually.

There have been no benefit changes.

City of Midland, Texas
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System

Measurement Date December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service cost	\$ 5,708,477	\$ 6,819,607	\$ 7,218,730	\$ 7,173,321	\$ 7,560,845	\$ 8,083,852	\$ 8,270,010	\$ 8,673,053	\$ 8,499,465	\$ 9,166,044
Interest	18,903,934	19,670,175	19,807,241	20,425,225	21,065,557	21,672,779	22,698,880	23,688,821	25,008,346	26,086,920
Differences between expected and actual experience	2,321,980	(1,598,670)	(1,502,270)	(1,024,053)	(1,585,052)	2,885,110	2,327,207	6,663,319	2,737,448	1,471,711
Changes of assumptions	-	3,644,493	-	-	-	1,495,283	-	-	-	(3,322,650)
Benefit payments, including refunds of member contributions	(16,355,215)	(16,732,102)	(15,862,016)	(16,829,343)	(17,734,365)	(18,879,579)	(19,177,639)	(18,486,006)	(20,293,750)	(20,905,598)
Net change in total pension liability	10,579,176	11,803,503	9,661,685	9,745,150	9,306,985	15,257,445	14,118,458	20,539,187	15,951,509	12,496,427
Total pension liability – beginning	275,379,574	285,958,750	297,762,253	307,423,938	317,169,088	326,476,073	341,733,518	355,851,976	376,391,163	392,342,672
Total Pension Liability - Ending	\$ 285,958,750	\$ 297,762,253	\$ 307,423,938	\$ 317,169,088	\$ 326,476,073	\$ 341,733,518	\$ 355,851,976	\$ 376,391,163	\$ 392,342,672	\$ 404,839,099
Plan Fiduciary Net Position										
Contributions – employer	\$ 6,525,057	\$ 6,612,574	\$ 6,896,363	\$ 6,862,664	\$ 6,972,364	\$ 7,358,089	\$ 7,814,479	\$ 8,336,855	\$ 8,037,557	\$ 8,771,112
Contributions – member	2,927,933	3,077,837	3,214,447	3,232,126	3,394,863	3,625,046	3,796,070	4,016,325	3,934,937	4,260,777
Net investment income (loss)	14,348,994	380,860	16,971,040	36,325,527	(8,727,324)	42,509,375	23,470,380	42,351,528	(26,324,536)	37,708,884
Benefit payments, including refunds of member contributions	(16,355,215)	(16,732,102)	(15,862,016)	(16,829,343)	(17,734,365)	(18,879,579)	(19,177,639)	(18,486,006)	(20,293,750)	(20,905,598)
Administrative expense	(149,823)	(232,003)	(191,753)	(188,365)	(168,839)	(240,549)	(152,133)	(196,327)	(228,350)	(240,699)
Other	(12,318)	(11,458)	(10,331)	(9,546)	(8,821)	(7,227)	(5,935)	1,345	272,490	(1,684)
Net change in plan fiduciary net position	7,284,628	(6,904,292)	11,017,750	29,393,063	(16,272,122)	34,365,155	15,745,222	36,023,720	(34,601,652)	29,592,792
Plan fiduciary net position – beginning	250,850,897	258,135,525	251,231,233	262,248,983	291,642,046	275,369,924	309,735,079	325,480,301	361,504,021	326,902,369
Plan Fiduciary Net Position - Ending	\$ 258,135,525	\$ 251,231,233	\$ 262,248,983	\$ 291,642,046	\$ 275,369,924	\$ 309,735,079	\$ 325,480,301	\$ 361,504,021	\$ 326,902,369	\$ 356,495,161
Employer's Net Pension Liability	\$ 27,823,225	\$ 46,531,020	\$ 45,174,955	\$ 25,527,042	\$ 51,106,149	\$ 31,998,439	\$ 30,371,675	\$ 14,887,142	\$ 65,440,303	\$ 48,343,938
Plan fiduciary net position as a percentage of the total pension liability	90.30%	84.40%	85.30%	92.00%	84.30%	90.60%	91.50%	96.00%	83.30%	88.10%
Covered payroll	\$ 41,827,614	\$ 43,969,099	\$ 45,920,672	\$ 46,160,369	\$ 48,498,044	\$ 51,786,368	\$ 54,229,577	\$ 57,210,115	\$ 56,213,391	\$ 60,863,506
Employer's net pension liability as a percentage of covered payroll	66.50%	105.80%	98.40%	55.30%	105.40%	61.80%	56.00%	26.00%	116.40%	79.40%

City of Midland, Texas
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Midland's Firemen's Relief and Retirement Fund

Measurement Date December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service cost	\$ 3,843,870	\$ 4,197,602	\$ 4,336,753	\$ 4,531,907	\$ 7,379,188	\$ 7,068,081	\$ 12,589,269	\$ 15,104,164	\$ 18,447,677	\$ 12,273,369
Interest	9,442,123	10,022,772	10,654,714	11,265,786	10,263,125	11,146,672	10,542,067	10,181,819	9,980,243	12,643,407
Change of benefit provisions										(16,980,187)
Differences between expected and actual experience	-	(800,260)	-	(5,933,150)	-	4,109,296	-	(3,100,310)	-	5,764,982
Changes of assumptions	-	1,104,367	-	66,944,828	(9,374,280)	75,415,005	27,206,943	17,709,555	(80,042,659)	8,132,817
Benefit payments, including refunds of member contributions	(6,301,043)	(6,684,894)	(6,843,836)	(8,252,601)	(8,609,277)	(9,976,378)	(10,356,445)	(12,669,033)	(10,875,344)	(11,521,513)
Net change in total pension liability	6,984,950	7,839,587	8,147,631	68,556,770	(341,244)	87,762,676	39,981,834	27,226,195	(62,490,083)	10,312,875
Total pension liability – beginning	117,444,545	124,429,495	132,269,082	140,416,713	208,973,483	208,632,239	296,394,915	336,376,749	363,602,944	301,112,861
Total Pension Liability - Ending	\$ 124,429,495	\$ 132,269,082	\$ 140,416,713	\$ 208,973,483	\$ 208,632,239	\$ 296,394,915	\$ 336,376,749	\$ 363,602,944	\$ 301,112,861	\$ 311,425,736
Plan Fiduciary Net Position										
Contributions - employer	\$ 3,318,107	\$ 3,729,857	\$ 3,582,056	\$ 3,555,264	\$ 3,900,148	\$ 4,307,624	\$ 4,483,675	\$ 4,907,065	\$ 5,201,025	\$ 5,580,525
Contributions - member	2,055,503	2,258,218	2,129,871	2,113,940	2,339,699	2,755,199	2,867,985	3,138,754	3,326,782	3,569,340
Net investment income (loss)	2,747,881	(708,892)	3,106,027	9,952,749	(7,141,143)	8,139,508	4,831,173	12,456,242	(10,056,095)	5,483,462
Benefit payments, including refunds of member contributions	(6,301,043)	(6,684,894)	(6,843,836)	(8,252,601)	(8,609,277)	(9,976,378)	(10,356,445)	(12,669,033)	(10,875,344)	(11,521,513)
Administrative expense	(222,705)	(211,442)	(251,621)	(279,569)	(230,738)	(390,407)	(330,045)	(406,490)	(388,777)	(399,589)
Other	3,863	7,118	66	-	-	-	-	-	-	-
Net change in plan fiduciary net position	1,601,606	(1,610,035)	1,722,563	7,089,783	(9,741,311)	4,835,546	1,496,343	7,426,538	(12,792,409)	2,712,225
Plan fiduciary net position – beginning	80,950,814	82,552,420	80,942,385	82,664,948	89,754,731	80,013,420	84,848,966	86,345,309	93,771,847	80,979,438
Plan Fiduciary Net Position - Ending	82,552,420	80,942,385	82,664,948	89,754,731	80,013,420	84,848,966	86,345,309	93,771,847	80,979,438	83,691,663
Employer's Net Pension Liability	\$ 41,877,075	\$ 51,326,697	\$ 57,751,765	\$ 119,218,752	\$ 128,618,819	\$ 211,545,949	\$ 250,031,440	\$ 269,831,097	\$ 220,133,423	\$ 227,734,073
Plan fiduciary net position as a percentage of the total pension liability	66.30%	61.20%	58.90%	43.00%	38.40%	28.60%	25.70%	25.80%	26.90%	26.90%
Covered payroll	\$ 15,559,705	\$ 17,089,837	\$ 16,135,387	\$ 16,014,697	\$ 17,568,234	\$ 19,403,712	\$ 20,196,734	\$ 22,103,901	\$ 23,428,041	\$ 25,136,197
Employer's net pension liability as a percentage of covered payroll	269.10%	300.30%	357.90%	744.40%	732.10%	1090.20%	1238.00%	1220.70%	939.60%	906.00%
The total pension liability was determined using a change in assumptions related to: Change in the investment rate of return										

2016: 8.00%
2017: 7.75%
2019: 7.50%
2020: 7.50%
2021: 7.00%
2022: 7.00%
2023: 7.00%

Change in the discount rate

2016: 8.00%
2017: 4.84%
2018: 5.29%
2019: 3.47%
2020: 2.95%
2021: 2.65%
2022: 4.11%
2023: 3.99%

**Combining and Individual Fund Financial Statements and Schedules
(Unaudited)**

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Major Governmental Fund

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City of Midland, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Debt Service Fund
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property taxes	\$ 12,413,901	\$ 12,413,901	\$ 12,653,400	\$ 239,499
Investment earnings	-	-	78,823	78,823
Total revenues	<u>12,413,901</u>	<u>12,413,901</u>	<u>12,732,223</u>	<u>318,322</u>
Expenditures				
Debt service				
Principal	6,463,966	6,463,966	7,360,000	(896,034)
Interest and fiscal changes	<u>5,949,935</u>	<u>5,949,935</u>	<u>6,983,048</u>	<u>(1,033,113)</u>
Total expenditures	<u>12,413,901</u>	<u>12,413,901</u>	<u>14,343,048</u>	<u>(1,929,147)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(1,610,825)</u>	<u>(1,610,825)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	1,796,800	1,796,800
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,796,800</u>	<u>1,796,800</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>185,975</u>	<u>\$ 185,975</u>
Fund Balances, October 1			<u>962,248</u>	
Fund Balances, September 30			<u>\$ 1,148,223</u>	

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Nonmajor Governmental Fund

City of Midland, Texas
Combining Balance Sheet
Governmental Funds
September 30, 2024

	Special Revenue	Capital Projects	Total Nonmajor Govnermental
Assets			
Cash and cash equivalents	\$ 13,892,664	\$ 55,989,526	\$ 69,882,190
Investments	18,301,645	22,503,701	40,805,346
Receivables			
Accounts	1,404,921	-	1,404,921
Interest	58,546	72,248	130,794
Intergovernmental	410,096	-	410,096
Prepaid items and other assets	79,170	-	79,170
Total assets	<u>\$ 34,147,042</u>	<u>\$ 78,565,475</u>	<u>\$ 112,712,517</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 274,005	\$ 1,432,179	\$ 1,706,184
Retainage payable	32,038	646,246	678,284
Due to other funds	208,866	-	208,866
Other liabilities	3	-	3
Total liabilities	<u>514,912</u>	<u>2,078,425</u>	<u>2,593,337</u>
Fund Balances			
Nonspendable			
Prepayments and inventories	79,170	-	79,170
Restricted			
Public safety	1,419,635	-	1,419,635
Court	380,296	-	380,296
Buildings and renovations	443,650	50,117	493,767
Roadway improvements	11,947,238	-	11,947,238
Streets and drainage	-	46,577,239	46,577,239
Parks and recreation	-	16,125,837	16,125,837
Golf	-	11,367,488	11,367,488
Hotel motel	18,643,675	-	18,643,675
Community development	62,443	-	62,443
Other purposes	656,023	-	656,023
Committed			
Buildings and renovations	-	2,366,369	2,366,369
Total fund balances	<u>33,632,130</u>	<u>76,487,050</u>	<u>110,119,180</u>
Total liabilities and fund balances	<u>\$ 34,147,042</u>	<u>\$ 78,565,475</u>	<u>\$ 112,712,517</u>

City of Midland, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2024

	Special Revenue	Capital Projects	Total Nonmajor Governmental
Revenues			
Hotel-motel tax revenues	\$ 7,361,652	\$ -	\$ 7,361,652
Pet licenses	-	52,525	52,525
Fines and forfeitures	111,288	-	111,288
Charges for services	-	300,687	300,687
Rentals	460,369	-	460,369
Program income	3,548	-	3,548
Intergovernmental	1,960,113	-	1,960,113
Investment earnings	2,120,652	4,254,934	6,375,586
Impact fees	4,805,281	-	4,805,281
Contributions and donations	462,418	14,797	477,215
Miscellaneous	100,282	-	100,282
Total revenues	<u>17,385,603</u>	<u>4,622,943</u>	<u>22,008,546</u>
Expenditures			
Current			
General government	4,884	-	4,884
Engineering	-	185,621	185,621
Police	396,090	-	396,090
Fire	106,622	-	106,622
Housing programs	765,003	-	765,003
Economic development	4,898,178	-	4,898,178
Other	88,001	-	88,001
Issuance costs	-	102,635	102,635
Capital outlay	871,357	11,101,749	11,973,106
Total expenditures	<u>7,130,135</u>	<u>11,390,005</u>	<u>18,520,140</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,255,468</u>	<u>(6,767,062)</u>	<u>3,488,406</u>
Other Financing Sources (Uses)			
Transfers in	-	36,379	36,379
Transfers out	(1,800,960)	-	(1,800,960)
Bonds issued	-	10,090,000	10,090,000
Premium on bonds	-	1,015,644	1,015,644
Total other financing sources (uses)	<u>(1,800,960)</u>	<u>11,142,023</u>	<u>9,341,063</u>
Net Change in Fund Balances	<u>8,454,508</u>	<u>4,374,961</u>	<u>12,829,469</u>
Fund Balances, Beginning of Year	<u>25,177,622</u>	<u>72,112,089</u>	<u>97,289,711</u>
Fund Balances, End of Year	<u>\$ 33,632,130</u>	<u>\$ 76,487,050</u>	<u>\$ 110,119,180</u>

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The City's Special Revenue Funds are as follows:

Community Development Fund – to account for federal funds awarded through various Community Development Block Grants.

Federal Police Special Purposes Fund – to account for funds awarded from forfeited property under federal jurisdiction. Such funds are used solely for law enforcement purposes such as salaries, training, equipment, supplies, and items used by officers in direct law enforcement duties.

State Police Special Purposes Fund – to account for funds received from forfeited property under state jurisdiction. Such funds are used solely for law enforcement purposes such as salaries, training, equipment, supplies, and items used by officers in direct law enforcement duties.

Department of Justice Grant Fund – to account for funds received from the Department of Justice, Office of Justice programs. The purpose of the Justice Assistance Grant (JAG) program is to support a broad range of activities to prevent and control crime.

Tax Increment Reinvestment Zone Fund – to account for funds received from taxing units that levy taxes on real property in a designated reinvestment zone, a contiguous geographic area in the City, as prescribed under the provisions of Chapter 311 of the Texas Tax Code. The purpose of the fund is to enhance the value of real property in the zone through improvements.

Hotel-Motel Tax Fund – to account for funds received from the occupancy tax collected from hotels and motels. These funds are restricted by law for use for specified purposes.

Municipal Court Technology Fund – to account for funds collected from the defendant upon conviction for a misdemeanor offense in the City of Midland Municipal Court as a cost of court. These funds are restricted for the purchase of technological enhancements for the benefit of City of Midland Municipal Court by Texas Code of Criminal Procedure Article 102.0172.

Municipal Court Building Security Fund – to account for funds collected from the defendant upon conviction for a misdemeanor offense in the City of Midland Municipal Court as a cost of court. These funds are restricted for the purchase of building security enhancements for the benefit of City of Midland Municipal Court by Texas Code of Criminal Procedure Article 102.017.

Street Repair Improvement, New Street and Sidewalk Installation Fund – to account for funds received from a supplemental building permit charge and a supplemental street improvement charge on specified classes of property. These funds are committed to improving, repairing, or installing streets, alleys, and/or sidewalks.

Police Technology and Equipment Fund – to account for funds received from private organizations or individuals specifically for law enforcement related technology and equipment. Such funds are used solely for law enforcement purposes.

Fire Technology and Equipment Fund – to account for funds received from private organizations or individuals specifically for fire related technology and equipment. Such funds are used solely for fire department purposes.

Impact Fee Fund – to account for impact fees that are used to provide new roads and drainage structures.

City of Midland, Texas
Combining Balance Sheet
Governmental Funds - Special Revenue
September 30, 2024

	Community Development	Federal Police Special Purposes	State Police Special Purposes	Department of Justice Grant	Tax Increment Reinvestment Zone
Assets					
Cash and cash equivalents	\$ 253,440	\$ 85,800	\$ 109,686	\$ 162,373	\$ 195,470
Investments	-	201,412	11,379	66,509	242,914
Receivables					
Accounts	46,000	-	-	-	-
Interest	-	647	37	-	780
Intergovernmental	161,674	-	-	-	-
Prepaid items and other assets	-	79,170	-	-	-
Total assets	<u>\$ 461,114</u>	<u>\$ 367,029</u>	<u>\$ 121,102</u>	<u>\$ 228,882</u>	<u>\$ 439,164</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 157,764	\$ -	\$ -	\$ 12,023	\$ -
Retainage payable	32,038	-	-	-	-
Due to other funds	208,866	-	-	-	-
Other liabilities	3	-	-	-	-
Total liabilities	<u>398,671</u>	<u>-</u>	<u>-</u>	<u>12,023</u>	<u>-</u>
Fund Balances					
Nonspendable					
Prepayments and inventories	-	79,170	-	-	-
Restricted					
Public safety	-	287,859	121,102	-	-
Court	-	-	-	-	-
Buildings and renovations	-	-	-	-	-
Roadway improvements	-	-	-	-	-
Hotel motel	-	-	-	-	-
Community development	62,443	-	-	-	-
Other purposes	-	-	-	216,859	439,164
Total fund balances	<u>62,443</u>	<u>367,029</u>	<u>121,102</u>	<u>216,859</u>	<u>439,164</u>
Total liabilities and fund balances	<u>\$ 461,114</u>	<u>\$ 367,029</u>	<u>\$ 121,102</u>	<u>\$ 228,882</u>	<u>\$ 439,164</u>

Hotel Motel Tax	Municipal Court Technology	Municipal Court Building Security	Street Repair Improvement, New Street and Sidewalk Installation	Police Technology and Equipment	Fire Technology and Equipment	Impact Fee	Total
\$ 7,062,269	\$ 61,453	\$ 116,389	\$ -	\$ 89,749	\$ 251,494	\$ 5,504,541	\$ 13,892,664
10,717,060	72,443	138,885	-	117,955	311,009	6,422,079	18,301,645
1,346,921	-	-	-	-	12,000	-	1,404,921
34,407	233	446	-	379	999	20,618	58,546
-	-	-	-	-	248,422	-	410,096
-	-	-	-	-	-	-	79,170
<u>\$ 19,160,657</u>	<u>\$ 134,129</u>	<u>\$ 255,720</u>	<u>\$ -</u>	<u>\$ 208,083</u>	<u>\$ 823,924</u>	<u>\$ 11,947,238</u>	<u>\$ 34,147,042</u>
\$ 73,332	\$ -	\$ 9,553	\$ -	\$ -	\$ 21,333	\$ -	\$ 274,005
-	-	-	-	-	-	-	32,038
-	-	-	-	-	-	-	208,866
-	-	-	-	-	-	-	3
<u>73,332</u>	<u>-</u>	<u>9,553</u>	<u>-</u>	<u>-</u>	<u>21,333</u>	<u>-</u>	<u>514,912</u>
-	-	-	-	-	-	-	79,170
-	-	-	-	208,083	802,591	-	1,419,635
-	134,129	246,167	-	-	-	-	380,296
443,650	-	-	-	-	-	-	443,650
-	-	-	-	-	-	11,947,238	11,947,238
18,643,675	-	-	-	-	-	-	18,643,675
-	-	-	-	-	-	-	62,443
-	-	-	-	-	-	-	656,023
<u>19,087,325</u>	<u>134,129</u>	<u>246,167</u>	<u>-</u>	<u>208,083</u>	<u>802,591</u>	<u>11,947,238</u>	<u>33,632,130</u>
<u>\$ 19,160,657</u>	<u>\$ 134,129</u>	<u>\$ 255,720</u>	<u>\$ -</u>	<u>\$ 208,083</u>	<u>\$ 823,924</u>	<u>\$ 11,947,238</u>	<u>\$ 34,147,042</u>

City of Midland, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Special Revenue
Year Ended September 30, 2024

	Community Development	Federal Police Special Purposes	State Police Special Purposes	Department of Justice Grant	Tax Increment Reinvestment Zone
Revenues					
Hotel-motel tax revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Rentals	-	-	-	-	-
Program income	3,548	-	-	-	-
Intergovernmental grants	1,285,781	6,652	101,417	159,365	-
Investment income	-	19,032	2,016	6,249	22,800
Impact fees	-	-	-	-	-
Contributions and donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,289,329</u>	<u>25,684</u>	<u>103,433</u>	<u>165,614</u>	<u>22,800</u>
Expenditures					
Current					
General government	-	-	-	-	-
Police	-	83,535	84,158	62,388	-
Fire	-	-	-	-	-
Housing programs	765,003	-	-	-	-
Economic development	-	-	-	-	-
Other	-	-	-	-	-
Capital outlay	450,000	-	19,499	109,000	-
Total expenditures	<u>1,215,003</u>	<u>83,535</u>	<u>103,657</u>	<u>171,388</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>74,326</u>	<u>(57,851)</u>	<u>(224)</u>	<u>(5,774)</u>	<u>22,800</u>
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances (Deficit)	<u>74,326</u>	<u>(57,851)</u>	<u>(224)</u>	<u>(5,774)</u>	<u>22,800</u>
Fund Balances, Beginning of Year	<u>(11,883)</u>	<u>424,880</u>	<u>121,326</u>	<u>222,633</u>	<u>416,364</u>
Fund Balances (Deficit), End of Year	<u>\$ 62,443</u>	<u>\$ 367,029</u>	<u>\$ 121,102</u>	<u>\$ 216,859</u>	<u>\$ 439,164</u>

Hotel Motel Tax	Municipal Court Technology	Municipal Court Building Security	Street Repair Improvement, New Street and Sidewalk Installation	Police Technology and Equipment	Fire Technology and Equipment	Impact Fee	Total
\$ 7,361,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,361,652
-	50,406	60,882	-	-	-	-	111,288
460,369	-	-	-	-	-	-	460,369
-	-	-	-	-	-	-	3,548
-	-	-	-	-	406,898	-	1,960,113
1,284,374	8,769	19,260	-	9,159	29,851	719,142	2,120,652
-	-	-	-	-	-	4,805,281	4,805,281
-	-	-	-	250,162	212,256	-	462,418
100,282	-	-	-	-	-	-	100,282
9,206,677	59,175	80,142	-	259,321	649,005	5,524,423	17,385,603
4,884	-	-	-	-	-	-	4,884
-	-	-	-	166,009	-	-	396,090
-	-	-	-	-	106,622	-	106,622
-	-	-	-	-	-	-	765,003
4,898,178	-	-	-	-	-	-	4,898,178
-	77,763	10,238	-	-	-	-	88,001
-	-	98,081	-	34,375	160,402	-	871,357
4,903,062	77,763	108,319	-	200,384	267,024	-	7,130,135
4,303,615	(18,588)	(28,177)	-	58,937	381,981	5,524,423	10,255,468
(1,796,800)	-	-	(4,160)	-	-	-	(1,800,960)
(1,796,800)	-	-	(4,160)	-	-	-	(1,800,960)
2,506,815	(18,588)	(28,177)	(4,160)	58,937	381,981	5,524,423	8,454,508
16,580,510	152,717	274,344	4,160	149,146	420,610	6,422,815	25,177,622
\$ 19,087,325	\$ 134,129	\$ 246,167	\$ -	\$ 208,083	\$ 802,591	\$ 11,947,238	\$ 33,632,130

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Nonmajor Governmental Funds

Capital Projects Funds

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary type funds.

The City's Capital Projects Funds are as follows:

Animal Shelter Facility and Equipment Fund – to account for the costs of building improvements and the purchase of equipment related to the Animal Shelter Facility, financed by funds received from a supplemental animal license fee.

Golf Course Capital Improvement Fund – to account for funds set aside relating to construction of remodel of the gold course.

Road Bond Construction Fund – to account for roadway capital improvements funded by bonds.

Facility Bond Construction Fund – to account for facility capital improvements funded by bonds.

Parks Bond Construction Fund – to account for park capital improvements funded by bonds.

2018 General Purpose Certificates of Obligation Fund – to account for the costs of constructing, improving, and renovating related to streets, sidewalks, bridges, screening walls, and other public ways as well as for designing, constructing, improving, and extending the City's waterworks and sewer system.

2019 General Purpose Certificates of Obligation Fund – to account for the costs of designing, acquiring, constructing, maintaining, renovating, improving, repairing, extending, expanding, and enhancing streets, thoroughfares, alleys, sidewalks, bridges, intersections, screening walls, and other public ways, including participation in joint projects with federal, state and local public entities and agencies, computerized signalization and monitoring equipment and other traffic controls, grade separations, street lighting, necessary or incidental utility relocation, and drainage improvements in connection with the foregoing and the purchase of land, easements, rights-of-way, and other real property interests necessary.

Golf Bond - to account for irrigation system replacement and club house remodel

City of Midland, Texas
Combining Balance Sheet
Governmental Funds - Capital Projects
September 30, 2024

	Animal Shelter Facility and Equipment	Golf Course Capital Improvement	Road Bond Construction	Facility Bond Construction	Parks Bond Construction
Assets					
Cash and cash equivalents	\$ 372,287	\$ 699,037	\$ 18,968,399	\$ 36,338	\$ 16,426,122
Investments	452,938	837,963	13,979,958	13,735	-
Receivables					
Interest receivable	1,454	2,690	44,883	44	-
Total assets	<u>\$ 826,679</u>	<u>\$ 1,539,690</u>	<u>\$ 32,993,240</u>	<u>\$ 50,117</u>	<u>\$ 16,426,122</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 300,285
Retainage payable	-	-	120,567	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>120,567</u>	<u>-</u>	<u>300,285</u>
Fund Balances					
Restricted					
Buildings and renovations	-	-	-	50,117	-
Streets and drainage	-	-	32,872,673	-	-
Parks and recreation	-	-	-	-	16,125,837
Golf	-	-	-	-	-
Committed					
Buildings and renovations	826,679	1,539,690	-	-	-
Total fund balances	<u>826,679</u>	<u>1,539,690</u>	<u>32,872,673</u>	<u>50,117</u>	<u>16,125,837</u>
Total liabilities and fund balances	<u>\$ 826,679</u>	<u>\$ 1,539,690</u>	<u>\$ 32,993,240</u>	<u>\$ 50,117</u>	<u>\$ 16,426,122</u>

2018 General Purpose Certificates of Obligation	2019 General Purpose Certificates of Obligation	Golf Bond	Total
\$ 7,006,801	\$ 7,420,833	\$ 5,059,709	\$ 55,989,526
-	931,514	6,287,593	22,503,701
-	2,991	20,186	72,248
<u>\$ 7,006,801</u>	<u>\$ 8,355,338</u>	<u>\$ 11,367,488</u>	<u>\$ 78,565,475</u>
\$ 1,078,719	\$ 53,175	\$ -	\$ 1,432,179
492,871	32,808	-	646,246
1,571,590	85,983	-	2,078,425
-	-	-	50,117
5,435,211	8,269,355	-	46,577,239
-	-	-	16,125,837
-	-	11,367,488	11,367,488
-	-	-	2,366,369
<u>5,435,211</u>	<u>8,269,355</u>	<u>11,367,488</u>	<u>76,487,050</u>
<u>\$ 7,006,801</u>	<u>\$ 8,355,338</u>	<u>\$ 11,367,488</u>	<u>\$ 78,565,475</u>

City of Midland, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Capital Projects
Year Ended September 30, 2024

	Animal Shelter Facility and Equipment	Golf Course Capital Improvement	Road Bond Construction	Facility Bond Construction	Parks Bond Construction
Revenues					
Pet licenses	\$ 52,525	\$ -	\$ -	\$ -	\$ -
Charges for services	-	300,687	-	-	-
Investment earnings	54,675	96,561	1,721,283	1,274	958,445
Contributions and donations	14,797	-	-	-	-
Total revenues	121,997	397,248	1,721,283	1,274	958,445
Expenditures					
Engineering	-	-	-	-	-
Issuance costs	-	-	-	-	-
Capital outlay	-	-	-	-	2,413,574
Total expenditures	-	-	-	-	2,413,574
Excess (Deficiency) of Revenues Over (Under) Expenditures	121,997	397,248	1,721,283	1,274	(1,455,129)
Other Financing Sources (Uses)					
Transfers in	36,379	-	-	-	-
Bonds issued	-	-	-	-	-
Premium on bonds	-	-	-	-	-
Total other financing sources (uses)	36,379	-	-	-	-
Net Change in Fund Balances	158,376	397,248	1,721,283	1,274	(1,455,129)
Fund Balances, Beginning of Year	668,303	1,142,442	31,151,390	48,843	17,580,966
Fund Balances, End of Year	\$ 826,679	\$ 1,539,690	\$ 32,872,673	\$ 50,117	\$ 16,125,837

2018 General Purpose Certificates of Obligation	2019 General Purpose Certificates of Obligation	Golf Bond	Total
\$ -	\$ -	\$ -	\$ 52,525
-	-	-	300,687
540,378	517,839	364,479	4,254,934
-	-	-	14,797
540,378	517,839	364,479	4,622,943
-	185,621	-	185,621
-	-	102,635	102,635
7,634,283	1,053,892	-	11,101,749
7,634,283	1,239,513	102,635	11,390,005
(7,093,905)	(721,674)	261,844	(6,767,062)
-	-	-	36,379
-	-	10,090,000	10,090,000
-	-	1,015,644	1,015,644
-	-	11,105,644	11,142,023
(7,093,905)	(721,674)	11,367,488	4,374,961
12,529,116	8,991,029	-	72,112,089
<u>\$ 5,435,211</u>	<u>\$ 8,269,355</u>	<u>\$ 11,367,488</u>	<u>\$ 76,487,050</u>

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Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

The City's Internal Service Funds are as follows:

Garage Fund - to account for the revenues and cost of operations of a central motor pool. Vehicles are rented to user departments at estimated cost. Additions and replacements are financed by the Garage Fund and by transfers from the General Fund and Special Revenue Funds.

Technology Fund – to account for the revenues and cost of operations of a central technology asset pool for the City. New and replacement technological assets are funded by the Technology Fund, to be reimbursed by the user funds at an amortized rate over a specified asset life.

Medical/Dental Self-Insurance Fund – to account for the revenues and expenses of a group life insurance, medical insurance, and dental insurance self-insurance plan for employees, dependents, and retirees. Departments of the City are charged premiums consistent with the cost of comparable insurance plans. Claims are provided for as incurred.

General Liability Self-Insurance Fund – to account for the revenues and expenses of a self- insured general liability insurance fund. Departments of the City are charged premiums consistent with the cost of comparable insurance plans. Claims are provided for as incurred.

City of Midland, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Garage	Technology	Medical Dental Self- Insurance	General Liability Self- Insurance	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 13,045,011	\$ 818,588	\$ 14,049,025	\$ 4,486,397	\$ 32,399,021
Investments	13,445,518	770,327	15,936,300	5,572,028	35,724,173
Accounts receivable, net of allowance for uncollectibles	301,058	318,894	(35,171)	-	584,781
Interest receivable	43,167	2,473	51,164	17,889	114,693
Inventories	909,921	-	-	-	909,921
Prepaid items and other assets	90,748	-	75,000	44,867	210,615
Total current assets	27,835,423	1,910,282	30,076,318	10,121,181	69,943,204
Noncurrent assets					
Capital and Subscription Assets					
Land	44,343	-	-	-	44,343
Buildings	3,294,017	-	-	-	3,294,017
Improvements other than buildings	1,069,226	806,171	-	-	1,875,397
Machinery and equipment	90,224,667	2,615,127	-	-	92,839,794
Intangible and other	36,790	323,302	-	-	360,092
Subscription assets	-	2,056,962	-	-	2,056,962
Construction in progress	1,331,857	852,985	-	-	2,184,842
Less accumulated depreciation and amortization	(57,695,806)	(2,860,268)	-	-	(60,556,074)
Total capital and subscription assets	38,305,094	3,794,279	-	-	42,099,373
Total noncurrent assets	38,305,094	3,794,279	-	-	42,099,373
Total assets	66,140,517	5,704,561	30,076,318	10,121,181	112,042,577
Deferred Outflows of Resources					
Pension items	645,768	-	-	35,012	680,780
OPEB items	175,061	-	-	14,364	189,425
Total deferred outflows of resources	820,829	-	-	49,376	870,205

City of Midland, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Garage	Technology	Medical Dental Self- Insurance	General Liability Self- Insurance	Total
Liabilities					
Current liabilities					
Accounts payable	762,374	190,550	859,944	172,702	1,985,570
Accrued payroll	127,300	7,575	15,787	53,967	204,629
Accrued interest	-	9,494	-	-	9,494
Retainage payable	-	1,512	-	-	1,512
Subscription liability	-	352,005	-	-	352,005
Compensated absences	76,933	19,255	-	20,330	116,518
Total OPEB liability	5,558	-	-	467	6,025
Estimated unpaid claims	-	-	1,505,651	3,470,834	4,976,485
Due to other funds	368,274	-	-	-	368,274
Other liabilities	-	-	5,564	-	5,564
Total current liabilities	1,340,439	580,391	2,386,946	3,718,300	8,026,076
Noncurrent liabilities					
Subscription liability	-	220,601	-	-	220,601
Net pension liability	1,618,442	-	-	125,013	1,743,455
Compensated absences	230,797	57,766	-	60,990	349,553
Total OPEB liability	581,205	-	-	45,810	627,015
Total noncurrent liabilities	2,430,444	278,367	-	231,813	2,940,624
Total liabilities	3,770,883	858,758	2,386,946	3,950,113	10,966,700
Deferred Inflows of Resources					
Pension items	72,791	-	-	3,947	76,738
OPEB items	295,848	-	-	24,025	319,873
Total deferred inflows of resources	368,639	-	-	27,972	396,611
Net Position					
Net invested in capital assets	38,305,094	3,220,161	-	-	41,525,255
Unrestricted	24,516,730	1,625,642	27,689,372	6,192,472	60,024,216
Total net position	\$ 62,821,824	\$ 4,845,803	\$ 27,689,372	\$ 6,192,472	\$ 101,549,471

City of Midland, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2024

	Garage	Technology	Medical Dental Self- Insurance	General Liability Self- Insurance	Total
Operating Revenues					
Billings to other funds	\$ 26,001,795	\$ 6,691,752	\$ 14,956,457	\$ 4,249,408	\$ 51,899,412
Employee payments	-	-	2,213,284	-	2,213,284
Total operating revenues	26,001,795	6,691,752	17,169,741	4,249,408	54,112,696
Operating Expenses					
Cost of goods sold	2,434,394	-	-	-	2,434,394
Salaries and fringe benefits	3,036,100	271,495	204,714	1,242,836	4,755,145
Contractual services	2,199,874	5,098,455	2,895,306	2,587,472	12,781,107
Maintenance of structure	33,064	609	-	-	33,673
Maintenance of equipment	4,864,522	292,513	-	-	5,157,035
Payment of claims	-	-	9,352,915	1,355,829	10,708,744
Supplies	3,439,125	861,457	6,090	9,011	4,315,683
Other expenses	1,749	172	108,637	-	110,558
Depreciation and amortization	5,318,093	863,662	-	-	6,181,755
Total operating expenses	21,326,921	7,388,363	12,567,662	5,195,148	46,478,094
Operating Income (Loss)	4,674,874	(696,611)	4,602,079	(945,740)	7,634,602
Nonoperating Revenues (Expenses)					
Investment income	1,682,759	130,298	1,922,667	688,832	4,424,556
Interest expense	-	(9,677)	-	-	(9,677)
Gain on sale of capital assets	445,326	-	-	-	445,326
Other	180,425	-	-	-	180,425
Total nonoperating revenues (expenses)	2,308,510	120,621	1,922,667	688,832	5,040,630
Change in Net Position	6,983,384	(575,990)	6,524,746	(256,908)	12,675,232
Net Position, Beginning of Year	55,838,440	5,421,793	21,164,626	6,449,380	88,874,239
Net Position, End of Year	<u>\$ 62,821,824</u>	<u>\$ 4,845,803</u>	<u>\$ 27,689,372</u>	<u>\$ 6,192,472</u>	<u>\$ 101,549,471</u>

City of Midland, Texas
Combining Statement of Cash Flows - Internal Service Funds
Year Ended September 30, 2024

	Garage	Technology	Medical/ Dental Self- Insurance	General Liability Self- Insurance	Total
Cash Flows From Operating Activities					
Receipts from customers and users	\$ -	\$ (318,894)	\$ -	\$ -	\$ (318,894)
Receipts from interfund service transactions	26,001,795	6,691,752	14,956,457	4,249,408	51,899,412
Receipts from miscellaneous revenues	64,212	-	-	11,272	75,484
Receipts from employees and retirees	-	-	2,262,404	-	2,262,404
Payments to suppliers and service providers	(13,603,268)	(6,330,173)	(12,745,596)	(4,562,748)	(37,241,785)
Payments to employees for salaries and benefits	(2,798,184)	(194,679)	(193,028)	(1,161,333)	(4,347,224)
Payments for interfund service transactions	(578,896)	-	-	-	(578,896)
Net cash from (used in) operating activities	9,085,659	(151,994)	4,280,237	(1,463,401)	11,750,501
Cash Flows From Capital and Related Financing Activities					
Acquisition and construction of capital assets	(13,188,727)	(331,775)	-	-	(13,520,502)
Principal paid on capital debt, notes payable, and leases	-	(367,301)	-	-	(367,301)
Interest and fees paid on capital debt, notes payable, and leases	-	(4,284)	-	-	(4,284)
Proceeds from sale of capital assets	536,321	-	-	-	536,321
Net cash used in capital and related financing activities	(12,652,406)	(703,360)	-	-	(13,355,766)
Cash Flows From Investing Activities					
Purchase of investments	-	-	(1,728,935)	-	(1,728,935)
Sale of investments	1,065,662	588,416	-	2,800,394	4,454,472
Interest on investments	1,050,362	97,732	1,152,832	443,728	2,744,654
Net cash from (used in) investing activities	2,116,024	686,148	(576,103)	3,244,122	5,470,191
Net Increase (Decrease) in Cash and Cash Equivalents	(1,450,723)	(169,206)	3,704,134	1,780,721	3,864,926
Cash and Cash Equivalents, October 1	14,495,734	987,794	10,344,891	2,705,676	28,534,095
Cash and Cash Equivalents, September 30	\$ 13,045,011	\$ 818,588	\$ 14,049,025	\$ 4,486,397	\$ 32,399,021

City of Midland, Texas
Combining Statement of Cash Flows - Internal Service Funds
Year Ended September 30, 2024

Reconciliation of Operating Income (Loss)
to Net Cash Flows From (Used in)
Operating Activities

Operating income (loss)	\$ 4,674,874	\$ (696,611)	\$ 4,602,079	\$ (945,740)	\$ 7,634,602
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities					
Depreciation and amortization	5,318,093	863,662	-	-	6,181,755
Other income (expense)	180,425	-	-	-	180,425
(Increase) decrease in					
Receivables	(116,213)	(318,894)	49,120	11,272	(374,715)
Inventories	(100,438)	-	-	-	(100,438)
Prepaid items and other assets	(90,748)	-	-	-	(90,748)
Pension deferred outflow of resources	357,602	-	-	19,388	376,990
OPEB deferred outflow of resources	(38,267)	-	-	(3,288)	(41,555)
Increase (decrease) in					
Accounts payable and accrued liabilities	(1,018,250)	(76,967)	27,071	141,331	(926,815)
Accrued payroll	34,879	(205)	11,686	22,656	69,016
Estimated unpaid claims	-	-	(409,719)	(751,767)	(1,161,486)
Pension deferred inflow of resources	177,073	-	-	9,600	186,673
OPEB deferred inflow of resources	(43,212)	-	-	(3,233)	(46,445)
Compensated absences	218,390	77,021	-	59,075	354,486
Net pension liability	(567,599)	-	-	(30,773)	(598,372)
Total OPEB liability	99,050	-	-	8,078	107,128

Net Cash From (Used in) Operating Activities

<u>\$ 9,085,659</u>	<u>\$ (151,994)</u>	<u>\$ 4,280,237</u>	<u>\$ (1,463,401)</u>	<u>\$ 11,750,501</u>
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Noncash Transactions

Acquisition of capital assets with accounts payable	\$ -	\$ 1,512	\$ -	\$ -	\$ 1,512
Acquisition of capital assets with subscription	-	816,664	-	-	816,664

Statistical Section (Unaudited)

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

Contents

Page(s)

Financial Trends

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

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.

139-146

Debt Capacity

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

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

151-152

Operating Information

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

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

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City of Midland, Texas
Net Position by Component
Last Ten Fiscal Years

Table 1

Fiscal Year	2015	2016	2017	2018*	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 130,732,360	\$ 145,003,274	\$ 164,184,133	\$ 174,150,136	\$ 207,165,514	\$ 244,745,150	\$ 254,191,567	\$ 299,126,720	\$ 315,961,224	\$ 345,041,232
Restricted	20,226,070	29,841,000	16,363,069	23,121,441	27,383,814	21,014,235	24,186,610	44,647,499	64,957,835	106,252,975
Unrestricted	<u>9,120,513</u>	<u>(9,238,708)</u>	<u>24,802,362</u>	<u>(3,984,736)</u>	<u>(298,134)</u>	<u>(12,384,572)</u>	<u>(52,265,914)</u>	<u>(60,294,408)</u>	<u>(69,799,494)</u>	<u>(74,644,254)</u>
Total Governmental Activities	<u>\$ 160,078,943</u>	<u>\$ 165,605,566</u>	<u>\$ 205,349,564</u>	<u>\$ 193,286,841</u>	<u>\$ 234,251,194</u>	<u>\$ 253,374,813</u>	<u>\$ 226,112,263</u>	<u>\$ 283,479,811</u>	<u>\$ 311,119,565</u>	<u>\$ 376,649,953</u>
Business-type Activities										
Net investment in capital assets	\$ 222,043,318	\$ 222,763,783	\$ 224,677,468	\$ 218,454,203	\$ 223,734,874	\$ 232,438,136	\$ 365,965,726	\$ 344,935,827	\$ 371,112,093	\$ 400,554,015
Restricted	7,890,685	6,489,537	7,032,618	7,901,365	9,614,298	9,784,610	11,679,196	14,821,024	19,243,761	26,098,412
Unrestricted	<u>93,094,258</u>	<u>92,582,619</u>	<u>65,244,637</u>	<u>118,398,177</u>	<u>138,649,471</u>	<u>147,025,898</u>	<u>142,807,951</u>	<u>136,093,860</u>	<u>139,753,514</u>	<u>154,612,611</u>
Total Business-type Activities	<u>\$ 323,028,261</u>	<u>\$ 321,835,939</u>	<u>\$ 296,954,723</u>	<u>\$ 344,753,745</u>	<u>\$ 371,998,643</u>	<u>\$ 389,248,644</u>	<u>\$ 520,452,873</u>	<u>\$ 495,850,711</u>	<u>\$ 530,109,368</u>	<u>\$ 581,265,038</u>
Primary Government										
Net investment in capital assets	\$ 352,775,678	\$ 367,767,057	\$ 388,861,601	\$ 392,604,339	\$ 430,900,388	\$ 477,183,286	\$ 620,157,293	\$ 644,062,547	\$ 687,073,317	\$ 745,595,247
Restricted	28,116,755	36,330,537	23,395,687	31,022,806	36,998,112	30,798,845	35,865,806	59,468,523	84,201,596	132,351,387
Unrestricted	<u>102,214,771</u>	<u>83,343,911</u>	<u>90,046,999</u>	<u>114,413,441</u>	<u>138,351,337</u>	<u>134,641,326</u>	<u>90,542,037</u>	<u>75,799,452</u>	<u>69,954,020</u>	<u>79,968,357</u>
Total Primary Government	<u>\$ 483,107,204</u>	<u>\$ 487,441,505</u>	<u>\$ 502,304,287</u>	<u>\$ 538,040,586</u>	<u>\$ 606,249,837</u>	<u>\$ 642,623,457</u>	<u>\$ 746,565,136</u>	<u>\$ 779,330,522</u>	<u>\$ 841,228,933</u>	<u>\$ 957,914,991</u>

* The City implemented GASB Statement No. 75 for the year ended September 30, 2018.

City of Midland, Texas
Changes in Net Position
Last Ten Fiscal Years

Table 2

Fiscal Year	2015	2016	2017	2018*	2019	2020	2021	2022	2023	2024**
Expenses										
Governmental activities										
General government	\$ 28,717,383	\$ 19,762,424	\$ 25,570,754	\$ 27,645,583	\$ 24,258,411	\$ 25,706,951	\$ 19,096,260	\$ 23,997,291	\$ 28,695,726	\$ 30,683,859
Development services	4,017,284	5,313,316	3,608,938	4,320,319	3,768,080	3,208,576	3,180,738	2,653,301	4,108,029	5,401,560
Engineering	16,352,355	14,919,310	17,837,007	22,463,436	22,732,126	23,690,401	25,559,912	22,347,858	25,475,424	27,537,251
Community services	12,116,060	13,653,821	17,218,438	17,362,841	13,541,026	14,515,055	22,277,865	18,308,419	15,734,720	-
Parks and recreation	-	-	-	-	-	-	-	-	-	12,317,772
Police	25,392,403	28,457,968	29,056,164	32,888,963	28,779,195	32,829,786	34,355,875	30,809,955	37,126,195	43,021,956
Fire	28,683,479	32,556,517	32,302,838	30,936,240	48,866,362	64,134,650	72,393,498	75,106,009	74,821,550	55,986,673
Golf	-	-	-	-	-	-	-	2,992,999	3,086,870	3,442,730
Sports complex	-	-	-	-	-	-	-	3,233,475	2,877,754	2,899,690
Housing programs	-	-	-	-	778,450	685,029	1,527,713	826,731	1,525,055	765,003
Economic development	-	-	-	-	4,045,087	3,977,192	3,730,100	3,405,197	4,024,382	5,068,428
Interest on long-term debt	1,817,804	1,801,049	2,867,573	2,587,862	4,133,382	5,058,084	5,375,616	4,652,710	4,833,302	6,211,857
Total governmental activities expenses	117,096,768	116,464,405	128,461,712	138,205,244	150,902,119	173,805,724	187,497,577	188,333,945	202,309,007	193,336,779
Business-type activities										
Airport	10,327,231	10,718,273	13,624,989	11,525,312	13,261,610	13,661,666	14,827,819	17,415,536	20,919,858	26,036,843
Water and sewer	64,163,946	70,466,172	71,977,966	76,868,084	84,043,753	92,172,311	81,762,406	87,890,959	86,318,024	92,242,869
Sanitation	10,927,308	13,304,713	13,730,752	13,977,814	17,366,746	16,593,760	17,539,987	19,740,658	23,103,022	25,004,403
Drainage	-	-	-	-	-	470,516	322,873	523,701	618,553	797,930
Sports complex	4,289,430	4,438,796	4,257,900	3,828,851	4,780,610	5,035,059	4,910,380	-	-	-
Golf course	2,519,117	2,762,118	2,701,329	2,727,783	2,873,990	2,785,653	2,903,240	-	-	-
Total business-type activities expenses	92,227,032	101,690,072	106,292,936	108,927,844	122,326,709	130,718,965	122,266,705	125,570,854	130,959,457	144,082,045
Total Primary Government Expenses	\$ 209,323,800	\$ 218,154,477	\$ 234,754,648	\$ 247,133,088	\$ 273,228,828	\$ 304,524,689	\$ 309,764,282	\$ 313,904,799	\$ 333,268,464	\$ 337,418,824
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 814,523	\$ 1,516,056	\$ 3,507,741	\$ 1,690,851	\$ 1,545,492	\$ 1,608,971	\$ 1,122,535	\$ 1,019,203	\$ 1,236,774	\$ 1,009,296
Development services	3,282,596	2,201,743	2,617,349	3,663,827	307,348	220,871	203,635	164,162	140,617	111,164
Engineering	938,852	34,501	14,750	24,650	4,342,387	2,441,378	2,546,974	2,459,548	2,109,484	4,306,677
Parks and recreation	1,820,759	1,628,503	1,573,961	1,557,952	1,869,653	902,200	1,240,119	1,185,805	1,207,256	460,369
Police	3,848,647	3,965,168	5,044,751	5,044,874	3,881,438	2,391,452	2,069,781	2,811,206	2,765,467	3,648,254
Fire	1,816,971	1,625,476	1,766,971	3,233,630	2,082,870	1,851,874	2,218,882	4,346,498	4,271,680	7,548,523
Golf	-	-	-	-	-	-	-	3,024,148	3,753,640	4,155,549
Sports complex	-	-	-	-	-	-	-	1,386,131	1,481,961	1,622,811
Operating grants and contributions	1,384,229	1,526,617	1,738,336	1,566,451	2,189,675	12,261,766	3,237,936	3,059,361	2,717,379	1,854,366
Capital grants and contributions	13,503,014	503,113	6,695,626	158,284	21,197,225	26,468,798	5,008,089	7,648,721	5,691,669	13,858,707
Total governmental activities program revenues	27,409,591	13,001,177	22,959,485	16,940,519	37,416,088	48,147,310	17,647,951	27,104,783	25,375,927	38,575,716
Business-type activities										
Charges for services										
Airport	12,515,637	10,776,810	13,268,192	20,443,321	15,378,172	10,055,652	10,967,114	14,848,391	15,787,221	18,455,824
Water and sewer	58,094,221	61,966,908	68,281,460	79,858,913	79,605,969	85,986,682	76,018,939	88,127,899	84,607,456	88,755,441
Sanitation	16,152,502	14,945,478	15,600,965	18,575,987	21,409,769	20,433,270	19,228,179	24,885,922	25,327,858	32,440,717
Drainage	-	-	-	-	-	2,379,958	2,370,954	2,199,249	2,246,244	2,439,457
Sports complex	11,901,462	9,668,859	7,585,308	985,826	1,106,202	766,869	1,036,611	-	-	-
Golf course	2,152,681	1,987,133	2,256,982	2,633,486	2,794,295	2,314,724	2,775,712	-	-	-
Operating grants and contributions	5,649	34,214	-	-	-	5,042,711	5,894,700	10,572,246	12,573,283	-
Capital grants and contributions	6,910,868	5,224,553	7,394,240	5,602,635	13,664,923	13,535,324	130,439,420	10,179,047	7,977,731	14,063,871
Total business-type activities program revenues	107,733,020	104,603,955	114,389,147	128,100,168	133,959,330	140,515,190	250,408,444	146,135,208	146,518,756	168,728,593
Total Primary Government Program Revenues	\$ 135,142,611	\$ 117,605,132	\$ 137,348,632	\$ 145,040,687	\$ 171,375,418	\$ 188,662,500	\$ 268,056,395	\$ 173,239,991	\$ 171,894,683	\$ 207,304,309

City of Midland, Texas
Changes in Net Position (continued)
Last Ten Fiscal Years

Table 2

Fiscal Year	2015	2016	2017	2018*	2019	2020	2021	2022	2023	2024**
Net (Expense) Revenue										
Governmental activities	\$ (89,687,177)	\$ (103,463,228)	\$ (105,502,227)	\$ (121,264,725)	\$ (113,486,031)	\$ (125,658,414)	\$ (169,849,626)	\$ (161,229,162)	\$ (176,933,080)	\$ (154,667,641)
Business-type activities	15,505,988	2,913,883	8,096,211	19,172,324	11,632,621	9,796,225	128,141,739	20,564,354	15,559,299	24,646,548
Total Primary Government										
Net (Expense) Revenue	<u>\$ (74,181,189)</u>	<u>\$ (100,549,345)</u>	<u>\$ (97,406,016)</u>	<u>\$ (102,092,401)</u>	<u>\$ (101,853,410)</u>	<u>\$ (115,862,189)</u>	<u>\$ (41,707,887)</u>	<u>\$ (140,664,808)</u>	<u>\$ (161,373,781)</u>	<u>\$ (130,021,093)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities										
Taxes										
Property	\$ 39,005,229	\$ 44,048,630	\$ 47,726,894	\$ 50,646,396	\$ 52,666,273	\$ 58,169,464	\$ 61,552,508	\$ 62,142,187	\$ 67,617,647	\$ 73,978,925
Sales	44,776,484	34,858,568	42,762,809	53,462,267	61,170,620	50,705,816	46,435,724	61,052,772	68,857,224	66,602,391
Gross receipts	12,732,502	13,856,431	14,149,139	14,768,594	14,926,559	15,187,724	15,200,760	18,837,109	18,790,678	18,717,648
Hotel-motel	6,512,643	5,290,840	5,497,928	12,546,459	10,036,671	5,298,023	4,338,753	5,671,276	7,275,924	7,519,814
Other	770,432	108,193	111,018	93,883	-	-	-	-	-	-
Grants not restricted to specific programs	-	-	-	-	-	-	-	6,936,582	4,083,522	12,118,087
Investment income	1,558,324	877,094	1,056,329	2,224,030	6,025,741	3,437,255	113,128	(13,119,425)	12,803,850	25,402,216
Oil and gas royalties	-	-	-	-	2,824,803	9,888,515	10,291,068	21,783,344	15,699,482	11,516,924
Gain on sale of capital assets	-	-	-	-	471,387	1,598	92,350	5,024	625	-
Miscellaneous	137,184	5,120,698	185,392	772,117	1,061,313	2,114,648	2,563,760	4,582,084	2,943,113	5,751,898
Transfers	4,183,738	4,829,399	33,756,716	(26,960,087)	(1,955,269)	(21,010)	1,999,025	50,705,757	6,500,769	(1,409,874)
Total governmental activities	<u>109,676,536</u>	<u>108,989,853</u>	<u>145,246,225</u>	<u>107,553,659</u>	<u>147,228,098</u>	<u>144,782,033</u>	<u>142,587,076</u>	<u>218,596,710</u>	<u>204,572,834</u>	<u>220,198,029</u>
Business-type activities										
Investment earnings	845,612	723,194	779,289	1,713,385	4,060,350	2,339,130	82,587	(9,938,173)	6,436,758	14,971,070
Oil and gas royalties	-	-	-	-	4,518,436	2,340,074	2,306,472	9,942,263	2,113,738	3,273,785
Gain on sale of capital assets	-	-	-	-	8,046	5,296	-	36,020	33,001	4,971
Miscellaneous	-	-	-	-	4,016,571	2,748,266	2,672,456	5,499,131	16,616,630	6,849,422
Transfers	(4,183,738)	(4,829,399)	(33,756,716)	26,960,087	1,955,269	21,010	(1,999,025)	(50,705,757)	(6,500,769)	1,409,874
Total business-type activities	<u>(3,338,126)</u>	<u>(4,106,205)</u>	<u>(32,977,427)</u>	<u>28,673,472</u>	<u>14,558,672</u>	<u>7,453,776</u>	<u>3,062,490</u>	<u>(45,166,516)</u>	<u>18,699,358</u>	<u>26,509,122</u>
Total Primary Government	<u>\$ 106,338,410</u>	<u>\$ 104,883,648</u>	<u>\$ 112,268,798</u>	<u>\$ 136,227,131</u>	<u>\$ 161,786,770</u>	<u>\$ 152,235,809</u>	<u>\$ 145,649,566</u>	<u>\$ 173,430,194</u>	<u>\$ 223,272,192</u>	<u>\$ 246,707,151</u>
Change in Net Position										
Governmental activities	\$ 19,989,359	\$ 5,526,625	\$ 39,743,998	\$ (13,711,066)	\$ 33,742,067	\$ 19,123,619	\$ (27,262,550)	\$ 57,367,548	\$ 27,639,754	\$ 65,530,388
Business-type activities	12,167,862	(1,192,322)	(24,881,216)	47,845,796	26,191,293	17,250,001	131,204,229	(24,602,162)	34,258,657	51,155,670
Total Primary Government										
Change in Net Position	<u>\$ 32,157,221</u>	<u>\$ 4,334,303</u>	<u>\$ 14,862,782</u>	<u>\$ 34,134,730</u>	<u>\$ 59,933,360</u>	<u>\$ 36,373,620</u>	<u>\$ 103,941,679</u>	<u>\$ 32,765,386</u>	<u>\$ 61,898,411</u>	<u>\$ 116,686,058</u>

*The City implemented GASB Statement No. 75 for the year ended September 30, 2018.

**During 2024, the Community Services department was renamed to the Parks and Recreation Department and animal welfare workers previously included in this department were transferred to the Fire Department. Information above presents classification of Communiy Services until the change to Parks and Recreation.

City of Midland, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 3

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 883,493	\$ 873,127	\$ 903,858	\$ 102,773	\$ 839,801	\$ 105,251	\$ 144,482	\$ 659,088	\$ 833,191	\$ 907,142
Restricted	204,080	149,561	159,164	143,126	157,322	105,910	214,602	269,361	318,997	1,167,451
Committed	22,298,783	17,898,849	7,589,408	22,646,984	17,205,563	25,595,487	12,960,185	10,798,257	50,383,490	32,267,498
Assigned	89,054	509,058	-	-	-	-	-	15,727,060	12,392,569	11,346,364
Unassigned	47,657,421	43,560,973	90,920,065	61,888,543	85,112,929	97,769,496	105,525,069	118,268,041	84,517,335	97,768,207
Total General Fund	\$ 71,132,831	\$ 62,991,568	\$ 99,572,495	\$ 84,781,426	\$ 103,315,615	\$ 123,576,144	\$ 118,844,338	\$ 145,721,807	\$ 148,445,582	\$ 143,456,662
All Other Governmental Funds										
Nonspendable										
Restricted for	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,296	\$ 76,930	\$ 79,170
Debt service	778,424	754,328	434,347	294,157	603,863	898,677	1,991,529	700,192	962,248	1,148,223
Public safety	1,028,685	1,130,934	1,022,342	1,089,622	1,132,907	907,710	1,617,577	1,367,210	1,039,032	1,419,635
Court	871,016	445,427	528,869	567,447	625,752	658,446	678,078	482,775	427,061	380,296
Communications	2,566,617	669,234	351,044	275,573	235,915	181,435	-	-	-	-
Downtown	586,906	577,160	580,249	588,770	332,661	32,052,994	-	-	-	-
Building renovations	7,233,415	5,164,977	35,127,370	25,326,788	9,927,905	3,183,968	1,414,166	1,340,817	1,187,641	493,767
Roadway improvements	-	-	-	-	-	-	-	-	-	11,947,238
Streets and drainage	7,421,290	4,357,040	1,055,640	21,136,386	46,596,828	30,717,230	47,391,775	34,358,383	52,671,535	46,577,239
Parks and recreation	1,130,029	990,256	878,003	273,062	152,522	68,283	25,005,148	18,781,679	56,066,905	57,399,600
Golf	-	-	-	-	-	-	-	-	-	11,367,488
Hotel/motel	-	-	-	15,428,012	13,839,542	12,725,158	13,250,577	12,970,769	15,441,712	18,643,675
Community development	-	-	-	-	-	-	-	-	-	62,443
Other purposes	14,749,314	15,602,083	10,306,905	1,538,529	2,211,219	3,687,145	4,808,845	27,462,246	7,061,812	656,023
Committed to										
Building renovations	43,441	101,878	202,660	270,287	387,247	454,173	534,367	568,568	1,810,745	2,366,369
Parks and recreation	-	-	-	-	-	-	-	-	18,179,583	16,808,634
Streets and drainage	4,168,125	3,688,513	3,312,271	2,858,688	2,790,591	1,998,377	1,734,228	427,245	4,160	-
Other purposes	1,590,756	467,525	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(58,071)	(131,905)	(25,938)	(11,883)	-
Total All Other Governmental Funds	\$ 42,168,018	\$ 33,949,355	\$ 53,799,700	\$ 69,647,321	\$ 78,836,952	\$ 87,475,525	\$ 98,294,385	\$ 98,514,242	\$ 154,917,481	\$ 169,349,800

City of Midland, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 4

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Revenues										
Taxes	\$ 106,378,471	\$ 98,692,661	\$ 110,857,047	\$ 132,521,475	\$ 138,647,032	\$ 129,181,987	\$ 126,749,941	\$ 148,716,992	\$ 162,491,741	\$ 166,435,056
Licenses and permits	4,492,100	1,993,818	2,328,984	3,027,506	5,233,568	3,077,302	3,234,103	3,058,036	2,727,780	4,914,478
Fines and forfeitures	3,349,255	3,981,710	5,226,930	4,846,620	3,739,897	2,352,416	2,029,953	2,720,075	2,486,580	2,662,770
Charges for services	3,182,358	3,076,000	3,530,556	4,845,556	5,119,375	3,711,200	3,572,838	9,930,926	10,787,987	12,700,949
Rentals	269,291	273,863	220,903	232,102	200,257	359,950	481,919	412,497	601,620	655,858
Program income	106,961	142,196	115,062	179,790	105,767	96,932	98,030	95,614	14,055	3,548
Intergovernmental	1,537,981	1,526,617	1,737,434	1,564,361	12,189,675	12,261,786	3,237,936	9,995,943	6,924,437	15,496,709
Investment income (loss)	2,336,321	797,966	930,544	1,847,245	4,992,144	2,758,026	122,873	(10,077,111)	10,940,786	20,977,660
Oil and gas royalties	-	-	-	-	2,824,803	9,888,515	10,291,068	-	21,783,344	11,516,924
Impact fees	-	-	-	-	-	-	-	-	-	4,805,281
Contributions and donations	583,401	503,114	6,696,527	160,374	1,241,322	11,236,905	284,519	331,339	322,134	730,482
Miscellaneous	817,815	6,061,537	1,935,288	1,852,453	1,061,313	2,114,648	2,563,760	4,459,740	3,065,334	849,097
Total revenues	123,053,954	117,049,502	133,579,275	151,077,482	165,355,153	177,039,647	152,666,940	191,427,395	216,061,936	241,748,812
Expenditures										
Current										
General government	20,216,316	29,223,055	17,855,516	18,483,553	15,110,969	12,447,297	11,013,954	12,783,283	15,175,795	16,910,380
Development services	3,555,322	3,267,907	3,315,831	3,505,250	3,658,008	3,716,659	3,344,419	3,537,465	4,459,121	5,336,817
Engineering	17,431,031	15,178,993	13,576,698	15,519,206	15,422,953	16,789,171	18,488,813	14,231,017	13,853,455	16,154,513
Community services	12,346,085	11,984,591	11,054,390	11,010,270	11,824,202	13,963,143	20,753,328	16,011,856	15,060,816	-
Parks and recreation	-	-	-	-	-	-	-	-	-	10,256,447
Police	25,308,241	26,469,372	27,743,755	27,772,640	28,065,052	33,355,954	35,836,861	34,355,925	36,162,185	42,372,866
Fire	26,254,173	25,949,421	26,021,410	28,203,934	31,587,985	33,608,878	34,787,851	35,591,642	40,283,405	52,863,284
Housing	-	-	-	433,743	778,450	685,029	1,527,713	826,731	1,525,055	765,003
Economic development	-	-	-	3,016,266	4,045,087	3,977,192	3,730,100	3,405,197	4,024,382	5,068,428
Golf	-	-	-	-	-	-	-	2,992,999	3,074,802	3,357,785
Sports Complex	-	-	-	-	-	-	-	3,233,472	2,873,633	2,864,869
Other	10,959,337	9,398,124	4,358,509	3,971,901	6,159,906	5,015,408	335,933	6,045,562	6,924,095	6,866,942
Capital outlay	14,245,722	11,698,668	28,778,933	31,013,726	48,476,993	49,172,194	30,138,258	43,449,575	31,758,193	64,716,564
Debt service										
Principal	2,849,650	3,434,732	2,947,931	3,710,172	3,252,414	3,903,966	5,232,758	6,391,762	7,102,081	7,663,466
Interest and fiscal changes	2,839,841	2,159,066	3,078,111	2,899,644	4,471,532	5,878,374	6,122,037	6,358,849	6,003,137	7,001,030
Issuance costs	-	11,096	212,778	232,863	424,199	358,068	569,502	-	291,431	102,635
Total expenditures	136,005,718	138,775,025	138,943,862	149,773,168	173,277,750	182,871,333	171,881,527	189,215,335	188,571,586	242,301,029
Excess (Deficiency) of Revenues										
Over Expenditures	(12,951,764)	(21,725,523)	(5,364,587)	1,304,314	(7,922,597)	(5,831,686)	(19,214,587)	2,212,060	27,490,350	(552,217)
Other Financing Sources (Uses)										
Sale of capital assets	-	-	279,973	191,405	471,387	1,598	95,000	5,024	625	299,846
Leases issued	-	-	-	-	-	-	-	410,057	710,133	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Issuance of long-term debt, including premiums	-	-	31,194,386	29,150,047	39,701,350	33,872,932	52,961,716	-	25,302,120	11,105,644
Payment to refunded bond escrow agent	-	-	-	(4,064,106)	(5,890,881)	-	(27,392,887)	-	-	-
Accrued interest on debt issuance	-	-	-	-	-	-	-	-	-	-
Transfers in	4,672,929	6,313,533	41,558,533	31,548,801	2,182,707	3,000,827	6,799,247	35,512,788	30,195,940	2,373,927
Transfers out	(818,165)	(1,064,277)	(7,342,278)	(57,073,909)	(2,682,707)	(2,144,569)	(7,161,435)	(11,042,603)	(24,572,154)	(3,783,801)
Total other financing sources (uses)	3,854,764	5,249,256	65,690,614	(247,762)	33,781,856	34,730,788	25,301,641	24,885,266	31,636,664	9,995,616
Net Change in Fund Balances	\$ (9,097,000)	\$ (16,476,267)	\$ 60,326,027	\$ 1,056,552	\$ 25,859,259	\$ 28,899,102	\$ 6,087,054	\$ 27,097,326	\$ 59,127,014	\$ 9,443,399
Debt Service as a Percentage of Noncapital Expenditures	4.67%	4.40%	5.47%	5.57%	6.19%	7.32%	8.01%	8.75%	8.36%	8.26%

*During 2024, the Community Services department was renamed to the Parks and Recreation Department and animal welfare workers previously included in this department were transferred to the Fire Department. Information above presents classification of Community Services until the change to Parks and Recreation.

City of Midland, Texas
Tax Revenues by Source – Governmental Funds
Last Ten Fiscal Years

Table 5

Fiscal Year	Ad Valorem Tax	City Sales Tax	Gross Receipts Tax	Mixed Beverage Tax	Hotel Motel Tax	Miscellaneous	Totals
2015	\$ 41,142,259	\$ 42,942,587	\$ 13,600,947	\$ 731,961	\$ 7,835,435	\$ 125,282	\$ 106,378,471
2016	44,048,630	34,858,568	13,200,933	655,498	5,290,840	638,192	98,692,661
2017	47,726,894	42,762,828	13,450,925	698,195	5,497,928	720,277	110,857,047
2018	50,646,396	53,462,267	13,907,146	861,448	12,546,459	93,883	131,517,599
2019	52,513,182	61,170,620	13,582,261	1,233,217	10,036,671	111,081	138,647,032
2020	57,990,424	50,705,816	14,199,448	712,531	5,298,023	275,745	129,181,987
2021	60,774,704	46,435,724	14,245,509	840,380	4,338,753	114,871	126,749,941
2022	63,155,835	61,052,772	17,602,888	1,123,456	5,671,276	110,765	148,716,992
2023	67,567,915	68,857,224	17,373,557	1,300,846	7,275,924	116,275	162,491,741
2024	73,595,203	66,602,391	17,354,568	1,398,558	7,361,652	122,684	166,435,056
Change 2015-2024	79%	55%	28%	91%	-6%	-2%	56%

City of Midland, Texas
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Table 6

Fiscal Year Ended September 30,	Real Property	Personal Property	Minerals Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2015	9,520,300	1,454,108	86,535	817,087	10,243,856	0.39389
2016	10,539,319	1,608,772	211,148	830,389	11,528,850	0.38048
2017	10,992,507	1,512,465	162,024	807,685	11,859,311	0.39968
2018	11,344,881	1,412,598	294,473	810,191	12,241,761	0.40839
2019	12,580,012	1,603,171	324,770	934,892	13,573,061	0.39225
2020	14,704,626	1,511,499	861,814	1,287,108	15,790,831	0.36470
2021	15,586,582	1,547,878	913,661	1,081,646	16,966,475	0.35893
2022	16,062,911	1,558,525	1,055,683	1,082,752	17,594,367	0.36715
2023	16,571,226	1,606,423	2,135,579	1,022,804	19,290,424	0.35504
2024	18,705,716	1,823,661	2,648,033	1,309,594	21,867,816	0.35066

Source: Midland Central Appraisal District

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

City of Midland, Texas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Table 7

Year	City Direct Rates			Overlapping Rates (a)			
	Basic Rate	General Obligation Debt Service	Total Direct	Midland Independent School District	Midland Junior College	Midland County	Midland County Hospital District
2015	0.3375	0.0564	0.3939	1.1401	0.1244	0.1408	0.1198
2016	0.3322	0.0483	0.3805	1.1401	0.1259	0.1560	0.1351
2017	0.3603	0.0394	0.3997	1.1201	0.1371	0.1560	0.1351
2018	0.3675	0.0409	0.4084	1.1201	0.1147	0.1400	0.1262
2019	0.3475	0.0448	0.3923	1.1201	0.1147	0.1400	0.1262
2020	0.3129	0.0518	0.3647	1.0501	0.0912	0.1280	0.0991
2021	0.2994	0.0595	0.3589	1.0266	0.0922	0.1288	0.0996
2022	0.3108	0.0563	0.3671	1.0236	0.0800	0.1311	0.0814
2023	0.3048	0.0502	0.3550	0.9148	0.0800	0.1311	0.0814
2024	0.2898	0.0608	0.3506	0.8770	0.0774	0.1204	0.0731

Source: Midland Central Appraisal District

Note: Rates for debt service are set based on each year's requirements.

(a) Overlapping rates are those of local and county governments that apply to property owners within the City of Midland.

City of Midland, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 8

Fiscal Year 2024			Fiscal Year 2015		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Permian Deep Rock Oil Co LLC	\$ 534,456,970	2.44%	Propetro Services	\$ 235,090,000	2.29%
Diamondback E&P LLC WI	347,314,659	1.59%	Dimondback E&P LLC	193,854,320	1.89%
Endeavor Energy Res -WI-	320,186,755	1.46%	Viper Energy Partners LLC	80,003,410	0.78%
Pioneer Natural REes -WI-	288,999,120	1.32%	RSP Permian LLC	74,914,130	0.73%
Oncor Electric FKA: TXU Ele	136,618,090	0.62%	Endeavor Energy Resources LP	52,711,490	0.51%
Fasken Oil & Ranch LTD	96,254,000	0.44%	Pioneer Natural Resources USA	51,782,300	0.51%
Atmos Energy/WT Division	87,331,200	0.40%	Oncor Electric FKA: TXU Ele	50,335,560	0.49%
Enterprise FM Trust	75,638,480	0.35%	Basin Energy Services	49,229,450	0.48%
Chevron USA Inc	75,601,536	0.35%	Claydesta Buildings LP	38,075,770	0.37%
Anadarko Petroleum Corporation	71,741,671	0.33%	Mall at Midland Park LLC	37,243,920	0.36%
	<u>\$ 2,034,142,481</u>	<u>9.30%</u>		<u>\$ 863,240,350</u>	<u>8.41%</u>

Source: Midland Central Appraisal District

**City of Midland, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years**

Table 9

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Adjustments to the Levy	Adjusted Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2015	40,349,624	257,775	40,607,399	40,195,420	98.99%	180,286	40,375,706	99.43%
2016	43,993,236	(87,083)	43,906,153	43,388,728	98.82%	304,385	43,693,113	99.51%
2017	47,399,178	(76,649)	47,322,529	46,698,294	98.68%	360,534	47,058,828	99.44%
2018	50,032,693	33,238	50,065,931	49,570,541	99.01%	248,920	49,819,461	99.51%
2019	53,242,897	(55,874)	53,187,023	52,640,070	98.97%	440,649	53,080,719	99.80%
2020	57,681,245	88,780	57,770,025	56,992,168	98.65%	511,626	57,503,794	99.54%
2021	60,843,883	211,409	61,055,292	59,514,984	97.48%	946,154	60,461,138	99.03%
2022	62,913,597	(463,493)	62,450,104	61,556,327	98.57%	509,872	62,066,199	99.39%
2023	68,600,038	(1,288,998)	67,311,040	66,409,710	98.66%	322,049	66,731,759	99.14%
2024	76,682,405	(2,969,278)	73,713,127	73,162,885	99.25%	-	73,162,885	99.25%

Source: Midland Central Appraisal District

City of Midland, Texas
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

Table 10

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Agriculture, Forestry, Fishing, Hunting	\$ 51	\$ 197	\$ 378	\$ 304	\$ 266	\$ 217	\$ 90	\$ 1	\$ 59	\$ 33
Mining	570,842	1,572,006	244,036	536,229	774,964	721,375	718,114	855,140	1,538,524	2,017,309
Utilities	363	90	15	69	228	114	111	5,822	-	1,879
Construction	154,455	148,051	105,871	147,344	195,903	172,110	143,449	139,982	171,610	203,037
Manufacturing	91,330	50,920	54,449	105,592	140,714	133,960	100,392	101,136	129,725	117,219
Wholesale Trade	359,109	227,203	150,259	249,368	348,478	291,216	253,898	263,508	385,382	379,554
Retail Trade	1,577,050	1,378,194	1,221,306	1,393,758	1,624,238	1,229,577	1,424,540	1,594,830	1,775,385	1,920,951
Transportation, Warehousing	35,188	23,907	16,757	22,042	19,793	19,793	14,764	12,895	14,709	17,916
Information	78,034	81,836	75,945	77,992	91,382	68,778	56,090	47,907	51,214	54,746
Finance, Insurance	4,990	5,867	5,389	6,033	5,455	3,700	4,614	4,453	4,249	4,507
Real Estate, Rental, Leasing	98,098	84,710	65,688	107,551	178,169	152,146	91,472	65,366	99,266	61,225
Professional, Scientific, Technical Svc	99,282	83,674	69,166	93,933	140,562	113,978	108,685	115,164	160,883	192,543
Management of Companies, Enterprises	-	1,834	22,214	23,445	26,059	20,754	26,450	25,994	29,720	33,716
Admin, Support, Waste Management, Remed	65,082	70,198	62,074	42,481	40,992	35,664	40,644	45,234	51,113	62,739
Educational Services	412	395	414	456	884	465	593	651	1,015	1,044
Health Care, Social Assistance	4,111	4,234	4,359	3,788	4,588	3,259	3,656	4,136	4,222	5,176
Arts, Entertainment, Recreation	42,957	44,628	33,659	41,831	10,322	38,697	39,355	50,440	63,806	66,887
Accommodation, Food Services	359,413	353,929	333,202	381,221	441,495	353,000	395,186	470,662	533,319	596,767
Other Services	92,593	86,843	72,015	89,444	116,471	83,880	84,141	94,557	117,589	123,596
Public Administration	9,677	9,511	10,320	9,872	10,370	8,048	10,497	10,732	12,648	13,391
Other	-	-	4,599	27,166	18	24	280	-	1,442	36,554
Total	\$ 3,643,037	\$ 4,228,227	\$ 2,552,115	\$ 3,359,919	\$ 4,171,351	\$ 3,450,755	\$ 3,517,021	\$ 3,908,610	\$ 5,145,880	\$ 5,910,789
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Texas Comptroller of Public Accounts

City of Midland, Texas
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Table 11

Fiscal Year	City Direct Rate	Midland County	Midland Football/Soccer and Baseball Complex Development Corporation	Midland Development Corporation
2015	1.00%	0.50%	0.25%	0.25%
2016	1.00%	0.50%	0.25%	0.25%
2017	1.00%	0.50%	0.25%	0.25%
2018	1.00%	0.50%	0.25%	0.25%
2019	1.00%	0.50%	0.00%	0.25%
2020	1.00%	0.50%	0.00%	0.25%
2021	1.00%	0.50%	0.00%	0.25%
2022	1.00%	0.50%	0.00%	0.25%
2023	1.00%	0.50%	0.00%	0.25%
2024	1.00%	0.50%	0.00%	0.25%

City of Midland, Texas
Sales Tax Revenue by Payers by Industry
Current Calendar Year and Nine Years Ago
(in thousands of dollars)

Table 12

	2023				2014			
	Number of Filers	Percentage of Total	Sales Subject to Sales Tax	Percentage of Total	Number of Filers	Percentage of Total	Sales Subject to Sales Tax	Percentage of Total
Agriculture, Forestry, Fishing, Hunting	16	0.25%	\$ 33	0.00%	10	0.20%	\$ 51	0.00%
Mining	346	5.34%	2,017,309	34.13%	317	6.24%	570,842	15.67%
Utilities	14	0.22%	1,879	0.03%	9	0.18%	363	0.01%
Construction	553	8.54%	203,037	3.44%	418	8.23%	154,455	4.24%
Manufacturing	291	4.49%	117,219	1.98%	274	5.39%	91,330	2.51%
Wholesale Trade	304	4.69%	379,554	6.42%	263	5.18%	359,109	9.86%
Retail Trade	2,230	34.42%	1,920,951	32.50%	1,616	31.82%	1,577,050	43.29%
Transportation, Warehousing	63	0.97%	17,916	0.30%	54	1.06%	35,188	0.97%
Information	67	1.03%	54,746	0.93%	62	1.22%	78,034	2.14%
Finance, Insurance	37	0.57%	4,507	0.08%	45	0.89%	4,990	0.14%
Real Estate, Rental, Leasing	254	3.92%	61,225	1.04%	213	4.19%	98,098	2.69%
Professional, Scientific, Technical Svc	365	5.63%	192,543	3.26%	358	7.05%	99,282	2.73%
Management of Companies, Enterprises	24	0.37%	33,716	0.57%	3	0.06%	-	0.00%
Admin, Support, Waste Management, Remed	284	4.38%	62,739	1.06%	267	5.26%	65,082	1.79%
Educational Services	71	1.10%	1,044	0.02%	63	1.24%	412	0.01%
Health Care, Social Assistance	71	1.10%	5,176	0.09%	45	0.89%	4,111	0.11%
Arts, Entertainment, Recreation	166	2.56%	66,887	1.13%	119	2.34%	42,957	1.18%
Accommodation, Food Services	794	12.26%	596,767	10.10%	483	9.51%	359,413	9.87%
Other Services	506	7.81%	123,596	2.09%	440	8.66%	92,593	2.54%
Public Administration	8	0.12%	13,391	0.23%	6	0.12%	9,677	0.27%
Other	14	0.23%	36,554	0.62%	14	0.28%	-	0.00%
Total	6,478	100%	\$ 5,910,789	100%	5,079	100%	\$ 3,643,037	100%

Source: Texas Comptroller of Public Accounts

Notes: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

City of Midland, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 13

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Obligation	Premium on Bonds (b)	Leases	Other Obligations	General Obligation Refunding Bonds	Certificates of Obligation	Premium on Bonds (b)	Leases and SBITAs	Capital Leases			
2015	\$ 3,828,678	\$ 52,416,186	\$ -	\$ -	\$ -	\$ 17,726,630	\$ 60,636,482	\$ -	\$ -	\$ 232,058,693	\$ 366,666,669	4.17%	\$ 2,864
2016	2,429,689	50,194,519	-	-	-	13,797,701	58,087,908	-	-	232,896,859	357,406,676	4.88%	2,688
2017	1,560,000	78,536,123	-	-	-	-	56,053,285	-	-	234,096,590	370,245,998	4.71%	2,750
2018	26,370,000	65,262,587	9,275,982	-	-	34,555,000	14,067,413	4,016,080	-	235,484,581	389,031,643	3.18%	2,859
2019	54,290,000	64,505,173	11,700,225	-	-	33,915,000	28,384,827	5,105,754	-	237,076,810	434,977,789	3.56%	3,056
2020	74,200,000	69,446,207	15,577,753	-	-	32,610,000	41,558,793	7,248,421	-	238,028,119	478,669,293	4.91%	3,278
2021	97,877,414	63,145,000	17,298,791	-	-	39,990,000	56,087,586	11,851,408	-	239,157,075	525,407,274	4.29%	3,721
2022	94,443,966	61,686,034	15,623,935	456,165	-	285,750,000	52,910,000	18,055,962	309,462	-	529,235,524	4.11%	4,031
2023	114,810,518	58,469,482	15,413,572	844,217	123,243	283,645,000	51,040,000	16,447,497	229,117	-	541,022,646	4.71%	3,856
2024	109,646,552	66,363,448	14,832,452	540,751	572,606	281,445,000	90,375,000	19,071,816	313,192	-	583,160,817	4.39%	4,128

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Further, there is not any debt outstanding in the previous ten years that is secured by pledged revenue.

(a) See Table 18 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(a) Premium on bonds payable is presented starting with fiscal year 2018

City of Midland, Texas

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

Table 14

Fiscal Year	General Bonded Debt Outstanding				Resources Restricted for Repayment of Outstanding Debt Principal	Net General Bonded Debt	Percentage of Actual Taxable Value (a) of Property	Net General Bonded Debt Per Capita (b)
	General Obligation Bonds	Certificates of Obligation	Premium on Bonds (c)	Total (d)				
2015	\$ 21,555,308	\$ 113,052,668	\$ -	\$ 134,607,976	\$ 778,424	\$ 133,829,552	1.31%	\$ 1,045
2016	16,227,390	108,282,427	-	124,509,817	754,328	123,755,489	1.07%	931
2017	1,560,000	134,589,408	-	136,149,408	434,347	135,715,061	1.14%	1,008
2018	60,925,000	79,330,000	13,292,062	153,547,062	294,157	153,252,905	1.25%	1,126
2019	88,205,000	92,890,000	16,805,979	197,900,979	712,047	197,188,932	1.45%	1,385
2020	106,810,000	111,005,000	22,826,174	240,641,174	1,026,419	239,614,755	1.52%	1,641
2021	137,867,414	119,232,586	29,150,199	286,250,199	2,249,029	284,001,170	1.67%	2,011
2022	380,193,966	114,596,034	33,679,897	528,469,897	801,228	527,668,669	3.00%	4,019
2023	398,455,518	109,509,482	31,861,069	539,826,069	1,044,622	538,781,447	2.79%	3,840
2024	391,091,552	156,738,448	33,904,268	581,734,268	2,943,023	578,791,245	2.65%	4,108

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

(a) See Table 6 for property value data.

(b) See Table 18 for per capita data.

(c) Premium on bonds payable is presented starting with fiscal year 2018

(d) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

City of Midland, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2024

Table 15

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Midland Independent School District	\$ 876,570,000	43.16%	\$ 378,327,612
Midland Junior College	5,625,000	40.01%	2,250,562
Midland County	157,215,000	36.51%	57,399,196
Midland County Hospital District	<u>138,345,000</u>	35.86%	<u>49,610,517</u>
Subtotal, overlapping debt			487,587,887
City of Midland (Direct Debt)			<u>191,955,809</u>
Total Direct and Overlapping Debt			<u><u>\$ 679,543,696</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Midland Central Appraisal District and Assessment Debt outstanding data provided by each governmental unit.

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

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

City of Midland, Texas
Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Table 16

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 819,508	\$ 922,308	\$ 948,745	\$ 979,341	\$ 1,085,845	\$ 1,263,266	\$ 1,357,318	\$ 1,368,485	\$ 1,543,234	\$ 1,749,425
Total net debt applicable to limit	<u>123,999</u>	<u>129,095</u>	<u>127,205</u>	<u>99,127</u>	<u>197,297</u>	<u>239,615</u>	<u>284,001</u>	<u>527,669</u>	<u>538,781</u>	<u>578,791</u>
Debt margin	<u>\$ 695,509</u>	<u>\$ 793,213</u>	<u>\$ 821,540</u>	<u>\$ 880,214</u>	<u>\$ 888,548</u>	<u>\$ 1,023,651</u>	<u>\$ 1,073,317</u>	<u>\$ 840,816</u>	<u>\$ 1,004,453</u>	<u>\$ 1,170,634</u>
Total net debt applicable to the limit as a percentage of debt limit	15.13%	14.00%	13.41%	10.12%	18.17%	18.97%	20.92%	38.56%	34.91%	33.08%

Note: The Constitution and Statutes of the state of Texas and the Charter of the City of Midland do not provide for a legal debt limit. The 8% debt limit rate used herein is that recommended by the Finance Advisory Board of the City of Midland and adopted by the City Council as a guideline of safe debt limit.

City of Midland, Texas
Demographic and Economic Statistics
Last Ten Calendar Years

Table 17

Year	Population	Personal Income (in thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	128,037	\$ 15,300,461	\$ 119,500	33.1	24,428	3.3%
2015	132,950	17,457,778	131,311	33.5	24,651	4.5%
2016	134,613	17,420,746	129,414	33.5	25,668	2.9%
2017	136,090	12,379,069	90,962	33.5	26,159	2.3%
2018	142,339	15,501,036	108,902	31.4	25,943	1.9%
2019	146,042	23,513,106	161,002	31.5	22,549	2.1%
2020	141,192	22,522,939	159,520	31.4	25,128	4.9%
2021	131,292	21,726,357	165,481	33.0	26,398	5.7%
2022	132,490	25,470,876	192,248	31.4	26,387	2.9%
2023	140,322	25,597,739	182,421	32.0	26,398	2.8%

Sources: Population estimates are prepared by City of Midland personnel. US Census population is used in census years. Personal income and per capita personal income provided by Bureau of Economic Analysis. Median age provided by Midland Development Corporation. School enrollment provided by Midland Independent School District. Unemployment data provided by Bureau of Labor Statistics.

**City of Midland, Texas
Principal Employers
Current Year and Nine Years Ago**

Table 18

2024			2015		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Midland Independent School District	3,168	2.80%	Midland Independent School District	3,028	3.24%
Midland Memorial Hospital	2,454	2.17%	Midland Memorial Hospital	1,977	2.11%
Diamondback Energy	2,015	1.78%	Concho Resources	1,117	1.19%
City of Midland	1,232	1.09%	Dawson Geophysical	1,043	1.12%
HEB	1,200	1.06%	City of Midland	955	1.02%
Walmart	1,011	0.89%	Wal-Mart	891	0.95%
Midland County	772	0.68%	Compressor System Inc.	786	0.84%
Conoco Phillips	750	0.66%	Midland College	784	0.84%
XTO Energy, Inc	700	0.62%	Albertson	700	0.75%
Chevron	600	0.53%	Pro-Petro Services	648	0.69%
	<u>13,902</u>	<u>12.28%</u>		<u>11,929</u>	<u>12.75%</u>
Total Employment	113,293		Total Employment	93,495	

Source: Midland Chamber of Commerce, Bureau of Labor Statistics, individual employers consider this proprietary information and may be estimated.

City of Midland, Texas
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Table 19

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
<u>Function/Program</u>										
General government										
Administration	10	10	7	10	9	7	8	8	8	7
Support services	123	135	123	131	105	116	107	113	117	188
Finance/Acct/Treasury	15	15	16	16	15	16	16	17	18	19
Development services	37	42	39	41	40	41	38	43	41	44
Engineering	71	77	73	72	70	78	72	67	66	73
Community services	67	75	69	70	66	72	78	88	76	-
Parks and recreation	-	-	-	-	-	-	-	-	-	80
Police	234	239	244	225	231	242	248	276	239	248
Fire	204	209	217	212	218	232	233	253	237	265
Airport	28	31	30	23	28	29	27	37	31	28
Water and sewer	94	96	92	89	84	104	97	85	80	84
Sanitation	58	59	52	51	60	67	69	74	72	75
Golf course	11	14	14	13	13	14	14	11	14	15
Total	<u>952</u>	<u>1,002</u>	<u>976</u>	<u>953</u>	<u>939</u>	<u>1,018</u>	<u>1,007</u>	<u>1,072</u>	<u>999</u>	<u>1,126</u>

Source: City Departments

*During 2024, the Community Services department was renamed to the Parks and Recreation Department and animal welfare workers previously included in this department were transferred to the Fire Department. Information above presents classification of Community Services until the change to Parks and Recreation.

City of Midland, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 20

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
<u>Function/Program</u>										
Development services										
Street resurfacing/surface treatments (miles)	8.96	22.05	60.62	35.20	49.80	52.10	54.00	27.00	10.00	17.50
Potholes repaired	14,801	11,421	17,048	13,118	13,997	13,480	12,356	13,146	12,016	21,371
Police										
Traffic citations	15,124	15,124	21,573	19,078	13,488	9,639	10,176	9,616	7,073	9,115
Parking citations	3,049	3,049	2,881	5,238	2,895	521	1,052	1,009	830	1,213
Criminal misdemeanor citations	4,825	4,825	5,248	4,759	1,763	1,502	1,498	3,779	2,121	1,850
Fire										
Emergency responses	15,369	15,369	15,202	17,879	18,532	17,531	19,199	20,323	18,076	21,616
Fires extinguished	501	501	478	635	825	805	557	767	839	659
Inspections	135	135	7,097	14,092	15,235	14,993	14,808	10,921	2,251	1,932
Animal control animals handled	7,040	7,040	6,386	6,722	7,747	6,245	6,121	5,574	4,619	5,599
Health department immunizations given	21,441	21,441	12,499	17,489	19,877	10,435	9,470	13,077	18,267	7,481
Airport										
Major airlines	4	4	3	3	3	3	3	3	3	4
Passengers boardings	527,315	527,315	503,746	581,721	650,056	400,133	435,893	605,749	661,749	754,155
Commercial Landings	9,632	9,632	8,020	8,557	9,098	7,069	7,112	8,371	9,251	10,685
Water and sewer										
New accounts - net	688	709	1,141	1,011	1,229	501	1,310	770	856	1,038
Water main breaks	99	88	73	86	89	84	119	113	119	93
Average daily consumption (MGD)	12.616	12.442	12.492	18.974	19.350	18.814	20.500	23.700	24.200	25.700
Peak daily consumption (MGD)	20.610	17.364	17.731	37.843	31.860	39.723	32.500	30.290	43.200	35.900
Average daily sewage treatment (MGD)	8.849	8.849	9.379	10.027	10.300	9.260	10.500	10.500	10.500	10.700
Sanitation										
Refuse collected (tons)	272,533	272,533	245,724	299,698	335,929	331,068	281,008	289,786	308,813	346,282
Recyclables collected (tons)	1,812	1,282	1,314	366	655	748	803	858	739	800
Sports complex										
Baseball stadium attendance	382,403	324,307	348,173	336,742	351,524	25,101	151,268	205,602	288,028	285,000
Football/soccer stadium attendance	123,681	127,227	117,890	127,953	116,613	66,910	127,422	170,814	160,783	165,000
Golf course										
Attendance	51,040	51,040	51,253	54,888	56,470	52,894	61,095	65,400	76,346	79,001
Tournaments	81	81	69	72	83	43	61	99	104	102

Source: City Departments

Notes: *In 2024, Animal and Health activities moved under the Fire Department.

City of Midland, Texas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Table 21

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
Development Services										
Streets – paved (miles)	613	615	627	635	653	664	667	674	667	679
Streets – unpaved (miles)	35	37	19	18	17	13	13	12	11	10
Alleys – paved (miles)	142	137	141	144	145	145	144	144	162	162
Streetlights	6,321	6,351	6,351	6,350	6,350	6,430	6,450	6,472	6,580	6,738
Signalized locations	114	102	113	114	115	114	115	115	115	115
Parks and Recreation										
Parks acreage	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,364	1,327	1,327
Playgrounds	40	40	40	40	40	40	40	45	42	42
Baseball/softball diamonds	64	64	64	64	64	64	64	83	67	67
Football/soccer fields	49	49	49	59	59	59	59	74	59	59
Community Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	2	2	2	2	2	2	2	2	2	2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	61	120	120	105	105	114	152	178	123	144
Fire										
Stations	10	10	10	10	10	11	11	11	11	11
Airport										
Primary runway (feet)	9,501	9,501	9,501	9,501	9,501	9,501	9,501	9,501	9,501	9,501
Primary crosswind runway (feet)	8,302	8,302	8,302	8,302	8,302	8,302	8,302	8,302	8,302	8,302
General aviation runways (feet)	8,944	8,944	8,944	8,944	8,944	8,944	8,944	8,944	8,852	8,852
Water and Sewer										
Water mains (miles)	835	843	845	854	893	892	932	946	1,003	1,016
Fire hydrants	3,716	3,885	4,074	3,988	4,650	4,459	4,660	4,672	5,168	5,254
System capacity (million gallons)		55	55	55	52	55	52	55	55	55
Sanitary sewers (miles)	636	636	663	668	670	685	685	694	654	670
Storm sewers (miles)	64	64	61	64	64	67	67	67	79	79
Sanitation										
Refuse trucks	45	46	47	35	47	46	47	31	31	33
Sports Complex										
Stadiums	2	2	2	2	2	2	2	2	3	2
Golf Course										
Courses	2	2	2	2	2	2	2	2	2	2
Holes	36	36	36	36	36	36	36	36	36	36

Source: City Departments

Notes: N/A – Data not available



Report to the City Council, Audit Committee, and Management

City of Midland, Texas

Results of the 2024 Financial Statement Audit, Including Required Communications

September 30, 2024

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements and supplementary information: • As of and for the year ended September 30, 2024 • Conducted in accordance with our contract dated August 7, 2024
Our Responsibilities	Forvis Mazars is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope & Inherent Limitations to Reasonable Assurance	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the opinion unit being audited and did not include a detailed audit of all transactions.
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Matter	Discussion
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • City Council, Audit Committee, and Management • Others within the City

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided our report as of September 30, 2024, on the following as required by GAGAS: • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Uniform Guidance and Passenger Facility Charge Program Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	We also provided reports as of September 30, 2024, on the following as required by U.S. Office of Management and Budget OMB Uniform Guidance and <i>Passenger Facility Charge Audit Guide for Public Agencies</i> (Guide): • Opinion on compliance for the major federal award program • Opinion on compliance for the Passenger Facility Charge program • Report on internal control over compliance • Schedule of Expenditures of Federal Awards • Schedule of Passenger Facility Charge Collections and Expenditures
Audit Scope & Inherent Limitations to Reasonable Assurance	A compliance audit performed in accordance with OMB Uniform Guidance and the Guide is designed to obtain reasonable, rather than absolute, assurance about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement and that Guide that could have a direct and material effect on a major federal award program or the Passenger Facility Charge program occurred.

Group Audits

Referred-To Auditors & Fiduciary Component Unit Audited by Other Auditors

Our audit strategy included the use of the work of a referred-to auditor, resulting in a division of responsibility over the aggregate remaining fund information opinion unit.

We did not audit the financial statements of Midland Firemen's Relief and Retirement Fund (MFRRF), a fiduciary component unit, which statements reflect total assets and deferred outflows of resources constituting 26% of the aggregate remaining fund's total assets and deferred outflows of resources as of September 30, 2024, and revenues constituting 15% of the aggregate remaining fund information for the year then ended.

Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for MFRRF, is based solely on the report of the other auditors. We have had communications with the other auditors during planning and throughout the audit regarding their qualifications to perform the audit, including independence, and consideration of materiality as a basis for referring to their audit report. Professional standards require that we provide you with information about our responsibilities in accordance with GAAS, as well as certain information related to the planned scope and timing of our audit.

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's annual comprehensive financial report (ACFR). Management, or those charged with governance, is responsible for preparing the annual report.

We were not engaged to audit the introductory and statistical information contained in the annual comprehensive financial report (ACFR), and as a result, our opinions do not provide assurance as to the completeness and accuracy of the introductory and statistical information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements
- Remain alert for indications that:
 - A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, or
 - A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise become aware that other information appears to be materially misstated. Potential responsive actions would include requesting management to correct the identified inconsistency
- Include the appropriate communication in our auditor's report, disclosing the procedures performed on the Other Information, as well as the results obtained
 - No material inconsistencies noted.

Qualitative Aspects of Significant Accounting Policies & Practices

The following matters are detailed in the following pages and included in our assessment:

**Significant Accounting
Policies**

**Unusual Policies or
Methods**

**Alternative Accounting
Treatments**

**Management Judgments
& Accounting Estimates**

**Financial Statement
Disclosures**

**Our Judgment About the
Quality of the Entity's
Accounting Principles**

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature):

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows.

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Allowance for uncollectible receivables
- Self-insured liabilities
- Net pension liability and deferred inflows and outflows of resources
- Total other post-employment benefits liability (OPEB) and related deferred inflows and outflows of resources
- Landfill closure and post-closure liabilities

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Total OPEB liability
- Net pension liability
- Commitments

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- Various reclassification entries for reporting purposes - outsourced to Forvis Mazars
- Year-end entries related to Governmental Accounting Standards Board Statements 68, 75, 87, and 96 - outsourced to Forvis Mazars
- Entries to convert modified accrual statements to full accrual statements - outsourced to Forvis Mazars

Uncorrected Misstatements

Current Period Uncorrected Misstatements

- No current-period uncorrected misstatements to report

Prior-Period Uncorrected Misstatements

- No prior-period uncorrected misstatements to report

Other Required Communications

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)
- We orally communicated to management a deficiency in internal control identified during our audit that is not considered a material weakness or significant deficiency.

Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Attachment A

Management Representation Letter

Representation of:
City of Midland, Texas
300 N Loraine
Midland, Texas 79701

Provided to:
Forvis Mazars, LLP
Certified Public Accountants
14221 Dallas Parkway, Suite 400
Dallas, TX 75254

The undersigned ("We") are providing this letter in connection with Forvis Mazars' audit of our financial statements as of and for the year ended September 30, 2024.

We are also providing this letter in connection with:

- Your audit of our compliance with requirements applicable to each of our major federal awards programs as of and for the year ended September 30, 2024.

Our representations are current and effective as of the date of Forvis Mazars' report: March 21, 2025.

Our engagement with Forvis Mazars is based on our contract for services dated: August 7, 2024.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars' report in conformity with accounting principles generally accepted in the United States of America .

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

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. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.
3. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - 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 governing body meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.
 - e. All significant contracts and grants.
4. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

5. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
7. We have identified and disclosed to you any violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

Federal Awards Programs (Uniform Guidance) and Passenger Facilities Charge Program

11. We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations, or in any other form.
12. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
13. We have reconciled the schedule of expenditures of federal awards (SEFA) to the financial statements.
14. Federal awards-related revenues and expenditures are fairly presented, both in form and content, in accordance with the applicable criteria in the entity's financial statements.
15. We have evaluated all recipient organizations that received federal funding and have determined the City does not have any subrecipients.
16. We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations. We have identified the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (PFC Guide), issued by the Federal Aviation Administration, that are applicable to the passenger facility charge program. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.
17. We are responsible for complying, and have complied, with the requirements of Uniform Guidance and the PFC Guide.
18. We are responsible to understand and comply with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal awards programs and PFC program and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. We believe the entity has complied with all applicable compliance requirements.
19. We are responsible for the design, implementation, and maintenance of internal controls over compliance that provide reasonable assurance we have administered each of our federal awards programs and PFC program in compliance with federal statutes, regulations, and the terms and conditions of the federal awards and PFC program.
20. We have made available to you all federal awards (including amendments, if any) and any other correspondence or documentation relevant to each of our federal awards programs and PFC program and to our compliance with applicable requirements of those programs.

21. The information presented in federal awards program and PFC program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.
22. The costs charged to federal awards and PFC program are in accordance with applicable cost principles.
23. The reports provided to you related to federal awards programs and PFC program are true copies of reports submitted or electronically transmitted to the federal awarding agency, the applicable payment system, or pass-through entity in the case of a subrecipient.
24. Amounts claimed or used for matching were determined in accordance with Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) regarding cost principles.
25. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs and PFC program, including any communications received from the end of the period of your audit through the date of this letter.
26. We have identified to you any previous compliance audits, attestation engagements, and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other monitoring.
27. The reporting package does not contain any protected personally identifiable information.
28. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.
29. We represent that the City's expenditures of state of Texas awards are under the \$750,000 threshold requiring an audit under the State of Texas Grant Management Standards (TxGMS).

Misappropriation, Misstatements, & Fraud

30. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
31. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in internal control over financial reporting, or
 - b. Others when the fraud could have a material effect on the financial statements.

32. We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
33. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, regulators, citizens, suppliers, or others.
34. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

35. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year of the date of the financial statements and known facts thereafter without consideration of potential mitigating effects of management’s plans and concluded substantial doubt does not exist.

Related Parties

36. We have disclosed to you the identity of all of the entity’s related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

37. We understand that the term related party refers to:
 - Affiliates
 - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
 - City council and members of their immediate families
 - Management and members of their immediate families
 - Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings & Regulations

38. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
39. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
40. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
41. There are no regulatory examinations currently in progress for which we have not received examination reports.
42. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
43. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations:

Nonattest Services

44. You have provided nonattest services, including the following, during the period of this engagement:
 - Preparing a draft of the financial statements and related notes and supplementary information
 - Preparing a draft of the schedule of expenditures of federal awards
 - Completing the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse
 - Preparing entries to convert from modified accrual to full-accrual basis statements
 - Assistance with year-end entries related to GASB Statement No. 68, 75, 87 and 96.

45. With respect to these services:

- a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
- b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
- c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
- d. We have evaluated the adequacy of the services performed and any findings that resulted.
- e. We have established and maintained internal controls, including monitoring ongoing activities.
- f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

46. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

47. With regard to supplementary information:

- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
- b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
- c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

48. With regard to other information that is presented in the form of our annual report:

- a. We confirm that the Annual Comprehensive Financial Report (ACFR) comprises the annual report for the entity.
- b. We have reviewed and approved the final draft of the ACFR.

Transactions, Records, & Adjustments

49. All transactions have been recorded in the accounting records and are reflected in the financial statements.

50. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
51. We have everything we need to keep our books and records.
52. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
53. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the entity's accounts.

Governmental Accounting & Disclosure Matters

54. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
55. With regard to deposit and investment activities:
 - a. All deposit and investment transactions have been made in accordance with legal and contractual requirements.
 - b. Investments are properly valued.
 - c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
56. The financial statements include all component units, and properly disclose all other joint ventures and other related organizations.
57. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
58. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
59. Capital, lease, and subscription based assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
60. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.

61. The entity has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
62. We have identified and evaluated all potential tax abatements, and we believe there are no material tax abatements.
63. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, budgetary comparisons, pension and other postemployment benefit information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.
64. With regard to pension and other postretirement benefits (OPEB):
 - a. We believe the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We have provided you with the entity's most current pension and OPEB plan instrument for the audit period, including all plan amendments.
 - c. The participant data provided to you related to pension and OPEB plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
 - d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

General Government Matters

65. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
66. All funds that meet the quantitative criteria in in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an Amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
67. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
68. Revenues are appropriately classified in the statement of activities within program and general revenues.

69. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.
70. We have exercised due care in the preparation of the introductory and statistical sections included in our annual comprehensive financial report (ACFR) and are not aware of any information contained therein that is inconsistent with the information contained in our basic financial statements.

Accounting & Disclosure

71. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
72. Except as reflected in the financial statements, there are no:
- a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
 - g. Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or anticipated asset retirement obligations.
73. Except as disclosed in the financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
 - b. Complied with all aspects of contractual agreements, for which noncompliance would materially affect the financial statements.

74. We agree with the findings of specialists in evaluating the net pension liability, total other post-employment benefit liability, self-insured liability, arbitrage liability and landfill closure/post-closure liability and have adequately considered the qualification of the specialists 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 the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

Revenue, Accounts Receivable, & Inventory

75. Adequate provisions and allowances have been accrued for any material losses from:
- a. Uncollectible receivables.
 - b. Excess or obsolete inventories.
 - c. Sales/service commitments, including those unable to be fulfilled.
 - d. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

76. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
77. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to a lack of diversity related to employers, industries, inflows of resources, workforce covered by collective bargaining agreements, providers of financial resources, or suppliers of material, labor or services loans, investments, or deposits, or constraints, which refer to a limitation imposed by an external party or by formal action of a government’s highest level of decision-making authority related to limitations on raising revenue, limitations on spending, limitations on the incurrence of debt, or mandated spending, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

78. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
- a. The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated course of action.
 - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
 - c. The significant assumptions appropriately reflect market participant assumptions.

- d. The disclosures related to fair values are complete, adequate, and in conformity with accounting principles generally accepted in the United States of America.
- e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax-Exempt Bonds

- 79. Tax-exempt bonds issued have retained their tax-exempt status.
- 80. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

Tommy Gonzalez
[Tommy Gonzalez \(Mar 21, 2025 14:59 CDT\)](#)

Tommy Gonzalez, City Manager
tgonzalez@midlandtexas.gov

Christy Weakland
[Christy Weakland \(Mar 21, 2025 16:09 CDT\)](#)

Christy Weakland, CPA, Director of Finance
cweakland@midlandtexas.gov



City of Midland, Texas

Single Audit Reports

September 30, 2024

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City of Midland, Texas
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<u>Department of Housing and Urban Development (HUD)</u>				
Direct Program:				
<i>CDBG – Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218		\$ 312,017	\$ 1,259,907
<i>Total CDBG – Entitlement Grants Cluster</i>			312,017	1,259,907
Total Department of Housing and Urban Development (HUD)			312,017	1,259,907
<u>Department of Justice</u>				
Passed through from:				
Texas Office of the Governor – Criminal Justice Division (CJD)				
	16.738	15PBJA21GO1889, 15PBJA22GG02494, 4482101, 15PBJA23GG03827	-	171,388
Direct Program:				
Equitable Sharing Program	16.922		-	83,535
Total Department of Justice			-	254,923
<u>Department of Transportation</u>				
Direct Program:				
Airport Improvement Program	20.106		-	8,790,438
COVID-19 – Airport Improvement Program	20.106		-	3,782,844
Total Airport Improvement Program			-	12,573,282
Total Department of Transportation			-	12,573,282
<u>Department of Treasury</u>				
Direct Program:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	12,118,087
Total Department of Treasury			-	12,118,087
<u>Department of Energy</u>				
Direct Program:				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128		-	58,500
Total Department of Energy			-	58,500
<u>Department of Health and Human Services</u>				
Passed through from:				
Texas Department of State Health Services				
Public Health Emergency Preparedness	93.069	HHS001311200020, HHS001439500040, HHS001331300032	-	95,289
Immunization Cooperative Agreements	93.268	HHS001331300032, HHS001324900036	-	103,885
COVID-19 – Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	HHS001078400001	-	205,135
<i>Medicaid Cluster</i>				
Medical Assistance Program	93.778	529-13-0033-00001	-	70,036
<i>Total Medicaid Cluster</i>			-	70,036
Preventive Health and Health Services Block Grant	93.991	HHS001027900001	-	587,458
Total Department of Health and Human Services			-	1,061,803
<u>Executive Office of the President</u>				
Direct Program:				
High Intensity Drug Trafficking Areas Program	95.001		-	157,663
Total Executive Office of the President			-	157,663
Total Expenditures of Federal Awards			\$ 312,017	\$ 27,484,165

City of Midland, Texas
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the primary government of the City of Midland, Texas (City) under programs of the federal government for the year ended September 30, 2024. The City's reporting entity is defined in Note 1 in the City's basic financial statements for the year ended September 30, 2024.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, except for the Airport Improvement Program, which is accounted for on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Midland, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Midland, Texas (City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 21, 2025, which contained a reference to other auditors. The financial statements of Midland Development Corporation (MDC), the discretely presented component unit, and the Midland Firemen's Relief and Retirement Fund (MFRRF), a fiduciary component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with MDC or MFRRF.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

**Dallas, Texas
March 21, 2025**

Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Midland, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Midland, Texas' (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 21, 2025, which contained unmodified opinions on those financial statements and a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

**Dallas, Texas
March 21, 2025**

City of Midland, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance material to the financial statements noted?

☐ Yes ☒ No

Federal Awards

4. Internal control over the major federal program:

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Material weakness(es) identified? ☐ Yes ☒ No

5. Type of auditor’s report issued on compliance for the major federal program:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?

☐ Yes ☒ No

City of Midland, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

(Continued)

7. Identification of major federal program:

Cluster/Program	Federal Assistance Listing Number
COVID – 19 – Coronavirus State and Local Fiscal Recovery Fund	21.027

8. Dollar threshold used to distinguish between Type A and Type B Programs: \$824,525.

9. Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

City of Midland, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

City of Midland, Texas
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2024

Reference Number	Summary of Finding	Status
	No matters are reportable.	

Independent Auditor's Report

The Honorable Mayor, City Council
And City Manager
City of Midland, Texas
Midland, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Midland, Texas (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, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, 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.

We did not audit the financial statements of the Midland Firemen's Relief and Retirement Fund (MFRRF), which represent 26%, 27%, and 15%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate remaining fund information as of September 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for MFRRF, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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. The financial statements of the MFRRF, a fiduciary component unit of the City, were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Dallas, Texas
March 21, 2025



City of Midland, Texas

Schedule of Passenger Facility Charge Collections and Expenditures

September 30, 2024

City of Midland, Texas
Schedule of Passenger Facility Charge Collections and Expenditures
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September 30, 2024

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Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control Over Compliance; and Report on Schedule of Passenger Facility Charge Collections and Expenditures

Independent Auditor's Report

The Honorable Mayor, Members of City Council, and City Manager
The City of Midland, Texas

Report on Compliance for the Passenger Facility Charge Program

Opinion on Passenger Facility Charge Program

We have audited City of Midland, Texas' (City) compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on the City's passenger facility charge program for the year ended September 30, 2024.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2024.

Basis for Opinion on Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Guide. Our responsibilities under those standards and the Guide are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Passenger Facility Charge Collections and Expenditures

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated March 21, 2025, which contained unmodified opinions on those financial statements and a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Passenger Facility Charge Collections and Expenditures is presented for purposes of additional analysis as required by the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Passenger Facility Charge Collections and Expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

**Dallas, Texas
March 21, 2025**

City of Midland, Texas
Midland International Air and Space Port
Schedule of Passenger Facility Charge Collections and Expenditures
Year Ended September 30, 2024

	FY-23 Program Total	Quarter 1 Oct. - Dec.	Quarter 2 Jan. - Mar.	Quarter 3 Apr. - Jun.	Quarter 4 Jul. - Sep.	FY-24 Total	FY-24 Program Total
Revenue							
Collections	\$ 53,596,117	\$ 613,129	\$ 748,973	\$ 513,403	\$ 933,259	\$ 2,808,764	\$ 56,404,881
Interest	3,654,704	175,101	172,391	186,278	247,521	781,291	4,435,995
Total Revenue	57,250,821	788,230	921,364	699,681	1,180,780	3,590,055	60,840,876
Disbursements							
App 94-02 (1)							
Proj. 2-1 - Rehab. RW 4-22	119,012	-	-	-	-	-	119,012
Proj. 2-2 - Rehab. RW 16L-34R	79,340	-	-	-	-	-	79,340
Proj. 2-3 - Rehab. Airf. Taxiways	223,673	-	-	-	-	-	223,673
Proj. 2-4 - Const. New Terminal	30,303,864	-	-	-	-	-	30,303,864
Total App - 02	30,725,889	-	-	-	-	-	30,725,889
App 01-04 (2)							
Proj. 4-1 - Recon. N. Apron & Drn.	364,099	-	-	-	-	-	364,099
Proj. 4-2 - Rehab. RW & Txwy.	60,187	-	-	-	-	-	60,187
Proj. 4-3 - Reloc. & Recon Txwy. Z	213,215	-	-	-	-	-	213,215
Proj. 4-4 - Replace ARFF Facility	190,000	-	-	-	-	-	190,000
Proj. 4-5 - Recon. Txwy C,H,P Intr.	109,988	-	-	-	-	-	109,988
Proj. 4-6 - Recon. S. Apron	378,432	-	-	-	-	-	378,432
Proj. 4-7 - Acquire 2 ARFF Veh.	80,000	-	-	-	-	-	80,000
Total App - 04	1,395,921	-	-	-	-	-	1,395,921
App 07-05 (3)							
Proj. 5-1 - PFC Admin. Fee	50,000	-	-	-	-	-	50,000
Proj. 5-2 - 10/28 Shoulder	108,702	-	-	-	-	-	108,702
Proj. 5-3 - Repl. FIDS/BIDS	27,815	-	-	-	-	-	27,815
Proj. 5-4 - Swpr. Snow Rem. Veh.	36,596	-	-	-	-	-	36,596
Proj. 5-5 - Airp. Master Drng. Plan	3,750	-	-	-	-	-	3,750
Proj. 5-6 - Rehab. RW 16R/34L	227,731	-	-	-	-	-	227,731
Proj. 5-7 - Rehab. RW 10/28	184,490	-	-	-	-	-	184,490
Proj. 5-9 - Airf. Light/Sign	82,320	-	-	-	-	-	82,320
Proj. 5-10 - Rehab. Txwys.	210,745	-	-	-	-	-	210,745
Total App - 05	932,149	-	-	-	-	-	932,149
App 12-06 (4)							
Proj. 6-1 - Terminal Rehab.	186,637	-	-	-	-	-	186,637
Proj. 6-2 - Exec. Apron Recon.	310,103	-	-	-	-	-	310,103
Proj. 6-3 - NW Taxilane, Emer Rdwy.	73,586	-	-	-	-	-	73,586
Proj. 6-6 - Emer. Perimeter Rdwy, Gate Reh.	19,500	-	-	-	-	-	19,500
Proj. 6-8 - Ent. Road Guidance Sign Reh.	1,330,700	-	-	-	-	-	1,330,700
Proj. 6-10 - Airfield Lighting Cable Repl.	1,401,756	-	-	-	-	-	1,401,756
Total App - 06	3,322,282	-	-	-	-	-	3,322,282
App 14-07 (5)							
Proj 7-2 - Aircraft Ramp Lighting System	468,829	-	-	-	-	-	468,829
Proj 7-3 - Construct RW 16R Run-Up	879,200	-	-	-	-	-	879,200
	1,348,029	-	-	-	-	-	1,348,029
APP 18-08							
Proj 8-1 - Rehab Runway 10/28	119,687	-	-	-	-	-	119,687
Proj 8-2 - Rehab RW 16R/34L	144,360	-	-	-	-	-	144,360
Proj 8-3 - Rehab Taxiways	104,219	-	-	-	-	-	104,219
Proj 8-4 - RIM	238,952	-	-	-	-	-	238,952
Proj 8-5 - Improve Security Checkpoint	339,924	-	-	-	-	-	339,924
Proj 8-7 - Security Access Control	1,416,749	-	-	-	-	-	1,416,749
Proj 8-8 - Airfield Storm Drain	264,127	878	10,269	1,025	2,327	14,499	278,626
Proj 8-9 PFC Admin Charges	67,467	-	-	-	-	-	67,467
	2,695,485	878	10,269	1,025	2,327	14,499	2,709,984
APP 20-09							
Proj 9-1 - Airport Wildlife Mgm Improvements	259,330	17,457	860	41,551	39,097	98,965	358,295
Proj 9-2 - Airfield Wildlife Fence Improvements	1,048,824	25,792	9,497	125,322	289,403	450,014	1,498,838
Proj 9-3 - PFC Admin Charges	81,646	3,440	20,718	922	12,710	37,790	119,436
	1,389,800	46,689	31,075	167,795	341,210	586,769	1,976,569
Total Disbursements	41,809,555	47,567	41,344	168,820	343,537	601,268	42,410,823
Net PFC Revenue (rev. - disb.)	15,441,266	740,663	880,020	530,861	837,243	2,988,787	18,430,053
PFC Account Balance	\$ 15,441,266	\$ 16,181,929	\$ 17,061,949	\$ 17,592,810	\$ 18,430,053	\$ 18,430,053	\$ 18,430,053

- (1) Application was closed by the Fede Application was closed by the Federal Aviation Administration (FAA) on December 13, 2021
(2) Application was closed by the FAA on December 27, 2021
(3) Application was closed by the FAA on February 24, 2022
(4) Application was closed by the FAA on March 21, 2022
(5) Application was closed by the FAA on May 9, 2022

City of Midland, Texas
Midland International Air and Space Port
Notes to the Schedule of Passenger Facility Charge Collections and Expenditures
Year Ended September 30, 2024

Note 1. Description of the Program

Sections 9110 and 9111 of the *Aviation Safety and Capacity Expansion Act of 1990*, enacted on November 5, 1990, authorized by the Secretary of Transportation, further delegated to the Federal Aviation Administration (FAA) Administrator, to approve the local imposition of an airport passenger facility charge (PFC) of \$1, \$2, \$3, or \$4.50 per enplaned passenger for use on certain airport projects. On May 29, 1991, the FAA issued Part 158 of the Federal Aviation Regulations outlining policies and procedures for the PFC Program. Under Part 158, public agencies controlling commercial service airports can apply to the FAA for authority to impose a PFC for use on eligible projects. The Midland International Air and Space Port (Airport) was initially authorized by the FAA to impose and use a \$3 passenger charge. In June 2004, the Airport was granted FAA approval to collect at the \$4.50 per enplaned passenger rate. The Airport began collecting at the \$4.50 rate effective November 1, 2004. However, on January 1, 2014, the passenger charge decreased from \$4.50 to \$3.00 temporarily for the period January 1, 2014 to October 31, 2014, and returned to \$4.50 on November 1, 2014.

Passenger facility charges collected are deposited and separately held in a restricted account along with interest earned on such funds. Disbursements shown in the schedule of passenger facility charge collections and expenditures represent those amounts transferred from the restricted account to reimburse the Airport for the PFC qualified portion of amounts expended on eligible projects.

Note 2. Basis of Accounting – Schedule of Passenger Facility Charge Collections and Expenditures

The accompanying Schedule of Passenger Facility Charge Collections and Expenditures presents the collections received from the passenger facility charges and expenditures paid on approved projects.

The schedule is prepared on a cash basis and, consequently, does not agree to the basic financial statements, but is reconciled to the financial statements as follows:

PFC cash basis collections	\$ 2,808,764
Fiscal year 2023 accrual	(378,010)
Fiscal year 2024 accrual	<u>498,481</u>
PFC revenue per financial statements	<u><u>\$ 2,929,235</u></u>

City of Midland, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

Summary of Auditor's Results

- | | | |
|--|--|--|
| 1. Type of report issued on PFC financial statements. | ☒ Unmodified | ☐ Qualified |
| 2. Type of report on PFC compliance. | ☒ Unmodified | ☐ Qualified |
| 3. Quarterly revenue and expenditures reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts. | ☒ Yes | ☐ No |
| 4. PFC revenue and interest is accurately reported on FAA Form 5100-127. | ☒ Yes | ☐ No |
| 5. The Public Agency maintains a separate financial accounting record for each application. | ☒ Yes | ☐ No |
| 6. Funds disbursed were for PFC eligible items as identified in the FAA decision to pay only for the allowable costs of the project. | ☒ Yes | ☐ No ☐ N/A |
| 7. Monthly carrier receipts were reconciled with quarterly carrier reports. | ☒ Yes | ☐ No |
| 8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | ☒ Yes | ☐ No |
| 9. Serving carriers were notified of PFC program actions/changes approved by the FAA. | ☒ Yes | ☐ No |
| 10. Quarterly reports were transmitted (or available via website) to remitting carriers. | ☒ Yes | ☐ No |
| 11. The Public Agency is in compliance with Assurances 5, 6, 7, and 8. | ☒ Yes | ☐ No |
| 12. Project design and implementation is carried out in accordance with Assurance 9. | ☒ Yes | ☐ No |
| 13. Program administration is carried out in accordance with Assurance 10. | ☒ Yes | ☐ No |
| 14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence. | ☐ Yes ☐ No | ☒ N/A |

City of Midland, Texas
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2024

Summary of Prior Audit Findings Results

No matters are reportable.

Independent Auditor's Report

The Honorable Mayor, City Council
and City Manager
City of Midland, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Midland, Texas (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, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, 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.

We did not audit the financial statements of Midland Firemen's Relief and Retirement Fund (MFRRF), a fiduciary component unit, which represents 26%, 27%, and 15%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for MFRRF is based solely on the reports of the other auditors.

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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information 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 and the other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Forvis Mazars, LLP

**Dallas, Texas
March 21, 2025**



City Council Meeting

Item Number: 6
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Erika Martinez, Manager, Purchasing
Subject: RESOLUTION AUTHORIZING THE PURCHASE OF ONE 16-YARD DUMP TRUCK FOR THE TRANSPORTATION DIVISION FROM BRUCKNER TRUCK SALES, INC., DOING BUSINESS AS BRUCKNER'S TRUCK AND EQUIPMENT, THROUGH THE HOUSTON-GALVESTON AREA COUNCIL FOR A TOTAL COST OF \$196,612.12 (DISTRICT: NONE) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)

Purpose:

Resolution approving the purchase of one (1) 16 yard Dump Truck from Bruckner Truck Sales Inc. through HGAC contract HT06-20 for Transportation for a total of \$196,612.12.

Recommended City Council Action:

Approve

Fiscal Impact:

Funding is available in the Garage Fund operating budget.

Strategic Priority:

(Strengthen and Sustain our Infrastructure)

Discussion:

The Garage Division is recommending the purchase of one (1) 16 yard Dump Truck from Bruckner Truck Sales Inc. through HGAC contract HT06-20. We are members of the HGAC Program cooperative and Subchapter F, Section 271.102 of the Local Government Code provides that a local government may participate in a cooperative purchasing program and that purchasing goods or services under Subchapter F satisfies any state law requiring the local

government to seek competitive bids for those purchases. This will be a replacement to the fleet. Please see the attached memo from Manuel Salinas, Garage Superintendent, for additional information.

Therefore, please consider a resolution approving the purchase of one (1) 16 yard Dump Truck from Bruckner Truck Sales Inc. of Irving, Texas through HGAC contract HT06-20 for the Transportation Division for a total of \$196,612.12.

City Manager's Office



Fleet Services Division

INTEROFFICE MEMORANDUM

TO: Regina Stephenson

FROM: Manuel Eloy Salinas

SUBJECT: HGAC contract # HT06-20 for Dump Body Truck

DATE: 03/14/25

Fleet services is requesting fore the purchase of one (1) 16-yard dump body truck that will be a replacement for a unit that is 15 years old and has gone past its serviceable life. The budgeted amount for FY2025 for one (1) 16-yard dump body truck is \$228,000. The purchasing amount for one (1) 16 yard dump body truck that is being offered through HGAC contract # HT06-20 from Bruckner's Truck and Equipment in the amount of \$196,612.12.

Fleet services accepts this offer which meets all specifications.

Sincerely,

Manuel Eloy Salinas

City of Midland Superintendent

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE PURCHASE OF
ONE 16-YARD DUMP TRUCK FOR THE
TRANSPORTATION DIVISION FROM BRUCKNER
TRUCK SALES, INC., DOING BUSINESS AS
BRUCKNER'S TRUCK AND EQUIPMENT, THROUGH
THE HOUSTON-GALVESTON AREA COUNCIL FOR
A TOTAL COST OF \$196,612.12**

WHEREAS, the Houston-Galveston Area Council ("H-GAC") is a cooperative purchasing agency with which the City participates in purchases through a cooperative purchasing program in accordance with Section 271.102 of the Texas Local Government Code; and

WHEREAS, Bruckner Truck Sales, Inc., doing business as Bruckner's Truck and Equipment ("Seller"), submitted a total cost to the City of \$196,612.12 for the City's proposed purchase of one 16-yard dump truck (the "Goods") for the Transportation Division through H-GAC as shown on the quote attached hereto as Exhibit A, which is incorporated herein for all purposes; and

WHEREAS, the City Council finds the price proposed for the Goods to be fair and reasonable; and

WHEREAS, the City Council finds it to be in the public interest to authorize the purchase of the Goods from Seller through H-GAC;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF MIDLAND, TEXAS:**

SECTION ONE. That the City Manager is hereby authorized and directed to purchase the Goods from Seller through H-GAC for a total cost of \$196,612.12.

SECTION TWO. That the City Comptroller is hereby authorized and directed to pay Seller for the Goods from funds available in the Garage Fund operating budget upon receipt of proper invoices or statements approved by the City Manager.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2025, by the following vote:

Council members voting “AYE”:

Council members voting “NAY”:

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

RECOMMENDED AND APPROVED:

Tommy Gonzalez, City Manager

APPROVED AS TO CONTENT
AND COMPLETENESS:

Regina Stephenson, General Services Director

Gabe McClelland, Engineering Services Director

APPROVED ONLY AS TO FORM:

Nicholas Toulet, Interim City Attorney



EXHIBIT A

Bruckner's Truck & Equipment Retail Proposal

Financing Available!

[Scan QR Code to Complete an Application](#)



Date: **February 26, 2025**

CUSTOMER INFORMATION	
Name:	City of Midland
Name:	
Address:	1602 Orchard Lane
CSZ:	Midland, TX 79702
Phone:	(432) 685-7147
Cell:	
Fax:	
Contact:	Jesse Zamora
Email:	jzamora@midlandtexas.gov

EQUIPMENT INFORMATION	
Stock #:	67900
Year:	2025
Make:	Mack
Model:	GR64F
VIN:	1M2GR4GC6SM049223
Salesperson:	Grant Aschenbeck

EQUIPMENT SPECIFICATIONS			
Engine Make:	MACK MP8	Wheelbase:	230
Horsepower:	505 HP	Frame:	11.1 MM
Engine Brake:	YES	Interior Trim:	Steel Gray
Transmission:	MDRIVE 13 SPD W/ CREEPERS	Wheels Front:	Aluminum
Front Axle:	18,000	Wheels Rear:	Aluminum
Rear Axle:	44,000	Tire Size:	
Rear Suspension:	CAMELBACK	Tire Front:	Bridgestone 385/65R22.5 J
Ratio:	3.79	Tire Rear:	Bridgestone 11R24.5 H
Chassis Includes the Following Local Extras:			
Ox Bodies 16' Stampede Dump Bed (Complete Spec attached)			
Make Ready			
DOT			
Customer to Purchase under HGAC Contract HT06-20			

			Each	Multiple Total
Trade-In Information:	Trade 1:	Trade 2:	\$195,935.00	\$195,935.00
Allowances:			-	
VIN:				
Year:				
Make:				
Model:				
Payoff:				
Quantity	1	Price before TTL	195,935.00	
OTHER CHARGES:				
Title, and License Fees (Estimated):			33.00	33.00
Purchase Coverage	Type: _____		-	-
Insurance	Type: _____		-	-
Dealer Inventory Tax and Doc Fees			644.12	644.12
Cash Down Payment:				
TOTAL:			\$196,612.12	\$196,612.12

Dealer Signature: _____

Customer Signature: _____

Date: _____

Date: _____

A documentary fee is not an official fee. A documentary fee is not required by law, but may be charged to buyers for handling documents and performing services relating to the closing of a sale. A documentary fee may not exceed \$50 for a motor vehicle contract, or a reasonable amount agreed to by the parties for a heavy commercial vehicle contract. This notice is required by law.

PACKET

67

April 8, 2025



Bruckner's Truck & Equipment Retail Proposal

Financing Available!

[Scan QR Code to Complete an Application](#)



Date: **February 26, 2025**

CUSTOMER INFORMATION	
Name:	City of Midland
Name:	
Address:	1602 Orchard Lane
CSZ:	Midland, TX 79702
Phone:	(432) 685-7147
Cell:	
Fax:	
Contact:	Jesse Zamora
Email:	jzamora@midlandtexas.gov

EQUIPMENT INFORMATION	
Stock #:	67900
Year:	2025
Make:	Mack
Model:	GR64F
VIN:	1M2GR4GC6SM049223
Salesperson:	Grant Aschenbeck

EQUIPMENT SPECIFICATIONS			
Engine Make:	MACK MP8	Wheelbase:	230
Horsepower:	505 HP	Frame:	11.1 MM
Engine Brake:	YES	Interior Trim:	Steel Gray
Transmission:	MDRIVE 13 SPD W/ CREEPERS	Wheels Front:	Aluminum
Front Axle:	18,000	Wheels Rear:	Aluminum
Rear Axle:	44,000	Tire Size:	
Rear Suspension:	CAMELBACK	Tire Front:	Bridgestone 385/65R22.5 J
Ratio:	3.79	Tire Rear:	Bridgestone 11R24.5 H

Chassis Includes the Following Local Extras:

Ox Bodies 16' Stampede Dump Bed (Complete Spec attached)
Make Ready
DOT

Customer to Purchase under HGAC Contract HT06-20

			Each	Multiple Total
Trade-In Information:	Trade 1:	Trade 2:	\$195,935.00	\$195,935.00
Allowances:			-	
VIN:				
Year:				
Make:				
Model:				
Payoff:				
Quantity	1	Price before TTL	195,935.00	
OTHER CHARGES:				
Title, and License Fees (Estimated):			33.00	33.00
Purchase Coverage	Type: _____		-	-
Insurance	Type: _____		-	-
Dealer Inventory Tax and Doc Fees			644.12	644.12
Cash Down Payment:				
TOTAL:			\$196,612.12	\$196,612.12

Dealer Signature: _____

Customer Signature: _____

Date: _____

Date: _____

A documentary fee is not an official fee. A documentary fee is not required by law, but may be charged to buyers for handling documents and performing services relating to the closing of a sale. A documentary fee may not exceed \$50 for a motor vehicle contract, or a reasonable amount agreed to by the parties for a heavy commercial vehicle contract. This notice is required by law.

PACKET

6.8

April 8, 2025





CUSTOMER PROPOSAL

MACK®



DATE

2/26/2025

PREPARED BY

BRUCKNER TRUCK SALES, INC.

2441 E I-20

ODESSA

TX 79766-8828

QUOTE INFORMATION

BRUC2025000051F259

GRANITE 64FR MACK SPEC

Qty: 1





PREPARED FOR



DATE

2/26/2025

PREPARED BY

BRUCKNER TRUCK SALES, INC.
2441 E I-20
ODESSA
TX 79766-8828

QUOTE INFORMATION

BRUC2025000051F259
GRANITE 64FR MACK SPEC
Qty: 1

Thank you for giving us this opportunity to provide a quote.

This proposal contains the complete specification details of the Mack model configured for your application. Every proposed spec from Mack is prepared with lowest total cost of ownership and highest return on investment as the key objectives for our customers.

This reflects Mack's focus on application excellence to deliver uptime and fuel economy, reduced maintenance, driver satisfaction, productivity and high resale value. The enclosed spec and recommendations have been carefully designed to meet all these objectives.

Beyond the technical specifications contained in this proposal, it's important to remember that each Mack truck is backed by Mack Connect, the industry's leading uptime and productivity solution, plus a coast-to-coast network of dealer service locations. I think that after reviewing this proposal you will realize why Mack is "The American Truck You Can Count On."

I look forward to meeting with you and to discuss any questions you might have regarding this proposal.

Yours sincerely

GRANT ASCHENBECK

BRUCKNER TRUCK SALES, INC.

PACKET

6.12

April 8, 2025

PRICELIST DATE

20240415

QUOTATION

BRUC2025000051F259

DATE

2/26/2025

PAGE

2 of 7

TECHNICAL SPECIFICATION

GRANITE 64FR MACK SPEC



				WEIGHT (LB)	
CUSTOMER/VEHICLE INFO		DESCRIPTION		FRONT	REAR
S	002F52	CHASSIS (BASE MODEL)	GRANITE 64FR MACKSPEC	4,853	1,764
	0050L5	VEHICLE USE & BODY/TRAILER TYPE	DUMP TRUCK	0	0
	2KEC1X	TRAILER TYPE	FIXED DRAWBAR TRAILER AND CENTERED AXLES	0	0

				WEIGHT (LB)	
ENGINE/TRANSMISSIONS		DESCRIPTION		FRONT	REAR
	1004F0	ENGINE / MOTOR	MP8-505C MACK 505HP @ 1500-1700 RPM (PEAK) 2100 RPM (GOV) 1850 LB-FT, US'21	2,108	530
S	136156	TRANSMISSION	MACK TMD13AFO-HD mDRIVE HD 13 SP, CREEPER/ MULTI-SPEED REVERSE (OVERDRIVE)	578	192

				WEIGHT (LB)	
EXHAUST/EMISSIONS		DESCRIPTION		FRONT	REAR
S	DPF04F	DPF DIESEL PARTICULATE FILTER	CLEARTECH ONE BOX E.A.T.S. RH SIDE UNDER CAB US17 / US21	0	0
	DF10M1	DIESEL EXHAUST FLUID TANK	11.8 GALLON (45 L) 22" LEFT SIDE FRAME MOUNTED	0	0
	6MDA1X	DEF TANK VENTILATION FILTER	DEF TANK VENTILATION FILTER	0	3
	130AD7	EXHAUST	SINGLE VERTICAL RIGHT SIDE CAB MOUNTED, LOWER VENTURI DIFFUSER, TURNED END	-35	-17

				WEIGHT (LB)	
ENGINE EQUIPMENT		DESCRIPTION		FRONT	REAR
S	132AB9	ALTERNATOR	DELCO 12V 160A (28SI) BRUSH-TYPE	16	0
S	316AA5	BATTERIES	(3) MACK 12V 760/2280 CCA THREADED STUD TYPE	7	3
S	393AA2	BATTERY BOX - MOUNTING (x)	LH RAIL UNDER CAB FORWARD OF FUEL TANK (3 BATTERY MAX)	-8	-4
	L5XF1X	BATTERY BOX COVER	POLISHED ALUMINUM	5	0
	318AA3	BATTERY DISCONNECT SWITCH	FLAMING RIVER BIG SWITCH WIRED TO POSITIVE SIDE	3	0
S	NCXA5X	STARTER MOTOR	12 VOLT DELCO 39MT-MXT	31	0
	110AA6	ENGINE BRAKE	MACK MP8 POWERLEASH	0	0
S	MCA04A	ENGINE HEATERS	120v 1500w BLOCK HEATER ONLY (120V-15A PLUG)	0	0
	5NXA1X	ENGINE BLOCK HEATER	120V 1500W ENGINE BLOCK HEATER	5	0

				WEIGHT (LB)	
CLUTCH/TRANS EQUIPMENT		DESCRIPTION		FRONT	REAR
S	133AC7	CLUTCH	ZF/SACHS SINGLE PLATE 17" (430MM) ORGANIC MATERIAL	0	0
	1950L5	DRIVELINE - MAIN	SPICER SPL350HDXL LITE - 2XLARGE (PROPS2XL)	62	62
	204054	DRIVELINE - INTERAXLE	SPICER SPL250XL "LITE SERIES"	0	36

				WEIGHT (LB)	
FRONT AXLE EQUIPMENT		DESCRIPTION		FRONT	REAR
S	240AA2	FRONT AXLE	18000# (8200 KG) MACK FXL18 STRAIGHT SPINDLE/UNITIZED BEARINGS	325	0
S	496001	FRONT AXLE QUANTITY (required for CERT)	SINGLE FRONT AXLE	0	0
	SQF001	SALES MODEL QUANTITY OF FRONT AXLES	SALES MODEL HAS ONE (1) FRONT AXLE INSTALLED	0	0

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TECHNICAL SPECIFICATION *(cont.)*



				WEIGHT (LB)	
FRONT AXLE EQUIPMENT		DESCRIPTION		FRONT	REAR
S	244AB1	SPRINGS - FRONT	MACK TAPERLEAF 18000# (8200 KG) GROUND LOAD RATING, EQUAL BIAS	27	0
S	2410L1	BRAKES - FRONT	MERITOR EX+ AIR DISC BRAKES 430MM (17") H-TYPE	25	0
S	U3XD1X	BRAKE DRUMS - FRONT	FRONT BRAKE DISC LIGHTWEIGHT	23	0
S	0KXG1X	HUBS - FRONT	BASIC HUB UNITIZED IRON, FRONT	157	0
S	61500A	FRONT AXLE LUBRICANT	FRONT AXLE LUBE, FAG NLGI2 GREASE	0	0
S	245AA9	STEERING	SHEPPARD SD110	111	0

				WEIGHT (LB)	
REAR AXLE EQUIPMENT		DESCRIPTION		FRONT	REAR
	268AA3	REAR AXLE	44000# (20000kg) MACK S440R FABRICATED STEEL HOUSING	0	1,445
	SQR002	SALES MODEL QUANTITY OF REAR AXLES	SALES MODEL HAS TWO (2) REAR AXLES INSTALLED	0	0
S	617003	DRIVE AXLE LUBRICANT	DRIVE AXLE LUBE, SHELL 75W90 SYNTHETIC OIL	0	0
S	01800R	CARRIER - REAR AXLE	150/151 SERIES (Tandem Mack Rear Axles up to 150,000lb GCW)	0	0
	254013	TRACTION DIFFERENTIAL	INTERWHEEL DIFFERENTIAL LOCK, ALL REAR AXLES	0	18
S	3LAC1X	POWER DIVIDER LOCKOUT	INTERAXLE POWER DIVIDER LOCKOUT, W/BUZZER & LIGHT	0	40
	TAXAVX	REAR AXLE RATIO	3.79 RATIO	0	0
	1860I6	REAR SUSPENSION	SS44 MACK CAMELBACK MULTILEAF 44,000 lb, HEAVY DUTY	0	1,921
	402AA3	SPRINGS - ANTI-SWAY	SPRINGS, ANTI-SWAY	0	104
	XZXA1X	TRUNNION BUSHING	BRONZE	0	36
S	GWXABX	BOGIE SPREAD, REAR	50" AXLE SPACING (BOGIE WHEELBASE)	0	16
	2AAABX	SHOCK INSULATORS	URETHANE SHOCK INSULATORS, HEAVY DUTY, HIGHLY RECOMMENDED W/SS582 & SS652 REAR SUSP	0	5
S	237037	AUX.SPRING BRAKE QTY	AUX SPRING BRAKE QTY, 4 CHAMBERS	0	20
S	253AA4	BRAKES - REAR	MERITOR "S" CAM 16.5"x7" Q+ (Total for QTY = 2)	0	-35
S	0LXI5X	HUBS - REAR	IRON PRESET REAR HUB W/INTEGRATED SPINDLE NUT	0	318
	9GAABX	ABS SENSOR/CHANNEL OPTION	6S/6M SYSTEM SENSING BOTH REAR AXLES W/WHEEL END SENSORS	5	0
S	6980C8	ANTILOCK BRAKE SYSTEM	MACK ROAD STABILITY ADV.BENDIX ABS/ATC/RSA W/YAW CNTRLW/MUD/SNOW SW; REQ-TRUCK APPL 6S6M	0	0
S	3ZAA1X	SPRING BRAKE INVERSION VALVE	TRACTOR SPRING BRAKE INVERSION VALVE	5	0

				WEIGHT (LB)	
PUSHER/TAG AXLE EQUIPMENT		DESCRIPTION		FRONT	REAR
	6OAZ1X	PUSHER AXLE CAPACITY, SECOND WITHOUT 2ND PUSHER AXLE		0	0
	SQP998	SALES MODEL QUANTITY OF PUSHER AXLES	SALES MODEL HAS ZERO (0) PUSHER AXLES INSTALLED	0	0
	SQT998	SALES MODEL QUANTITY OF TAG AXLES	SALES MODEL HAS ZERO (0) TAG AXLES INSTALLED	0	0

				WEIGHT (LB)	
FRAME EQUIPMENT/FUEL TANKS		DESCRIPTION		FRONT	REAR
	271230	WHEELBASE	230"	157	157
	374071	AF (OVERHANG)	71"	-24	283
	MCE0CE	FRAME RAILS & LINERS	11.1 x 90 x 300mm - (0.437" x 3.54" x 11.81"); RBM 2,820,000 LB-IN	0	0
S	5CAAAX	BOLT ON FRONT FRAME EXTENSION	6" BOLT ON FRAME EXTENSION	155	-2
S	A0XH1X	FRONT FRAME LENGTH	FRONT FRAME LENGTH 725MM	36	-2

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TECHNICAL SPECIFICATION (cont.)



				WEIGHT (LB)	
FRAME EQUIPMENT/FUEL TANKS		DESCRIPTION		FRONT	REAR
	AXXA5X	CROSSMEMBERS BEHIND REAR AXLE	STEEL SINGLE CHANNEL (1)	-13	51
S	Q5AA1X	REAR CROSSMEMBER OPTIONS	STEEL CLOSING REAR CROSSMEMBER	-8	49
	4DXN5X	FRONT BUMPER	EXTENDED-SWEPT BACK-STEEL BRIGHT FINISH (INCL. PAINTED CNTR TOW PIN)N/A W/ FRM EXT	100	-15
	288AD8	FUEL TANK - LH	88 GALLON (335 L) 22" ALUMINUM D-SHAPE	177	75
	290AD3	FUEL TANK - RH	66 GALLON (250 L) 22" ALUMINUM D-SHAPE	126	82
S	JHXB1X	FUEL LINE MATERIAL	BRAIDED HOSE	5	3
	12AC1X	FUEL SYSTEM - DUAL	DUAL DRAW AND RETURN FUEL SYSTEM	5	0

				WEIGHT (LB)	
AIR/BRAKE		DESCRIPTION		FRONT	REAR
S	141AA1	RELOCATE AIR RESERVOIRS	W/O RELOCATED AIR TANKS	0	0
	UWXE1X	AIR TANK DRAIN VALVE	AUTO DRAIN VALVE, HEATED, ON SUPPLY TANK, W/LANYARDS ON ALL OTHER TANKS	3	0

				WEIGHT (LB)	
ELECTRICAL		DESCRIPTION		FRONT	REAR
	5RXA5X	BACK-UP ALARM	ECCO BACK-UP ALARM SA917 (AMBIENT NOISE SENSITIVE) 87-112 dB	0	3
	N7XC1X	WARNING LAMP (CA family in PC29 only)	SWITCH IN DASH W/WIRING ROUTED TO CAB ROOF, ABOVE LH+RH DOORS FOR LOCAL INSTL OF STROBE LTS	3	0
	NEXD2X	TAIL LAMPS	LED TYPE TAIL LAMP MODULE MTD BELOW REAR CROSSMEMBER	0	5

				WEIGHT (LB)	
TRAILER CONNECTIONS		DESCRIPTION		FRONT	REAR
	WGXC1X	HAND CONTROL VALVE	HAND CONTROL VALVE FOR TRAILER OR REAR SERVICE BRAKES - DUAL FUNCTION	7	0
	301031	HAND CONTROL VALVE	HAND CONTROL VALVE FOR TRAILER OR REAR SERVICE BRAKES - DUAL FUNCTION	7	0
	WHXQ2X	TRAILER CONNECTIONS	TRAILER AIR BRAKE CONNECTIONS, END OF FRAME	23	23
S	3SAZ1X	TRAILER CONNECTORS HOLDER	OMIT TRAILER CONNECTORS HOLDER	3	0

				WEIGHT (LB)	
PTO		DESCRIPTION		FRONT	REAR
S	TYXG3X	PTO - CONTROL	mDRIVE SINGLE PTO PREP KIT W/ ILLUMINATED DASH MOUNTED SWITCH & PIPING FOR LOCAL INSTALL	3	0
S	B83083	BODY BUILDER INTERFACE	BODY LINK III W/CAB PASS-THRU	5	5

				WEIGHT (LB)	
CAB INTERIOR (A THRU G)		DESCRIPTION		FRONT	REAR
	7860E6	FIRE EXTINGUISHER	5LB (ABC RATED) MOUNTED BETWEEN DRIVER SEAT BASE AND DOOR VALVE AIMED REARWARD	9	0
	184AA3	FLOOR COVERING	POLYURETHANE FLOOR MAT W/ REMOVABLE INSERTS	16	0

				WEIGHT (LB)	
CAB INTERIOR (H THRU R)		DESCRIPTION		FRONT	REAR
	5BXC3X	RADIO ANTENNA - CB	PREP KIT FOR MOUNTING ON LT SIDE MIRROR (W/O ANTENNA)	6.15	0

TECHNICAL SPECIFICATION *(cont.)*



				WEIGHT (LB)	
CAB INTERIOR (H THRU R)		DESCRIPTION		FRONT	REAR
S	IFXB1X	REAR WALL STORAGE COMPARTMENT	STORAGE POUCH REAR	5	0
	784054	REFLECTOR KIT	EMERGENCY REFLECTOR KIT MOUNTED PARALLEL & CENTERED AGAINST BOC	12	5

				WEIGHT (LB)	
CAB INTERIOR (S THRU Z)		DESCRIPTION		FRONT	REAR
	196ABQ	SEAT - DRIVER'S	MACK-AIR, HIGH BACK, 4 CHAMBER AIR LUMBAR, BOLSTER, EXTENSION	67	16
	197AA2	SEAT - PASSENGER'S	MACK-FIXED, HIGH BACK, W/ STORAGE BOX	40	9
	0HAA1X	SEAT - DUST COVER(S)	SEAT, DUST COVER FOR DRIVER'S SEAT	3	0
	3PXC1X	SEAT ARM REST(S)	INBOARD MOUNTED ARM REST, DRIVER'S & RIDER'S SEAT	5	3

				WEIGHT (LB)	
CAB EXTERIOR		DESCRIPTION		FRONT	REAR
S	MCD03D	PASSENGER SIDE VISIBILITY OPTIONS	AUXILIARY WINDOW IN RH DOOR	3	0
S	2KXB1X	FENDER EXTENSIONS	FENDER EXTENSIONS	5	0
	154AA3	HORN - AIR	(2) MACK RECTANGULAR SINGLE TRUMPET (ONE EACH SIDE OF CAB ROOF)	7	0
S	LXXD1X	HORN - ELECTRICAL	DUAL TONE	5	0
	152AC5	MIRRORS - EXTERIOR	BULLDOG STYLIZED MIRRORS - LH & RH HEATED & MOTORIZED AND ILLUMINATED W/INTEGRAL CONVEX MIRROR	7	0
	157037	SUN VISOR - EXTERIOR	SUN VISOR, EXTERIOR, STAINLESS STEEL (UNPAINTED)	9	0

				WEIGHT (LB)	
AERODYNAMIC DEVICES		DESCRIPTION		FRONT	REAR
S	159AA1	CAB AERODYNAMIC PACKAGES	WITHOUT CAB AERODYNAMIC DEVICES	0	0
S	MCM998	FRONT CHASSIS AERODYNAMIC PACKAGE	WITHOUT FRONT AERODYNAMIC FAIRINGS	0	0
S	MCK03K	REAR CHASSIS AERODYNAMIC PACKAGE	WITHOUT REAR AERODYNAMIC FAIRING	0	0

				WEIGHT (LB)	
WHEELS & TIRES		DESCRIPTION		FRONT	REAR
	900470	TIRES BRAND/TYPE - FRONT	385/65R22.5 J BRIDGESTONE M864 (18740 lbs) (Total for QTY = 2)	349	0
	5312W1	WHEELS - FRONT	22.5x12.25 ALCOA 82462x HIGH POLISHED ALUMINUM, 5.81" OFFSET, 10 HAND HOLE (Total for QTY = 2)	133	0
	901AK1	TIRES BRAND/TYPE - REAR	11R24.5 H BRIDGESTONE M799 (26440 lbs) (DRIVE ONLY) (Total for QTY = 8)	0	1,112
	3463D6	WHEELS - REAR	24.5x8.25 ALCOA 98565x SEVERE SERVICE, HIGH POLISHED ALUMINUM, 6.60" OFFSET, 10 HAND HOLE (Total for QTY = 8)	0	494

				WEIGHT (LB)	
PAINT		DESCRIPTION		FRONT	REAR
S	950AD0	PAINT DESIGN	SINGLE COLOR	0	0
	944CQ2	PAINT COLOR - FIRST COLOR	GLACIER WHITE; P3029	0	0

FRONT / REAR AXLE WEIGHTS (LB)

9718 8793

TOTAL WEIGHT (LB)

18511

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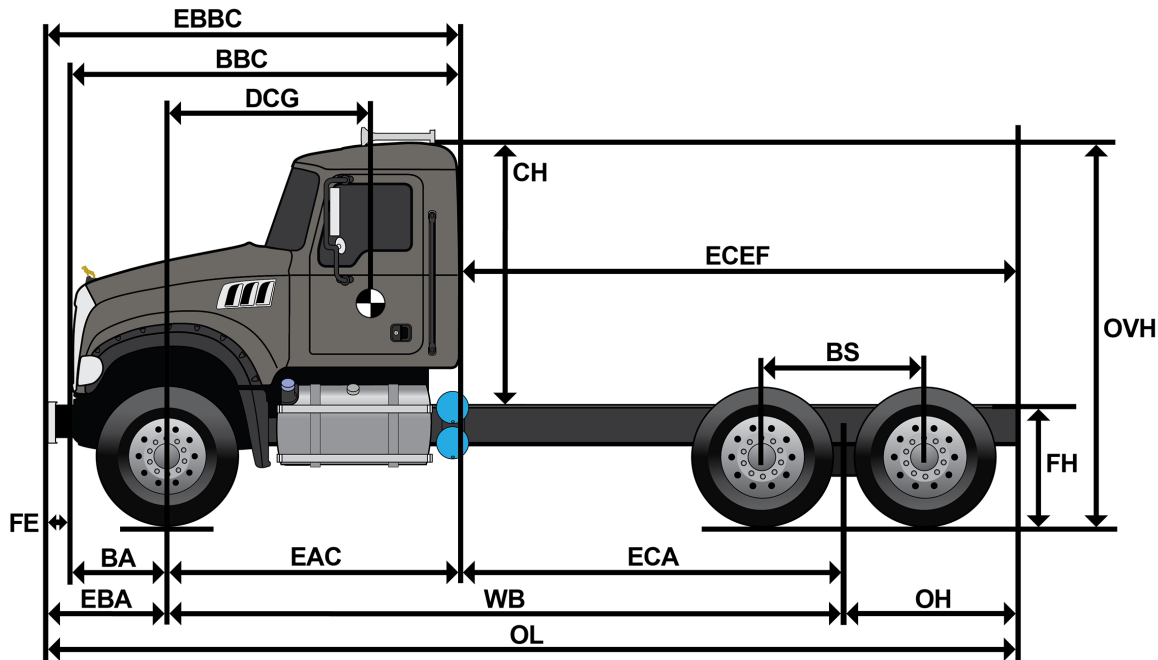
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VEHICLE SPECIFICATION/CALCULATED PERFORMANCE SUMMARY			
Description	Dwg Ref	Length	UOM
Front Frame Extension	FE	6.1	INCHES
Bumper to Front Axle	BA	29.0	INCHES
Eff. Bumper to Front Axle	N/A	35.1	INCHES
Wheelbase	WB	230.1	INCHES
Rear Overhang	OH	71.3	INCHES
Overall Length	OL	336.5	INCHES
Bumper to Back of Cab	BBC	116.5	INCHES
Eff. Bumper to Back of Cab	EBBC	122.6	INCHES
Eff. Cab to Rear Axle	ECA	142.6	INCHES
Eff. Front Axle to Back of Cab	EAC	87.5	INCHES
Eff. Cab to End of Frame	ECEF	213.9	INCHES
Unladen Frame Height	FH	44.3	INCHES
Cab Height	CH	70.9	INCHES
Overall Height	OVH	118.2	INCHES
Driver CG	DCG	70.9	INCHES
50" AXLE SPACING (BOGIE WHEELBASE)	BS	50.0	INCHES



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City Council Meeting

Item Number: 7
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Erika Martinez, Manager, Purchasing
Subject: RESOLUTION APPROVING THE PURCHASE OF THREE (3) 2-3 YARD DUMP BODIES, ONE (1) STEEL FLATBED BODY, ONE (1) UTILITY BODY WITH A CRANE AND LIFT GATE, TWO (2) UTILITY BODIES WITH LIFT GATES, AND ONE (1) UTILITY BODY FROM RANDALL REED'S PLANET FORD 635 FOR A TOTAL COST OF \$192,812.00 (DISTRICT: NONE) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)

Purpose:

Resolution approving the purchase of three (3) 2-3 yard Dump bodies, one (1) Steel flat bed body, one (1) Utility body with a crane and lift gate, two (2) Utility bodies with lift gates, and one (1) Utility body for a total of \$192,812.00.

Recommended City Council Action:

Approve

Fiscal Impact:

Funding is available in the Garage Fund operating budget.

Strategic Priority:

(Strengthen and Sustain our Infrastructure)

Discussion:

The City Manager approved specifications and authorized advertisement for bids for the three (3) 2-3 yard Dump bodies, one (1) Steel flat bed body, one (1) Utility body with a crane and lift gate, two (2) Utility bodies with lift gates, and one (1) Utility body. Bid requests were sent to

forty-nine (49) vendors. We received bids from two (2) companies. Staff recommends awarding all items to RRPFG, LP dba Randall Reed's Planet Ford 635. These are all replacements to the fleet, Please see the attached memo from Manuel Salinas, Garage Superintendent, for additional information.

Therefore, please consider a resolution approving the purchase of three (3) 2-3 yard Dump bodies, one (1) Steel flat bed body, one (1) Utility body with a crane and lift gate, two (2) Utility bodies with lift gates, and one (1) Utility body from RRPFG, LP dba Randall Reed's Planet Ford 635 of Garland, Texas for a total of \$192,812.00.



City Manager's Office



Fleet Services Division

INTEROFFICE MEMORANDUM

TO: Regina Stephenson

FROM: Manuel Eloy Salinas

SUBJECT: Bid # 25003307 for Utility and Dump Bodies and one Flat Bed Body

DATE: 03/07/25

Fleet services is requesting (3) three 2–3-yard dump bodies with lift gates that will be installed on three cab and chassis. These three units will be replacements for units that are 10 years old and have gone beyond their serviceable life. The budgeted amount for FY25 for (3) three 2–3-yard dump bodies with lift gates is \$102,000. Randall Reed's Planet Ford 635 has submitted a bid in the amount of \$77,955 for the purchase and installation of (3) three 2–3-yard dump bodies. Fleet services accepts the bid proposal from Randall Reed's Planet Ford 635 which meets all the specifications.

Fleet services is requesting (1) one steel flatbed body that will be installed on a cab and chassis. This unit will be a replacement for a unit that is 27 years old that has gone beyond its serviceable life. The budgeted amount for FY25 for (1) one steel flatbed body is \$18,000. Randall Reed's Planet Ford 635 has submitted a bid in the amount of \$7,130 for the purchase and installation of (1) one steel flatbed. Fleet services accepts the bid proposal from Randall Reed's Planet Ford 635 which meets all the specifications.

Fleet services is requesting (1) one utility body with a crane and lift gate that will be installed on a cab and chassis. This will be a replacement for a unit that is 17 years old and has gone beyond its serviceable life. The budgeted amount for FY25 for (1) one utility body with a crane and a lift gate is \$52,500. Randall Reed's Planet Ford 635 has submitted a bid proposal in the amount of \$51,256 for the purchase and installation of (1) one utility body with a crane and lift gate. Fleet services accepts the bid proposal from Randall Reed's Planet Ford 635 which meets all specifications.

Fleet services is requesting (2) two utility bodies with lift gates that will be installed on two cab and chassis. These will be replacements for units that are 15 years old and are worn out due to extreme usage and have gone beyond their serviceable life. The budgeted amount for FY25 for (2) two utility bodies with lift gates is \$79,000. Randall Reed's Planet Ford 635 has submitted a bid proposal in the amount of \$36,986 for the purchase and installation of (2) two utility bodies with lift gates. Fleet services accepts the bid proposal from Randall Reed's Planet Ford 635 which meets all specifications.

Fleet services is requesting (1) one utility body that will be installed on a cab and chassis. This will be a replacement for a unit that 19 years old and has gone beyond its serviceable life. The budgeted amount for FY25 for (1) one utility body is \$35,000. Randall Reed's Planet Ford 635 has submitted a bid proposal in the amount of \$19,485 for the purchase and installation of (1) one utility body. Fleet services accepts the bid proposal from Randall Reed's Planet Ford 635 which meets all specifications.

Sincerely,

Manuel Eloy Salinas

City of Midland Superintendent

RESOLUTION NO. _____

RESOLUTION APPROVING THE PURCHASE OF THREE (3) 2-3 YARD DUMP BODIES, ONE (1) STEEL FLATBED BODY, ONE (1) UTILITY BODY WITH A CRANE AND LIFT GATE, TWO (2) UTILITY BODIES WITH LIFT GATES, AND ONE (1) UTILITY BODY FROM RANDALL REED'S PLANET FORD 635 FOR A TOTAL COST OF \$192,812.00

WHEREAS, the City Manager approved the specifications and authorized advertisement for bids for the purchase of three (3) 2-3 yard dump bodies, one (1) steel flatbed body, one (1) utility body with a crane and lift gate, two (2) utility bodies with lift gates, and one (1) utility body for the Garage Division; and

WHEREAS, Bid No. 25003307 was opened on February 26, 2025, with the lowest and most advantageous bid being submitted by Randall Reed's Planet Ford 635 for a total cost of \$192,812.00 as shown on the bid tabulation attached hereto as Exhibit A and incorporated herein for all purposes; and

WHEREAS, the City Council finds the prices proposed by Randall Reed's Planet Ford 635 for the purchase of said vehicle bodies for the Garage Division to be fair and reasonable; and

WHEREAS, the City Council finds it to be in the public interest to purchase three (3) 2-3 yard dump bodies, one (1) steel flatbed body, one (1) utility body with a crane and lift gate, two (2) utility bodies with lift gates, and one (1) utility body for the Garage Division from Randall Reed's Planet Ford 635 for a total cost of \$192,812.00;

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

SECTION ONE. That the City Manager is hereby authorized and directed to purchase three (3) 2-3 yard dump bodies, one (1) steel flatbed body, one (1) utility body with a crane and lift gate, two (2) utility bodies with lift gates, and one (1) utility body for the Garage Division from Randall Reed's Planet Ford 635 for a total cost of \$192,812.00.

SECTION TWO. That the City Comptroller is hereby authorized and directed to pay Randall Reed's Planet Ford 635 from funds available in the Garage Fund operating

budget upon receipt of proper invoices or statements approved by the City Manager or his designee.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2025, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

RECOMMENDED AND APPROVED:

Tommy Gonzalez, City Manager

APPROVED AS TO CONTENT
AND COMPLETENESS:

Regina Stephenson, General Services Director

APPROVED AS TO FORM ONLY:

Nicholas Toulet, Interim City Attorney

25003307 Truck bodies														
Bid Opening: 2/26/2025														
			BTE Body Company, Inc				Randall Reed's Planet Ford 635				Randall Reed's Planet Ford 635 Option 2			
		Total Cost	\$111,780				\$192,812.00				\$223,056.00			
#	Items	Quantity Required	Brand and Model	Delivery Date	Cost Ea.	Total Cost	Brand and Model	Delivery Date	Cost Ea.	Total Cost	Brand and Model	Delivery Date	Cost Ea.	Total Cost
#0-1	2-3 Cubic Yard Dump Body	3	Godwin 184U	No Response	\$37,260.00	\$111,780.00	Ragby-Eliminator	90-140	\$25,985.00	\$77,955.00	Knapheide Dump		\$32,660.00	\$97,980.00
#0-2	Steel Flatdeck Body	1	No Response	No Response	No Bid	No Bid	Bedrock Diamond	75-90	\$7,130.00	\$7,130.00	Knapheide PGBT		\$7,663.00	\$7,663.00
#0-3	Utility Service Body with Heavy Duty Crane & Lift Gate	1	No Response	No Response	No Bid	No Bid	Knapheide-6132d54	75-120	\$51,256.00	\$51,256.00	Pal Pro 20-11		\$56,356.00	\$56,356.00
#0-4	Utility Service Body with Lift Gate	2	No Response	No Response	No Bid	No Bid	Knapheide-696f40	75-90	\$18,493.00	\$36,986.00	Warner		\$18,585.00	\$37,170.00
#0-5	Utility Service Body	1	No Response	No Response	No Bid	No Bid	Warner-WTB-132-M	75-90	\$19,485.00	\$19,485.00	Knapheide w/Crane Enforcement		\$23,887.00	\$23,887.00
Bid Summary														
49 Bid Requests were issued														
2 Bids Listed Above														
0 NO BIDS were received														
47 Bidders did not respond														



City Council Meeting

Item Number: 8
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Erika Martinez, Manager, Purchasing
Subject: RESOLUTION RATIFYING AND APPROVING THE PAYMENT FOR EMERGENCY WATER MAIN REPLACEMENT AND REPAIR SERVICES ALONG COMANCHE DRIVE AND EISENHOWER STREET BY MIDESSA UNDERGROUND, LLC, FOR A TOTAL COST OF \$224,144.00; AND APPROPRIATING AND TRANSFERRING FUNDS (DISTRICT 4) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)

Purpose:

Resolution ratifying the purchase and approving payment for emergency water main repairs along Comanche & Eisenhower Street performed by Midessa Underground, for a total cost of \$224,144.00.

Recommended City Council Action:

Approve

Fiscal Impact:

Funding is available in the Utilities Fund unappropriated fund balance and will be appropriated and transferred to a project for this purpose.

Strategic Priority:

(Strengthen and Sustain our Infrastructure)

Discussion:

On February 6, 2025, a water main break at Comanche and Eisenhower Streets led to emergency repairs by Midessa Underground, uncovering additional breaks and requiring a full

replacement of two city blocks of the water main. Please see the attached memo from Carl Craigo, Utilities Director, for additional information.

Therefore, please consider a resolution ratifying the purchase and approving payment for emergency water main repairs along Comanche & Eisenhower Street performed by Midessa Underground of Midland, Texas for a total cost of \$224,144.00.



City Manager's Office



MEMORANDUM

To: Mayor and City Council

From: Carl Craigo, Utilities Director

Date: 3/13/2025

Subject: Ratification of Emergency Water Main Repair – Comanche & Eisenhower St and allocating funds.

Background:

On February 6, 2025, a significant water main break occurred at the intersection of Comanche and Eisenhower Street. Midessa Underground was mobilized to perform emergency repairs. During the repair of the initial break, a second failure occurred along the same line, followed by a third break while addressing the second failure. Upon further inspection, it was determined that the water main was in critical condition and required full replacement along two city blocks to prevent additional failures.

Emergency Response & Impact:

- Approximately **22 homes were without water for 18 hours** due to the initial two breaks.
- Given the deteriorated condition of the pipe and the frequency of failures, the Utilities Department deemed this an **emergency repair** to ensure service reliability and public health.
- The repair project involved replacing **two blocks of water main** and **22 home service lines** to mitigate future failures.

Funding Request:

The total cost of repairs performed by Midessa Underground is **\$224,144.00**. This emergency repair was necessary to restore water service, prevent further infrastructure damage, and ensure long-term system integrity.

Action Requested:

I respectfully request the City Council to **ratify the emergency water main repair expenditure of \$224,144.00** and allocate funds from the Utilities unallocated funds to cover the costs incurred for the replacement of the water main and associated service lines.

RESOLUTION NO. _____

**RESOLUTION RATIFYING AND APPROVING THE
PAYMENT FOR EMERGENCY WATER MAIN
REPLACEMENT AND REPAIR SERVICES ALONG
COMANCHE DRIVE AND EISENHOWER STREET BY
MIDESSA UNDERGROUND, LLC, FOR A TOTAL
COST OF \$224,144.00; AND APPROPRIATING AND
TRANSFERRING FUNDS**

WHEREAS, a water main break occurred at Comanche Drive and Eisenhower Street and subsequently caused two additional breaks along the same line; and

WHEREAS, Midessa Underground, LLC, was the emergency utility contractor called on to perform the emergency replacement and repair services of said water main; and

WHEREAS, Midessa Underground, LLC, agreed to provide the emergency services for a total cost of \$224,144.00 as shown on the invoice attached hereto as Exhibit “A” and incorporated herein for all purposes; and

WHEREAS, the City Council finds and determines that said unforeseen damage to said water main constitutes unforeseen damage to public machinery, equipment, or other property as contemplated by Tex. Loc. Gov’t Code § 252.022(a)(3); and

WHEREAS, the City Council finds it to be in the public interest to ratify and approve the payment for said emergency services provided by Midessa Underground, LLC, for a total cost of \$224,144.00;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF MIDLAND, TEXAS:**

SECTION ONE. That the payment for emergency replacement and repair services by Midessa Underground, LLC, at a total cost of \$224,144.00, is hereby ratified and approved.

SECTION TWO. That funding shall be available in the Utilities Fund unappropriated fund balance and will be appropriated and transferred to a project for this purpose.

SECTION THREE. That the City Comptroller is hereby authorized and directed to pay Midessa Underground, LLC, upon receipt of proper invoices or statements approved by the City Manager or his designee.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2025, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

RECOMMENDED AND APPROVED:

Tommy Gonzalez, City Manager

APPROVED AS TO CONTENT
AND COMPLETENESS:

Regina Stephenson, General Services Director

APPROVED AS TO FORM ONLY:

Nicholas Toulet-Crump, Interim City Attorney

Midessa Underground

104 West Estes Avenue
Midland, TX 79701

Bill To

eybarra@midlandtexas.gov

Progress Invoice

Date Invoice #
2/18/2025 187

P.O. No. Payment On Receipt
Emergency Repair Emergency Water
Main Break at
Comanche and
Eisenhower

2/6-17/2025

Item	Description	Inv Qty	Rate	Amount
Labor	Foreman	177	75.00	13,275.00
	Laborers	1400	50.00	70,000.00
Equipment	Backhoe	133	100.00	13,300.00
	Mini Excavator	177	75.00	13,275.00
	Skid Steer	177	75.00	13,275.00
	Dump Truck	0	75.00	0.00
	Excavator	133	100.00	13,300.00
Materials	Materials, Two Sack, Asphalt, and Barridaces			62,919.00
	1" Services			24,800.00
Subtotal				224,144.00
Sales Tax (8%)				0.00
Total				224,144.00
Payments				0.00
Balance Due				224,144.00
Phone Number	Email			
Alex Nieto 432 803-7052	Midessa3@gmail.com			



City Council Meeting

Item Number: 9
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Erika Martinez, Manager, Purchasing
Subject: MOTION AUTHORIZING THE EXECUTION OF CHANGE ORDERS #4 AND #5 WITH HYDRO RESOURCES – MID CONTINENT, INC., REGARDING THE PAUL DAVIS WELL FIELD DEVELOPMENT PROJECT; SAID CHANGE ORDERS TO BE IN THE AMOUNT OF \$210,847.50 FOR ENHANCED SYSTEM PERFORMANCE AND TO ACCOMMODATE UNFORESEEN FIELD CONDITIONS (DISTRICT: NONE) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)

Purpose:

Motion authorizing the execution of Change Orders #4 and #5 with Hydro Resources – Mid Continent, Inc., regarding the Paul Davis Well Field Development Project; said change orders to be in the amount of \$210,847.50 for enhanced system performance and to accommodate unforeseen field conditions.

Recommended City Council Action:

Approve

Fiscal Impact:

Funding is available in the Utilities Fund operating budget.

Strategic Priority:

(Strengthen and Sustain our Infrastructure)

Discussion:

Resolution 2023-091 approved a contract for the Paul Davis Well Field Project to Hydro Resources - Mid Continent, Inc. Please see the attached supporting memo from Carl Craigo,

Utilities Director, for additional information.

Therefore, please consider a motion authorizing the execution of Change Orders #4 and #5 with Hydro Resources – Mid Continent, Inc., regarding the Paul Davis Well Field Development Project; said change orders to be in the amount of \$210,847.50 for enhanced system performance and to accommodate unforeseen field conditions.

City Manager's Office



MEMORANDUM

TO: Mayor and City Council

FROM: Carl Craigo, PE, Utilities Director

DATE: 3/13/2025

SUBJECT: Approval of Change Orders 4 and 5 – Paul Davis Wellfield Development

Purpose:

The Utilities Department is requesting Council approval for **Change Orders 4 and 5** related to the **Paul Davis Wellfield Development**. These change orders address key modifications that will enhance system performance and accommodate unforeseen field conditions.

Background:

After the wells were drilled and a detailed assessment of the aquifer was completed, it was determined that by **increasing pump and motor sizes**, the wellfield's production capacity could be enhanced significantly. This modification will increase the system's daily pumpage capacity from **3.0 MGD to 3.5 MGD—a 16.7% increase in production capacity**.

The **original project cost** was **\$4,412,775.00**, and with Change Orders 4 and 5, the **new total project cost** is **\$4,623,622.50**. This represents a **4.78% increase in project cost**, which is significantly lower than the **16.7% increase in water production capacity**. Given the long-term operational benefits of securing additional water production at this stage, this change represents a strategic investment in the City's water supply.

Additionally, during the excavation phase for pipeline tie-ins, the existing infrastructure was found to differ from the materials indicated in historical records. Adjustments in pipe material and connection points were necessary to ensure compatibility and system integrity, resulting in additional costs.

Request:

The Utilities Department recommends **approval of Change Orders 4 and 5**, which will allow for:

- **Upgraded pump and motor components**, increasing total daily water production.
- **Material and connection modifications** required due to unforeseen variations in existing infrastructure.

These enhancements will ensure a more efficient and reliable wellfield while maximizing the City's investment in new water supply infrastructure.

Recommendation:

Staff recommends **City Council approval** of **Change Orders 4 and 5** for the **Paul Davis Wellfield Development** to enhance well production and accommodate required piping adjustments.

Please let me know if you require any additional details.

Carl Craigo, PE
Utilities Director, City of Midland

PAUL DAVIS WELLFIELD EXPANSION CHANGE ORDER

MIDLANDTEXAS.GOV



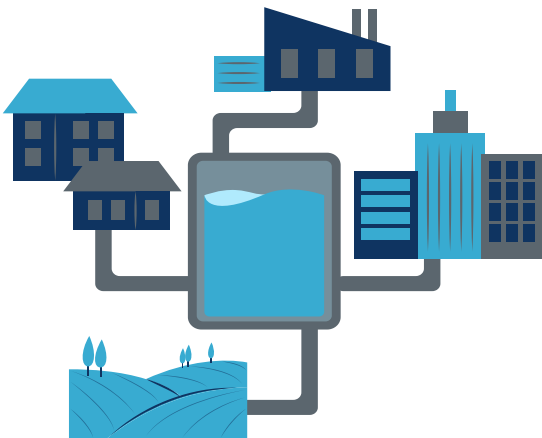
PURPOSE

The Paul Davis Wellfield Expansion Project is part of the City of Midland's ongoing effort to increase production from the Paul Davis Wellfield. The wellfield expansion and new pump station at Paul Davis have been under construction for approximately 1.5 years and are scheduled for completion Summer 2025.

The Utilities Department is requesting Council approval for Change Orders 4 and 5 related to the Paul Davis Wellfield Development. These change orders address key modifications that will enhance system performance, **increase production by 500,000 gallons per day (GPD)** and accommodate unforeseen field conditions.

BACKGROUND

After the original wells at the Paul Davis Wellfield were drilled and a detailed assessment of the aquifer was completed, it was determined that by increasing pump and motor sizes, the wellfield's production capacity could be enhanced significantly. This modification will increase the system's daily pumpage capacity from 3.0 MGD to 3.5 MGD—a **16.7% increase in production capacity**.



The original project cost was \$4,412,775.00, and with Change Orders 4 and 5, the new total project cost is \$4,623,622.50 a 4.78% increase. Given the long-term operational benefits of securing additional water production at this stage, this change represents a strategic investment in the City's water supply.

During the excavation phase for pipeline tie-ins, the existing infrastructure was found to differ from the materials indicated in historical records. Adjustments in pipe material and connection points were necessary to ensure compatibility and system integrity, resulting in additional costs.

PAUL DAVIS WELLFIELD EXPANSION CHANGE ORDER

MIDLANDTEXAS.GOV



ADDITIONAL EXPANSION EFFORTS

Paul Davis Wellfield Treatment Plan:

The treatment process for Paul Davis water is currently in the design phase. The next step is the pilot plant stage, which is required by TCEQ before full-scale treatment can begin. Once the treatment plant is operative, the Paul Davis Wellfield will be capable of delivering **10 to 12 MGD** directly into the clear well storage at the water treatment plant. The clear well serves as the source from which all pump stations at the plant draw water for distribution to the City's elevated storage tanks.

T-Bar Bypass and Backup Water Supply:

The T-Bar Bypass and Backup Water Supply project will allow the City to divert water from the 48" transmission line directly into the clear wells. A hydraulic model is currently being run to determine the expected flow capacity of this bypass, but we are targeting **12 to 15 MGD when needed**.

Once both the Paul Davis Wellfield and T-Bar bypass projects are fully operational, we will have the ability to deliver a combined **22 to 27 MGD directly to the clear wells**. This approach ensures that groundwater supplies can supplement system demands whenever the treatment plant is partially or fully offline.

Surface Water Plant Expansion Considerations:

The Surface Water Treatment Plant located at 5000 N. Midland Drive, is already **operating at the maximum capacity** that our local surface water supplies can sustain. Without securing a new surface water supply, the City would not have sufficient raw water availability to justify an expansion of the treatment facility. Due to these limitations, the City is looking at ways to have back ups at the plant for power and equipment failure, including having critical pump components on hand and evaluating adding generator capabilities to pump stations. The Solids Handling Project, currently out for bid, will allow the plant to mechanically dispose of solids so that we can use the space occupied by the sludge drying beds to **increase the clear well capacity of the plant from 13 million gallons of storage to 17 million gallons of storage**, which will provide us a combined storage of raw and treated water at the plant of **31 million gallons**.

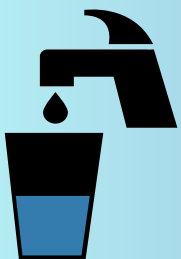


REQUEST

The Utilities Department recommends approval of Change Orders 4 and 5, which will allow for:

- Upgraded pump and motor components, increasing total daily water production.
- Material and connection modifications required due to unforeseen variations in existing infrastructure.

These enhancements will ensure a more efficient and reliable wellfield while maximizing the City's investment in new water supply infrastructure.



With the T-Bar and Paul Davis projects online. We will have a backup water supply up to **80% of our current water capacity**



CHANGE ORDER

No. 4

DATE OF ISSUANCE: 01/22/2025

EFFECTIVE DATE _____

OWNER City of Midland

CONTRACTOR Hydro Resources Mid-Continent, Inc.

Contract: Paul Davis Wellfield Development Project

Project: Paul Davis Well Field Development Project

OWNER's Contract No. 22002648

ENGINEER's Contract No. 01616722

ENGINEER Parkhill

You are directed to make the following changes in the Contract Documents:
Increase in contract amount and increase length of contract substantial and final completion dates.

Reason for Change Order: Change to tie in point on all 5 wells to avoid Gifford Hill pipe that was discovered and labor to drain existing lines, time extension to allow new materials to arrive and to be installed once approved.

Attachments: Updated well discharge path diagrams and sub contractor quote.

CHANGE IN CONTRACT PRICE:	
Original Contract Price	
\$4,412,775.00	
Net Increase (Decrease) from previous	
Change Orders	
No. <u>4,412,775.00</u> to <u>\$4,413,337.21</u> :	
<u>\$562.21</u>	
Contract Price prior to this Change Order:	
<u>\$4,413,337.21</u>	
Net increase (decrease) of this Change Order:	
\$95,210.21 or <u>\$107,166.29</u>	
Contract Price with all approved Change	
Orders:	
<u>\$4,508,547.42</u> or <u>\$4,520,503.50</u>	

CHANGE IN CONTRACT TIMES:	
Original Contract Times:	
Substantial Completion: <u>240</u>	
Ready for final payment: <u>300</u>	
(days or dates)	
Net change from previous Change Orders No. 0 to No. 65 days	
Substantial Completion: <u>305</u>	
Ready for final payment: <u>365</u>	
(days)	
Contract Times prior to this Change Order:	
Substantial Completion: <u>409</u>	
Ready for final payment: <u>469</u> (days or dates)	
Net increase (decrease) this Change Order:	
Substantial Completion: <u>153 Days</u>	
Ready for final payment: <u>152 Days</u>	
Contract Times with all approved Change Orders:	
Substantial Completion: <u>562 Days or 3/31/25</u>	
final payment: <u>621 Days or 4/30/25</u>	

**Parkhill
Recommended
Option**

RECOMMENDED:

APPROVED

ACCEPTED:

By: _____
ENGINEER (Authorized Signature)

By: _____
OWNER (Authorized Signature)

By: [Signature]
CONTRACTOR (Authorized Signature)

Date: _____

Date: _____

Date: 01/27/2025

PACKET

9.7

April 8, 2025



PRECISION UTILITY LLC

BID PROPOSAL

TO:	Keith Kelso, S.P.M.
	Hydro Resources
	kkelso@hydroresources.com
	737-615-9037

CO #	BP V 4
DATE	1/27/2025
PROJECT NAME	City of Midland
PROJECT #	6040-23096
Additional days	30 Days

Bid Proposal Description

This Bid Proposal includes the connection of (5) Wells to main distribution line. This will include the release of filled Water lines that will require pumping to get access for the underground work. Precision anticipates labor in the forms of welding, backhoe work, and tractor work* to install (30) bollards to protect piping close to ground level.

This bid also includes optional pricing as requested to install (3) 6" Gate Valves to selected Well Sites.

I	
Approval requested	
Materials	\$ 47,129.07
Labor	\$ 35,662.42
Optional - Gate Valve	\$ 10,396.59
Hydro Sub Mgmt	\$ 12,418.72
Hydro Sub Mgmt w/ Gate Valve	\$ 13,978.21
Bid Proposal Total	\$ 95,210.21
Bid ProposalW/ Option Total	\$ 107,166.29

**Parkhill
Recommended
Option**

Sincerely,
Manny Vadhar
Precision Utility, LLC.
9419 Lamkin Rd Houston, Texas 77049

Attached Files: See below



**PRECISION
UTILITY LLC**

BID PROPOSAL COST BREAKDOWN

			UNIT COST		TOTAL COST			
Item	Unit	Qty	Material Cost	Labor Cost	Material Cost	Labor Cost	Subcontract	Total
Materials (1) Week Lead Time					\$ -	\$ -	\$ -	\$ -
6" MJ Street 45°		4.0	\$ 268.86		\$ 1075.44	\$ -	\$ -	\$ 1075.44
6" MJ 90° used in Remaining Wells		3.0	\$ 321.59		\$ 964.77	\$ -	\$ -	\$ 964.77
6" Flange x Flange 90°		5.0	\$ 604.02		\$ 3,020.10	\$ -	\$ -	\$ 3,020.10
6" One-Lok and Bolts		18.0	\$ 87.07		\$ 1,567.26	\$ -	\$ -	\$ 1,567.26
6" Bolts, Nuts, & Gaskets Stainless Steel		6.0	\$ 358.59		\$ 2,151.54	\$ -	\$ -	\$ 2,151.54
Bollards		30.0	\$ 545.98		\$ 16,379.40	\$ -	\$ -	\$ 16,379.40
							\$ -	
Equipment Rental					\$ -	\$ -	\$ -	\$ -
6" Water Pump/Hoses 2 Weeks		1.0	\$ 5,446.32		\$ 5,446.32	\$ -	\$ -	\$ 5,446.32
Welding Machine		2.0	\$ 862.07		\$ 1,724.14	\$ -	\$ -	\$ 1,724.14
Backhoe		2.0	\$ 6,020.74		\$ 12,041.48	\$ -	\$ -	\$ 12,041.48
Tractor w/Post Hole Digger - Bollards		1.0	\$ 2,758.62		\$ 2,758.62	\$ -	\$ -	\$ 2,758.62
							\$ -	
Labor					\$ -	\$ -	\$ -	\$ -
Supervisor		90.0		\$ 114.94	\$ -	\$ 10,344.60		\$ 10,344.60
Crew Chief		90.0		\$ 86.21	\$ -	\$ 7,758.90	\$ -	\$ 7,758.90
Labor No. 1		90.0		\$ 63.22	\$ -	\$ 5,689.80	\$ -	\$ 5,689.80
Labor No. 2		90.0		\$ 63.22	\$ -	\$ 5,689.80	\$ -	\$ 5,689.80
					\$ -	\$ -	\$ -	\$ -
Per Diem					\$ -	\$ -	\$ -	\$ -
Supervisor		7.0		\$ 220.69	\$ -	\$ 1,544.83	\$ -	\$ 1,544.83
Crew Chief		7.0		\$ 220.69	\$ -	\$ 1,544.83	\$ -	\$ 1,544.83
Labor No. 1		7.0		\$ 220.69	\$ -	\$ 1,544.83	\$ -	\$ 1,544.83
Labor No. 2		7.0		\$ 220.69	\$ -	\$ 1,544.83	\$ -	\$ 1,544.83
					\$ -	\$ -	\$ -	\$ -
6" MJ Gate Valve - Optional		3.0	\$ 1,224.15	\$ 2,241.38	\$ 3,672.45	\$ 6,724.14	\$ -	\$ 10,396.59

CHANGE ORDER NO.: 05

Owner:	City of Midland	Owner's Project No.:	23003518
Engineer:	Parkhill Kevin Krueger, PE	Engineer's Project No.:	01.6167.22
Contractor:	Hydro Resources Mid Continent	Contractor's Project No.:	N/A
Project:	City of Midland Paul Davis Wellfield Development		
Date Issued:	Effective Date of Change Order:		

The Contract is modified as follows upon execution of this Change Order:

Description:

- 1) Reconciliation of over-run and under-ran items.
- 2) Correction to quantities for Additive Alternate items.

This Change Order adjusts quantities as follows:

Change Order 05-01:

Reconciliation of OVERRUN Line Item 13: 29 VF @ \$325.00.....	\$9,425.00
Reconciliation of OVERRUN Line Item 14: 94 LF @ \$385.00.....	\$36,190.00
Reconciliation of UNDERRUN Line Item 15: 127 LF @ \$325.00.....	(\$44,450.00)
Reconciliation of OVERRUN Line Item 17: 102 LF @ \$12.00.....	\$1,224.00
Reconciliation of OVERRUN Line Item 18: 197 LF @ \$25.00.....	\$4,925.00
Reconciliation of UNDERRUN Line Item 19: 157 VF @ \$85.00.....	(\$13,345.00)
<u>Reconciliation of OVERRUN Line Item 20: 186 VF @ \$275.00.....</u>	<u>\$51,150.00</u>
Subtotal for 05-01 Changes.....	\$45,119.00

Change Order 05-02:

Item A-1: ADD 3 EA @ 68,000.....	\$204,000.00
Item A-2: REMOVE 1 EA @ 71,000.....	(\$71,000.00)
<u>Item A-3 REMOVE 1 EA @ 75,000.....</u>	<u>(\$75,000.00)</u>
Subtotal for 05-02 Changes.....	\$58,000.00

TOTAL Change in Contract Price.....\$103,119.00

Change in Contract Price	Change in Contract Times
Original Contract Price: \$ 4,412,775.00	Original Contract Times: Substantial Completion: 240 days Ready for final payment: 300 days
Increase of previously approved Change Orders Nos. 01-04: \$ 107,728.50	Increase of previously approved Change Orders Nos. 01-04: Substantial Completion: 322 days Ready for final payment: 452 days
Contract Price prior to this Change Order: \$ 4,520,503.50	Contract Times prior to this Change Order: Substantial Completion: 562 days Ready for final payment: 621 days
Increase this Change Order: \$ 103,119.00	Increase this Change Order: Substantial Completion: 0 days Ready for final payment: 0 days
Contract Price incorporating this Change Order: \$ 4,623,622.50	Contract Times with all approved Change Orders: Substantial Completion: 562 days Ready for final payment: 621 days

Recommended by Engineer	Accepted by Contractor
By: _____	_____
Name: Kevin Krueger, PE	_____
Title: Project Manager	_____
Date: _____	_____
Authorized by Owner	
By: _____	
Name: _____	
Title: _____	
Date: _____	



City Council Meeting

Item Number: 10
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Erika Martinez, Manager, Purchasing
Subject: RESOLUTION APPROVING A CONTRACT WITH NOUVEAU TECHNOLOGY SERVICES, LP, THROUGH THE INTERLOCAL PURCHASING SYSTEM, FOR THE CONSTRUCTION AND INSTALLATION OF A CART BARN AT HOGAN GOLF COURSE FOR A TOTAL COST OF \$1,320,000.00; APPROVING \$66,000.00 FOR PROJECT RELATED COSTS; AND APPROPRIATING FUNDS FOR SAID PROJECT (DISTRICT 2) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)

Purpose:

Resolution awarding a contract for the construction and installation of the golf course cart barn at Hogan Park Golf Course to Nouveau Technology Services LP. through TIPS RCSP 241001 for a cost of \$1,320,000.00 plus project related expenses of \$66,000.00 for a total cost of \$1,386,000.00.

Recommended City Council Action:

Approve

Fiscal Impact:

Funding in the amount of \$1,386,000 is available in the Golf Bond Fund and will be appropriated to a project for said purpose.

Strategic Priority:

(Strengthen and Sustain our Infrastructure)

Discussion:

Staff recommends awarding a contract for the installation of the Golf Course Cart Barn construction at Hogan Park Golf Course to Nouveau Technology Services LP. through TIPS RCSP 241001. We are members of this cooperative and Subchapter F, Section 271.102 of the Local Government Code provides that a local government may participate in a cooperative purchasing program and that purchasing goods or services under Subchapter F satisfies any state law requiring the local government to seek competitive bids for those purchases. Please see the attached memo from Laurie Williams, Parks and Recreation Director, for more information.

Therefore, please consider a resolution awarding a contract for the construction and installation of the golf course cart barn at Hogan Park Golf Course to Nouveau Technology Services LP. through TIPS RCSP 241001 for a cost of \$1,320,000.00 plus project related expenses of \$66,000.00 for a total cost of \$1,386,000.00.



City Manager's Office



Hogan Golf Course Division Interoffice Memorandum

Date: March 25, 2025
To: Jose Ortiz, Assistant City Manager
From: Laurie M. Williams, Parks and Recreation Director
Subject: Cart Barn Replacement at Hogan Park Golf Course

The replacement of the cart barn at Hogan Park Golf Course was identified in the FY2024 budget planning cycle as a priority need. The existing facility is small and has issues that make it unsafe. In August 2024, Nouveau Construction, working together with the EIKON consulting group, was contracted to prepare the plans for the new cart barn. The newly designed facility will meet the current and expected future needs at the course.

The building will be a pre-engineered 80' x 120' insulated metal building with 12 foot awnings. The original budget for the building was \$1,000,000. Since the inception of the project, steel prices have risen 15% and are expected to continue rising in 2025.

Nouveau Construction has submitted a TIPS quote for the building construction in the amount of \$1,320,000.

The restroom within the building could be eliminated to save \$75,000 and automatic overhead door openers and the related electrical components could be eliminated to save an additional \$25,000.

Staff recommends the acceptance of the full proposal at a cost of \$1,320,000 with 5% additional funding for project related costs. Total for the project is \$1,386,000.

\$1,386,000 is available in the Golf Course Bond Fund XXX and will be transferred to a project for said purpose.

RESOLUTION NO. _____

RESOLUTION APPROVING A CONTRACT WITH NOUVEAU TECHNOLOGY SERVICES, LP, THROUGH THE INTERLOCAL PURCHASING SYSTEM, FOR THE CONSTRUCTION AND INSTALLATION OF A CART BARN AT HOGAN GOLF COURSE FOR A TOTAL COST OF \$1,320,000.00; APPROVING \$66,000.00 FOR PROJECT RELATED COSTS; AND APPROPRIATING FUNDS FOR SAID PROJECT

WHEREAS, The Interlocal Purchasing System (“*TIPS*”) is a cooperative purchasing agency with which the City of Midland (the “*City*”) participates with on purchases through a cooperative purchasing program in accordance with Tex. Loc. Gov’t Code § 271.102; and

WHEREAS, Nouveau Technology Services, LP, has submitted a total proposed cost to the City of \$1,320,000.00 for the construction and installation of a cart barn at Hogan Park Golf Course through TIPS; and

WHEREAS, the City Council finds the price proposed by Nouveau Technology Services, LP, through TIPS, for the construction and installation of a cart barn at Hogan Park Golf Course to be fair and reasonable; and

WHEREAS, the City Council finds it to be in the public interest to approve a contract with Nouveau Technology Services, LP, for the construction and installation of a cart barn at Hogan Park Golf Course through TIPS; and

WHEREAS, the City Council finds it to be in the public interest to approve \$66,000.00 for project related costs;

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

SECTION ONE. That the City Manager and City Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the City of Midland, a contract for the construction and installation of a cart barn at Hogan Park Golf Course, through TIPS, for a total cost of \$1,320,000.00. Said contract being attached hereto as Exhibit A and incorporated herein for all purposes.

SECTION TWO. That the sum of \$66,000.00 for project related costs is hereby approved.

SECTION THREE. That the sum of \$1,386,000.00 is hereby appropriated from the Golf Bond Fund to a project established by the City of Midland Finance Department.

SECTION FOUR. That the City Comptroller is hereby authorized and directed to pay Nouveau Technology Services, LP, in accordance with the provisions of the above-referenced contract from funds available in project established by the City of Midland Finance Department upon receipt of proper invoices or statements approved by the City Manager or his designee.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2025, by the following vote:

Council members voting “AYE”:

Council members voting “NAY”:

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

RECOMMENDED AND APPROVED:

Tommy Gonzalez, City Manager

APPROVED AS TO CONTENT
AND COMPLETENESS:

Regina Stephenson, General Services Director

APPROVED AS TO FORM ONLY:

Nicholas Toulet, Interim City Attorney



THE CITY OF MIDLAND

CONTRACT

Contract No. 25004371

THIS CONTRACT, effective the 9 day of April 2025, by and between the City of Midland, hereinafter referred to as "CITY", and Nouveau Technology Services LP., hereinafter referred to as "COMPANY", is made for the following considerations:

1. **Cost:** Total Proposal: \$ 1,320,000.00 DOLLARS
2. **Scope of Work:** COMPANY shall perform all work described and shall provide labor, materials, equipment and supervision necessary for the construction and installation of the golf course cart barn at Hogan Park Golf Course. Said work being more particularly described in the following documents, which are attached hereto and incorporated herein for all purposes.

EXHIBIT A..... Specifications, Proposal or Cost Summary

EXHIBIT B..... Intentionally Omitted

EXHIBIT C..... Bonding instructions for Public Works Contract of \$50,000 and more

EXHIBIT D..... Wage Scale

3. **City:** The words "CITY's Representative" or "representative" shall mean Laurie Williams or the designee under whose supervision these contract documents, including the plans and specifications, were prepared, or who may inspect work performed under this Contract; or such other representative, supervisor, or inspector as may be authorized by CITY to act in any particular capacity under this Contract.

4. **City's Representative:** CITY's Representative may make periodic visits to the site to observe the progress and quality of the executed work and to determine, in general, if the work is proceeding in accordance with the contract documents. CITY's representative will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work, nor will such representative be responsible for the construction means, methods, techniques, sequences or procedures, or the safety precautions incident thereto. CITY's representative will not be responsible for COMPANY's failure to perform the work in accordance with the contract.

5. **Company:** Unless otherwise stipulated, COMPANY shall provide and pay for all materials,
PACKET

supplies, machinery, equipment, tools, superintendence, labor, insurance, and all water, light, power, fuel, transportation and all other facilities necessary for the execution and completion of the work covered by the contract documents. Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of a good quality. COMPANY shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

5.1. COMPANY shall, at its expense, obtain all permits and licenses necessary for the performance of this contract and pay all fees and taxes required by law, and comply with all laws, ordinances, rules and regulations governing COMPANY's performance of the contract, including all environmental laws and regulations, whether state or federal.

5.2. All work shall be done and all materials furnished in strict conformity with the contract and specifications.

6. **Minor Work Not Mentioned:** All minor detail of the work not specifically mentioned in the Specifications but obviously necessary for the proper completion of the work, such as the proper connection of new work to old, shall be considered as incidental to and a part of the work for which the prices are named in the contract. COMPANY will not be entitled to any additional compensation therefor unless specifically stated otherwise. Otherwise the term "extra work" as used in this contract shall mean and include all work that may be required by CITY to be done by COMPANY to accomplish any alteration or addition to the work as shown on the Specifications.

6.1. COMPANY shall perform all extra work under the direction of CITY's Representative when presented with a written work order signed by CITY's Representative, subject, however, to the right of the COMPANY to require written confirmation of such extra work order by CITY. Payment for extra work shall be as agreed in the work order.

7. **Safety:** COMPANY shall at all times exercise reasonable precaution for the safety of employees and others on or near the work and shall comply with all applicable provisions of federal, state and municipal laws. All machinery and equipment and other physical hazards shall be guarded in accordance with federal, state or municipal laws or regulations.

8. **INDEMNITY: COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES**

OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.1. COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, PROPERTY DAMAGE, LOSSES, AND EXPENSES OF ANY CHARACTER WHATSOEVER INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF CITY, CITY'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH COMPANY OR COMPANY'S EMPLOYEES, AGENTS OR SUBCONTRACTORS NEGLIGENCE IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.1 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.2. COMPANY AGREES THAT IT WILL INDEMNIFY AND SAVE CITY HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS CONTRACT. WHEN CITY SO DESIRES, COMPANY SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR WAIVED. COMPANY, ITS SURETIES AND

INSURANCE CARRIERS SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS CITY AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS CONTRACT, AND WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.2 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

9. **Start of Work:** COMPANY shall commence work no later than ten (10) days after receipt of the execution of this document or other written release to proceed and shall complete such work no later than 180 calendar days after release to proceed.

10. **Clean Up:** COMPANY shall promptly remove from CITY's premises all materials condemned by CITY's Representative on account of failure to conform to the contract, whether actually incorporated in the work or not, and COMPANY shall at its own expense promptly replace such condemned materials with other materials conforming to the requirements of the contract. COMPANY shall also bear the expense of restoring all work of other contractors damaged by any such removal or replacement. If COMPANY does not remove and replace any such condemned materials within a reasonable time after a written notice by CITY, CITY may remove and replace such at COMPANY's expense.

11. **Warranty:** Neither the final payment nor any provision in this contract shall relieve COMPANY of responsibility for faulty materials or workmanship, and he shall remedy any defects due thereto and pay for any damage to other work resulting therefrom, which shall appear within a period of one (1) year from the date of substantial completion. CITY shall give notice of observed defects with reasonable promptness.

12. **Remedy:** CITY may, on account of subsequently discovered evidence, withhold whole or part of any payment to such extent as may be necessary to protect itself from loss on account of:

12.1. Defective work not remedied; or

12.2. Claims filed or reasonable evidence indicating possible filing of claims; or

12.3. Failure of COMPANY to make payments promptly to subcontractors or for material or labor which CITY may pay as an agent for the COMPANY; or

12.4. Damages to another contractor or subcontractor.

When the above grounds to withhold payment are removed, or COMPANY provides a surety bond satisfactory to CITY, which will protect CITY in the amount withheld, payment may be released.

13. **Funding Out:** In the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable in any fiscal period for contract payments due under the contract, then this contract shall terminate on the last day of the fiscal period for which full appropriations were made, without penalty or expense to CITY of any kind whatsoever.

14. **Wage Scale:** COMPANY agrees to pay all workmen in his employ no less than the generally prevailing wage rate for employees of similar category in the Permian Basin Area, as is depicted in the wage rate scale attached hereto as EXHIBIT D, and incorporated herein by reference for all legal purposes.

14.1. If applicable, the Davis-Bacon Act, 29 CFR 5.5, and any related acts or regulations are hereby incorporated by reference and made a part of this Contract, and all terms and requirements under said laws, by such incorporation, are made terms and requirements of this Contract, to which the parties to this Contract have agreed to be bound.

15. **Prompt Pay Act:** CITY and COMPANY agree that Texas Government Code, Chapter 2251, Payment for Goods and Services (the "Prompt Pay Act") does not waive governmental immunity.

16. **Payment; Retainage:** After all work is completed by COMPANY, including all Change Orders altering the original scope and amount of the contract are completed, and the CITY has inspected and approved that the work is completed and in compliance with the contract and all subsequent Change Orders, the CITY may thereafter issue payment to COMPANY in the amount of the contract and all Change Orders. The CITY shall be the final judge of when the work is completed by COMPANY. The CITY, in its sole discretion, shall determine if the work under the contract and under any Change Orders has been done to the CITY's requirements.

16.1. The CITY may make periodic payments to COMPANY; provided, however, such periodic payments may only be made pursuant to this section, and only after all work and all Change Orders are completed by COMPANY and approved by the CITY. The approval shall be in the CITY's sole discretion. Requests for progress payments may be made to the extent of the materials and labor completed at the end of each month. Upon approval by the CITY or the CITY's representative, the request and invoice shall be forwarded for payment less 5% retainage. The total of these payments shall not exceed 95% of the total contract amount.

17. **Late Completion; Liquidated Damages:** It is hereby understood and mutually agreed, by and between COMPANY and the CITY, that the date of beginning and the time for completion as specified in the contract of the work to be done hereunder are ESSENTIAL CONDITIONS of this contract; and it is further mutually understood and agreed that the work embraced in this contract shall be commenced on a date to be specified in the "Notice to Proceed." COMPANY agrees that said work shall be prosecuted regularly, diligently, and uninterruptedly at such rate of progress as will insure full completion thereof within the time specified. It is expressly understood and agreed, by and between COMPANY and the CITY, that the time for the completion of the work described herein is a reasonable time for the completion of the same, taking into consideration the average climatic range and usual industrial conditions prevailing in this locality.

17.1. In the event COMPANY shall neglect, fail or refuse to complete the work within the time herein specified, or any proper extension thereof granted by the CITY, then COMPANY and COMPANY's surety, if any, shall be liable for and does hereby agree, as a part consideration for the awarding of this contract, to pay to the CITY \$500.00, not as a penalty but as liquidated damages for such breach of contract as hereinafter set forth, for each and every day that COMPANY shall be in default after the time stipulated in the contract for completing the work. Further, the CITY shall have the right to cancel this contract for such delay. In the event the CITY cancels this contract pursuant to the terms of this section, the CITY shall pay to COMPANY only those monies deemed appropriate by the CITY, in its sole discretion, to compensate COMPANY for any work actually performed, less any liquidated damages COMPANY owes the CITY.

17.2. The said amount is fixed and agreed upon by and between COMPANY and the CITY because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the CITY would in such event sustain, and said amount is agreed to be the amount of damages which the CITY would sustain and said amount shall be retained from time to time by the CITY from current periodical estimates.

17.3. It is further agreed that time is of the essence of each and every portion of this contract and of the specifications wherein a definite and certain length of time is fixed for the performance of any act whatsoever; and where under the contract an additional time is allowed for the completion of any work, the new time limit fixed by such extension shall be of the essence of this contract. Provided, that COMPANY shall not be charged with liquidated damages or any excess cost when the CITY determines, in its sole discretion, that COMPANY is without fault and COMPANY's reasons for the time extension are acceptable to the CITY. Provided, further, that COMPANY shall not be charged with liquidated damages or excess cost when the delay in completion of the work is due:

- a. To any preference, priority or allocation order duly issued by the Government;
- b. To unforeseeable cause beyond the control and without the fault or negligence of COMPANY, including, but not restricted to, acts of God, or of the public enemy, acts of the CITY, acts of another contractor in the performance of a contract with the CITY, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and severe weather; and
- c. To any delays of subcontractors or suppliers occasioned by any of the causes specified in subsections (a) and (b) of this article.

17.4. Provided, further, that COMPANY shall, within ten (10) days from the beginning of such delay, unless the CITY shall, in its sole discretion grant a further period of time prior to the date of final settlement of the contract, notify the CITY, in writing, of the causes of the delay, who shall ascertain the facts and extent of the delay and notify COMPANY within a reasonable time of its decision in the matter.

17.5. COMPANY AGREES THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES MAY BE RECOVERED BY THE CITY FROM RETAINAGE HELD BY THE CITY. NOTWITHSTANDING ANY OTHER PROVISION HEREOF, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES CITY, CITY'S EMPLOYEES AND OFFICERS FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER ARISING FROM THE CITY WITHHOLDING PAYMENT FROM COMPANY AS LIQUIDATED DAMAGES FOR COMPANY'S FAILURE TO COMPLETE THE WORK WITHIN THE TIME SPECIFIED HEREIN, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR CITY'S NEGLIGENCE.

17.6. COMPANY SHALL RECEIVE NO FINANCIAL COMPENSATION FOR DELAY OR HINDRANCE TO THE WORK. IN NO EVENT SHALL THE CITY BE LIABLE TO COMPANY OR ANY SUBCONTRACTOR OR SUPPLIER, ANY OTHER PERSON OR ANY SURETY FOR OR ANY EMPLOYEE OR AGENT OF ANY OF THEM, FOR ANY DAMAGES ARISING OUT OF OR ASSOCIATED WITH ANY DELAY OR HINDRANCE TO THE WORK, REGARDLESS OF THE SOURCE OF THE DELAY OR HINDRANCE, INCLUDING EVENTS OF FORCE MAJEURE, AND EVEN IF SUCH DELAY OR HINDRANCE RESULTS FROM, ARISES OUT OF OR IS DUE, IN WHOLE OR IN PART, TO THE NEGLIGENCE OF THE CITY. COMPANY'S SOLE REMEDY IN ANY SUCH CASE SHALL BE AN EXTENSION OF TIME.

18. **No Third-Party Beneficiary:** CITY's approval of this contract does not create a third-party

beneficiary. There is no third-party beneficiary to this contract. No person or entity who is not a party to this contract shall have any third-party beneficiary or other rights hereunder.

19. WAIVER OF ATTORNEY FEES: BY EXECUTING THIS CONTRACT, COMPANY AGREES TO WAIVE AND DOES HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST CITY REGARDING THE AWARD OR ATTORNEY'S FEES, WHICH ARE IN ANY WAY RELATED TO THIS CONTRACT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS CONTRACT. COMPANY SPECIFICALLY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS CONTRACT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS CONTRACT, INCLUDING, BUT NOT LIMITED TO, ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, COMPANY AGREES TO ABANDON, WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH COMPANY MIGHT OTHERWISE BE ENTITLED.

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY-EXISTING KNOWN RIGHT. COMPANY ACKNOWLEDGES THAT IT UNDERSTANDS ALL TERMS AND CONDITIONS OF THIS CONTRACT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN CITY AND COMPANY. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OR GOVERNMENTAL IMMUNITY AND SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS CONTRACT WITH COMPETENT LEGAL COUNSEL PRIOR TO ITS EXECUTION. THE OBLIGATIONS CONTAINED IN THIS SECTION 18 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

20. Governmental Immunity: By executing this contract CITY is not waiving its right of governmental immunity. CITY is retaining its immunity from suit. CITY is not granting consent to be sued by legislative resolution or action.

THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.

21. Insurance:

COMPANY shall at all times during the term of this Contract maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

-Personal Injury: \$1,000,000.00 per person
\$1,000,000.00 per occurrence

-Property Damage: \$500,000.00 per occurrence

Business Automobile Liability: \$250,000.00 combined single limit -
Personal Injury and Property Damage

Workers' Compensation: Statutory limits

Employers' Liability: \$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-city vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Contract. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Workers' Compensation coverage provided by COMPANY shall inure to the benefit of employees injured during the course and scope of their employment by COMPANY pursuant to this Contract. The Workers' Compensation shall waive all rights of subrogation in favor of CITY.

All insurance required pursuant to this Contract shall provide for a waiver of subrogation in favor of CITY. All insurance required pursuant to this Contract, except for Workers' Compensation Insurance, shall name CITY as an additional insured on a claims occurred basis. CITY shall be provided the notice by COMPANY's insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

COMPANY shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Contract to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of

subrogation in favor of the City of Midland and policies that name the City of Midland as an additional insured on a claims occurred basis (except workers' compensation).

The parties agree that, prior to the execution of the Contract, COMPANY shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of CITY. CITY shall not be required to provide any insurance whatsoever pursuant to this Contract.

COMPANY certifies that the certificate of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. COMPANY shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of COMPANY.

22. **Assignment:** COMPANY shall not, either directly or indirectly, assign all or any part of this Contract or any interest, right or privilege herein, without the prior written consent of CITY. The issue on whether or not to grant consent to an assignment is in the sole discretion of CITY.

23. **RELEASE: NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES CITY AND CITY'S COUNCIL MEMBERS, EMPLOYEES, AND OFFICERS FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES OR CAUSES OF ACTION OF ANY KIND WHATSOEVER THAT COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR CITY'S NEGLIGENCE. THE OBLIGATIONS CONTAINED IN THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.**

24. **Governing Law and Venue:** This contract shall be governed by the laws of the State of Texas. All performance and payment made pursuant to this contract shall be deemed to have occurred in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claims, suits or any other action arising from or connected in any way to this contract or the performance of this contract shall be in Midland County, Texas.

25. **Independent Contractor:** COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant, or employee of CITY. COMPANY shall have exclusive control of, and the exclusive right to control the details of the services and work to be

requirements of this Section shall perpetually bar COMPANY's claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, regardless if CITY has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Contract are reasonable. The provisions and obligations of this Section shall survive the termination of this Contract.

27. **Consideration:** The terms of this Contract are supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties named herein.

28. **Termination At Will:** CITY may terminate this Contract at will for no or any reason upon giving at least one hundred eighty (180) days written notice to COMPANY. The parties to this Contract understand and agree that it is in CITY's sole discretion to cancel the Contract during the term of the Contract without penalty to CITY. COMPANY has no expectation and has received no guarantees that this Contract will not be terminated before the end of the Contract term. The parties have bargained for the flexibility of terminating this Contract upon tender of the requisite notice at any time during the term of the Contract. All work and services under the Contract shall be suspended upon termination of the Contract becoming effective.

29. **Compliance:** COMPANY agrees that it shall comply with Texas Government Code Section 2252.908, *et seq.*, as amended. COMPANY agrees that it shall comply with Texas Local Government Code Section 176.006, *et seq.*, as amended.

30. To the extent that Sections 2271.002, 2274.002, and 2276.002 of the Texas Government Code (collectively, the "Anti-Boycott Statutes") apply to this Contract, COMPANY hereby verifies:

- that Company does not boycott Israel and will not boycott Israel during the term of this Contract;
- that Company does not boycott energy companies and will not boycott energy companies during the term of this Contract; and
- that Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Contract against a firearm entity or firearm trade association.

To the extent that the Anti-Boycott Statutes do not apply to this Contract, such verification is not required, and Company shall be deemed to have not made such verification.

31. **Records Retention and Production of Information.** To the extent that this Contract constitutes a contract described by Section 552.371 of the Texas Government Code, COMPANY shall: (i) preserve all contracting information related to this Contract as provided by the records retention requirements

applicable to CITY for the duration of this Contract; (ii) promptly provide to CITY any contracting information related to the Contract that is in the custody or possession of COMPANY on request of CITY; and (iii) on completion of the Contract, either: (a) provide at no cost to CITY all contracting information related to the Contract that is in the custody or possession of COMPANY; or (b) preserve the contracting information related to the Contract as provided by the records retention requirements applicable to CITY.

32. **Public Information.** To the extent that this Contract is a contract described by Section 552.371 of the Texas Government Code, COMPANY agrees as follows in accordance with Section 552.372(b) of the Texas Government Code: The requirements of Subchapter J, Chapter 552, Government Code, may apply to this Contract, and COMPANY agrees that the contract can be terminated if COMPANY knowingly or intentionally fails to comply with a requirement of that subchapter.

33. **Conflict of Terms.** If a conflict of terms or language exists between: (i) any of the provisions of this Contract and (ii) any of the provisions contained in any exhibit(s) attached to this Contract, precedence shall be given to the provisions of this Contract. For the avoidance of any doubt, the provisions contained in this Contract shall supersede any and all conflicting provisions contained in any exhibit(s) attached hereto. Furthermore, the parties acknowledge and agree that any provision contained in an exhibit(s) attached to this Contract that imposes an additional express or implied obligation on CITY is hereby made void and of no force or effect. CITY's sole and exclusive obligations under this Contract are contained in the provisions of this Contract that precede the signature page(s), which evidences the parties' execution.

34. Company agrees that all iron or steel products produced through a manufacturing process and used in the project that is the subject of this Contract shall be produced in the United States in accordance with Government Code § 2252.202, et seq., as amended.

EXECUTED IN DUPLICATE the day and year first above mentioned.

THE CITY OF MIDLAND, TEXAS

By: _____
Tommy Gonzalez, City Manager

ATTEST

Marcia Bentley-German, City Governance Officer/City Secretary

APPROVED ONLY AS TO FORM

Nicholas Toulet, Interim City Attorney

COMPANY:

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this ____ day of _____, 20____ personally appeared, _____, an officer of Nouveau Technology Services LP., known to me to be the person and official whose name is subscribed to the forgoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20____.

Exhibit A
Proposal



Phone: 214-226-0296
Fax: 972-484-5072

Proposal: 32583C
Date: 3/14/2025

To:	Project:
City of Midland Attn: Laurie Williams 300 N. Loraine Midland, TX 79701	City of Midland\ Hogan Cart Barn City of Midland\ Hogan Cart Barn 3600 N Fairgrounds Rd Midland, TX 79705

Salesperson		
Miles Koon		TIPS RCSP 241001

Scope of Work

Nouveau Construction respectfully submits our base proposal for the listed project.
This proposal includes all labor, material and equipment to perform the work described in this proposal and the following scope of work.

Scope based off EIKON drawings dated 2/24/2025

Prepare site and pour 6" concrete foundation per drawings
Supply and install new insulated 80x120 pre-engineered metal bldg with 12ft awnings
Install OHD's and chain hoist
Install 3070 doors frames and hardware
Install interior finishes per drawings
Install water hydrants per drawings
Install air lines per drawings
Install new louvers and exhaust per drawings
Install new conduit, power, lighting, and outlets per drawings
Connect new electrical system to transformer installed by city service provider
Install rack system with power for owner provided chargers
Paymnet and performance bonds included

Deductive ALTERNATE 1: Do NOT Furnish all labor and materials to build interior restroom, including finishes, plumbing supply and waste, fixtures, HVAC, and water heater as specified. \$75,000.00

Deductive ALTERNATE 2: Do NOTFurnish and install automatic ovehead door operators and associated electrical: \$25,000.00

Exclusions

1. TAXES
2. PERMITS
3. ASBESTOS/LEAD/MOLD SURVEY/ABATEMENT
4. ANY SCOPE OF WORK NOT DESCRIBED ABOVE OR UNFORESEEN CONDITIONS.
5. WORK WILL BE CONDUCTED WITHIN STANDARD BUSINESS HOURS OF 7:00 AM TO 4:00 pm MONDAY THROUGH FRIDAY, OR MUTUALLY AGREED UPON HOURS.
6. REQUESTED CHANGES TO THE APPROVED SCOPE OF WORK WILL BE HANDLED AS A CHANGE ORDER. ADDITIONAL WORK WILL ONLY BE PERFORMED UPON WRITTEN ACCEPTANCE OF THE CHANGE ORDER BY THE CUSTOMER.
7. AIR COMPRESSOR
8. ELECTRICAL TRANSFORMER

STEEL PRICES HAVE INCREASED TWICE SINCE THE ORIGINAL BUILDING DESIGN TOTALLING 15%. ANOTHER INCREASE IS EXPECTED IN THE 2ND QUARTER. INCREASE IS EXPECTED TO BE BETWEEN 8-10% (Total increase estimated to be \$20,000)

Proposal



Phone: 214-226-0296
Fax: 972-484-5072

Proposal: 32583C
Date: 3/14/2025

To:	Project:
City of Midland Attn: Laurie Williams 300 N. Loraine Midland, TX 79701	City of Midland\ Hogan Cart Barn City of Midland\ Hogan Cart Barn 3600 N Fairgrounds Rd Midland, TX 79705

Salesperson		
Miles Koon		

Pricing good for 15 days from date of proposal

Proposal Total:	1,320,000.00
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Acceptance	
Accepted by:	_____
Title:	_____
Date:	_____

EXHIBIT C

Bonding Requirements

The successful bidder shall be required to furnish a Performance & Payment Bond* for bids in excess of \$50,000.00, in an amount equal to one hundred percent (100%) of the total contract price, such bond to be executed by a Corporate Surety authorized to do business in the State of Texas and acceptable to the City of Midland. **All bonds must be executed on forms contained in these contract documents.** The form of agreement which the successful bidder, as contractor, will be required to execute is also included herewith. The form of agreement and the form of the bonds should be carefully examined by the bidder.

A certified check, cashier's check, bank money order, or irrevocable letter of credit issued by a bank satisfactory to the City, **or a bidder's bond on the form provided**, in the amount of five percent (5%) of the largest possible lump sum bid submitted, payable without recourse to the City, must accompany the bidder's proposal, as a guaranty that the bidder will enter a contract and execute the required payment bond and guaranty in the forms provided within fifteen (15) days after notice of award of contract to him. Bids or proposals without the required bid guaranty will not be considered. All bid sureties and payment bonds shall name the City of Midland as Obligee.

*A cash security such as a cashier's check or irrevocable letter of credit issued by a bank satisfactory to the City for 100 % of the contract amount may be supplied in lieu of the Performance and Payment Bonds. The check will be returned un-cashed upon satisfactory completion of the work and evidence of payment of all obligations due for the contract.

PAYMENT BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT
_____ of the City of
_____ of the County of _____ and State of Texas
as Principal, and _____, as Surety, are held and
firmly bound unto the City of Midland, Texas, as Oblige, in the amount of
_____ DOLLARS
(\$ _____) for the payment whereof the said Principal and Surety bind themselves, their heirs,
administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Oblige, dated the _____
day of _____, 20____, for the furnishing of materials, equipment to perform all labor and work
necessary for _____, hereof as fully and to the
same extent as if copied at length herein.

NOW, THEREFORE, the condition of the obligation is that if the said Principal shall pay all claimants
supplying labor and material to him or a subcontractor in the prosecution of the work provided for in said
contract, then this obligation shall be null and void; otherwise, it is to remain in full force and effect.

Surety, for value received, stipulates and agrees that no change, extension of time alteration or addition
to the terms of the contract, or to the work performed there under, or the plans, specifications of drawings
accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders,
shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of

time, alteration or addition to the terms of the contract, assignment thereof, or to the work to be performed there under.

IN WITNESS WHEREOF the said Principal and Surety have signed and sealed this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

PERFORMANCE BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT _____ (Hereinafter called the Principal[s]), as Principal(s), and _____ (Hereinafter called the Surety), as Surety, are held and firmly bound unto the City of Midland, Texas a home rule municipal corporation of Midland County, Texas, (hereinafter called the Obligee), in the amount of _____ DOLLARS (\$ _____) for the payment whereof the said Principal and surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the _____ day of _____, 20____, for the furnishing of materials and equipment to perform all labor and work necessary for the construction of _____, specifically including in the scope of this work and bond, the additional maintenance guaranty provisions set forth in the contract conditions, which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein, as well as the Principal's primary obligation to perform according to plans and specifications.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform the work in accordance with the plans, specifications, instructions to bidder, general and special conditions and other contract documents, including any addendum thereto, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED further that if any legal action be filed upon this Bond venue shall lie in Midland County, State of Texas.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specifications or drawings accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders, shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of time, alteration or addition to the terms of the contract, assignment thereof, or the work to be performed thereunder.

IN WITNESS WHEREOF, the said Principal and surety do sign and seal this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

EXHIBIT D - Building Wage Rate rev 01/05/2024

"General Decision Number: TX20240261 01/05/2024

Superseded General Decision Number: TX20230261

State: Texas

Construction Type: Building

County: Midland County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

BOIL0074-003 07/01/2023

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
(1) Tower Crane.....	\$ 32.85	13.10
(2) Cranes with Pile Driving or Caisson Attachment and Hydraulic Crane 60 tons and above.....	\$ 28.75	10.60
(3) Hydraulic cranes 59 Tons and under.....	\$ 32.35	13.10

IRON0084-011 06/01/2023		

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 27.51	8.13

PLUM0404-001 09/01/2022		

	Rates	Fringes
PLUMBER.....	\$ 28.64	10.65

SUTX2014-037 07/21/2014		

	Rates	Fringes
BRICKLAYER.....	\$ 20.00	0.00
CARPENTER.....	\$ 13.82 **	0.00
CEMENT MASON/CONCRETE FINISHER...	\$ 13.76 **	0.00
ELECTRICIAN.....	\$ 23.18	6.31
INSULATOR - MECHANICAL (Duct, Pipe & Mechanical System Insulation).....	\$ 19.77	7.13
IRONWORKER, REINFORCING.....	\$ 12.27 **	0.00
IRONWORKER, STRUCTURAL.....	\$ 22.16	5.26
LABORER: Common or General.....	\$ 11.80 **	0.00
LABORER: Mason Tender - Brick...	\$ 11.38 **	0.00
LABORER: Mason Tender - Cement/Concrete.....	\$ 10.58 **	0.00
LABORER: Pipelayer.....	\$ 12.49 **	2.13
LABORER: Roof Tearoff.....	\$ 11.28 **	0.00
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 14.25 **	0.00
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 13.93 **	0.00
OPERATOR: Bulldozer.....	\$ 18.29	1.31
OPERATOR: Drill.....	\$ 16.22 **	0.34
OPERATOR: Forklift.....	\$ 14.83 **	0.00
OPERATOR: Grader/Blade.....	\$ 13.37 **	0.00
OPERATOR: Loader.....	\$ 13.55 **	0.94
OPERATOR: Mechanic.....	\$ 17.52	3.33
OPERATOR: Paver (Asphalt, Aggregate, and Concrete).....	\$ 16.03 **	0.00

OPERATOR: Roller.....	\$ 12.70 **	0.00
PAINTER (Brush, Roller, and Spray).....	\$ 15.00 **	0.73
PIPEFITTER.....	\$ 25.80	8.55
ROOFER.....	\$ 14.75 **	0.00
SHEET METAL WORKER (HVAC Duct Installation Only).....	\$ 22.73	7.52
SHEET METAL WORKER, Excludes HVAC Duct Installation.....	\$ 19.50	0.00
TILE FINISHER.....	\$ 11.22 **	0.00
TILE SETTER.....	\$ 14.74 **	0.00
TRUCK DRIVER: Dump Truck.....	\$ 12.39 **	1.18
TRUCK DRIVER: Flatbed Truck.....	\$ 19.65	8.57
TRUCK DRIVER: Semi-Trailer Truck.....	\$ 12.50 **	0.00
TRUCK DRIVER: Water Truck.....	\$ 12.00 **	4.11

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

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** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$17.20) or 13658 (\$12.90). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide

employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate

changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION"



THE CITY OF MIDLAND

CONTRACT

Contract No. 25004371

THIS CONTRACT, effective the 9 day of April 2025, by and between the City of Midland, hereinafter referred to as "CITY", and Nouveau Technology Services LP., hereinafter referred to as "COMPANY", is made for the following considerations:

1. **Cost:** Total Proposal: \$ 1,320,000.00 DOLLARS
2. **Scope of Work:** COMPANY shall perform all work described and shall provide labor, materials, equipment and supervision necessary for the construction and installation of the golf course cart barn at Hogan Park Golf Course. Said work being more particularly described in the following documents, which are attached hereto and incorporated herein for all purposes.

EXHIBIT A..... Specifications, Proposal or Cost Summary

EXHIBIT B..... Intentionally Omitted

EXHIBIT C..... Bonding instructions for Public Works Contract of \$50,000 and more

EXHIBIT D..... Wage Scale

3. **City:** The words "CITY's Representative" or "representative" shall mean Laurie Williams or the designee under whose supervision these contract documents, including the plans and specifications, were prepared, or who may inspect work performed under this Contract; or such other representative, supervisor, or inspector as may be authorized by CITY to act in any particular capacity under this Contract.

4. **City's Representative:** CITY's Representative may make periodic visits to the site to observe the progress and quality of the executed work and to determine, in general, if the work is proceeding in accordance with the contract documents. CITY's representative will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work, nor will such representative be responsible for the construction means, methods, techniques, sequences or procedures, or the safety precautions incident thereto. CITY's representative will not be responsible for COMPANY's failure to perform the work in accordance with the contract.

5. **Company:** Unless otherwise stipulated, COMPANY shall provide and pay for all materials,
PACKET 10.36 April 8, 2025

supplies, machinery, equipment, tools, superintendence, labor, insurance, and all water, light, power, fuel, transportation and all other facilities necessary for the execution and completion of the work covered by the contract documents. Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of a good quality. COMPANY shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

5.1. COMPANY shall, at its expense, obtain all permits and licenses necessary for the performance of this contract and pay all fees and taxes required by law, and comply with all laws, ordinances, rules and regulations governing COMPANY's performance of the contract, including all environmental laws and regulations, whether state or federal.

5.2. All work shall be done and all materials furnished in strict conformity with the contract and specifications.

6. **Minor Work Not Mentioned:** All minor detail of the work not specifically mentioned in the Specifications but obviously necessary for the proper completion of the work, such as the proper connection of new work to old, shall be considered as incidental to and a part of the work for which the prices are named in the contract. COMPANY will not be entitled to any additional compensation therefor unless specifically stated otherwise. Otherwise the term "extra work" as used in this contract shall mean and include all work that may be required by CITY to be done by COMPANY to accomplish any alteration or addition to the work as shown on the Specifications.

6.1. COMPANY shall perform all extra work under the direction of CITY's Representative when presented with a written work order signed by CITY's Representative, subject, however, to the right of the COMPANY to require written confirmation of such extra work order by CITY. Payment for extra work shall be as agreed in the work order.

7. **Safety:** COMPANY shall at all times exercise reasonable precaution for the safety of employees and others on or near the work and shall comply with all applicable provisions of federal, state and municipal laws. All machinery and equipment and other physical hazards shall be guarded in accordance with federal, state or municipal laws or regulations.

8. **INDEMNITY: COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES**

OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.1. COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, PROPERTY DAMAGE, LOSSES, AND EXPENSES OF ANY CHARACTER WHATSOEVER INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF CITY, CITY'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH COMPANY OR COMPANY'S EMPLOYEES, AGENTS OR SUBCONTRACTORS NEGLIGENCE IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.1 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.2. COMPANY AGREES THAT IT WILL INDEMNIFY AND SAVE CITY HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS CONTRACT. WHEN CITY SO DESIRES, COMPANY SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR WAIVED. COMPANY, ITS SURETIES AND

INSURANCE CARRIERS SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS CITY AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS CONTRACT, AND WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.2 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

9. **Start of Work:** COMPANY shall commence work no later than ten (10) days after receipt of the execution of this document or other written release to proceed and shall complete such work no later than 180 calendar days after release to proceed.

10. **Clean Up:** COMPANY shall promptly remove from CITY's premises all materials condemned by CITY's Representative on account of failure to conform to the contract, whether actually incorporated in the work or not, and COMPANY shall at its own expense promptly replace such condemned materials with other materials conforming to the requirements of the contract. COMPANY shall also bear the expense of restoring all work of other contractors damaged by any such removal or replacement. If COMPANY does not remove and replace any such condemned materials within a reasonable time after a written notice by CITY, CITY may remove and replace such at COMPANY's expense.

11. **Warranty:** Neither the final payment nor any provision in this contract shall relieve COMPANY of responsibility for faulty materials or workmanship, and he shall remedy any defects due thereto and pay for any damage to other work resulting therefrom, which shall appear within a period of one (1) year from the date of substantial completion. CITY shall give notice of observed defects with reasonable promptness.

12. **Remedy:** CITY may, on account of subsequently discovered evidence, withhold whole or part of any payment to such extent as may be necessary to protect itself from loss on account of:

12.1. Defective work not remedied; or

12.2. Claims filed or reasonable evidence indicating possible filing of claims; or

12.3. Failure of COMPANY to make payments promptly to subcontractors or for material or labor which CITY may pay as an agent for the COMPANY; or

12.4. Damages to another contractor or subcontractor.

When the above grounds to withhold payment are removed, or COMPANY provides a surety bond satisfactory to CITY, which will protect CITY in the amount withheld, payment may be released.

13. **Funding Out:** In the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable in any fiscal period for contract payments due under the contract, then this contract shall terminate on the last day of the fiscal period for which full appropriations were made, without penalty or expense to CITY of any kind whatsoever.

14. **Wage Scale:** COMPANY agrees to pay all workmen in his employ no less than the generally prevailing wage rate for employees of similar category in the Permian Basin Area, as is depicted in the wage rate scale attached hereto as EXHIBIT D, and incorporated herein by reference for all legal purposes.

14.1. If applicable, the Davis-Bacon Act, 29 CFR 5.5, and any related acts or regulations are hereby incorporated by reference and made a part of this Contract, and all terms and requirements under said laws, by such incorporation, are made terms and requirements of this Contract, to which the parties to this Contract have agreed to be bound.

15. **Prompt Pay Act:** CITY and COMPANY agree that Texas Government Code, Chapter 2251, Payment for Goods and Services (the "Prompt Pay Act") does not waive governmental immunity.

16. **Payment; Retainage:** After all work is completed by COMPANY, including all Change Orders altering the original scope and amount of the contract are completed, and the CITY has inspected and approved that the work is completed and in compliance with the contract and all subsequent Change Orders, the CITY may thereafter issue payment to COMPANY in the amount of the contract and all Change Orders. The CITY shall be the final judge of when the work is completed by COMPANY. The CITY, in its sole discretion, shall determine if the work under the contract and under any Change Orders has been done to the CITY's requirements.

16.1. The CITY may make periodic payments to COMPANY; provided, however, such periodic payments may only be made pursuant to this section, and only after all work and all Change Orders are completed by COMPANY and approved by the CITY. The approval shall be in the CITY's sole discretion. Requests for progress payments may be made to the extent of the materials and labor completed at the end of each month. Upon approval by the CITY or the CITY's representative, the request and invoice shall be forwarded for payment less 5% retainage. The total of these payments shall not exceed 95% of the total contract amount.

17. **Late Completion; Liquidated Damages:** It is hereby understood and mutually agreed, by and between COMPANY and the CITY, that the date of beginning and the time for completion as specified in the contract of the work to be done hereunder are ESSENTIAL CONDITIONS of this contract; and it is further mutually understood and agreed that the work embraced in this contract shall be commenced on a date to be specified in the "Notice to Proceed." COMPANY agrees that said work shall be prosecuted regularly, diligently, and uninterruptedly at such rate of progress as will insure full completion thereof within the time specified. It is expressly understood and agreed, by and between COMPANY and the CITY, that the time for the completion of the work described herein is a reasonable time for the completion of the same, taking into consideration the average climatic range and usual industrial conditions prevailing in this locality.

17.1. In the event COMPANY shall neglect, fail or refuse to complete the work within the time herein specified, or any proper extension thereof granted by the CITY, then COMPANY and COMPANY's surety, if any, shall be liable for and does hereby agree, as a part consideration for the awarding of this contract, to pay to the CITY \$500.00, not as a penalty but as liquidated damages for such breach of contract as hereinafter set forth, for each and every day that COMPANY shall be in default after the time stipulated in the contract for completing the work. Further, the CITY shall have the right to cancel this contract for such delay. In the event the CITY cancels this contract pursuant to the terms of this section, the CITY shall pay to COMPANY only those monies deemed appropriate by the CITY, in its sole discretion, to compensate COMPANY for any work actually performed, less any liquidated damages COMPANY owes the CITY.

17.2. The said amount is fixed and agreed upon by and between COMPANY and the CITY because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the CITY would in such event sustain, and said amount is agreed to be the amount of damages which the CITY would sustain and said amount shall be retained from time to time by the CITY from current periodical estimates.

17.3. It is further agreed that time is of the essence of each and every portion of this contract and of the specifications wherein a definite and certain length of time is fixed for the performance of any act whatsoever; and where under the contract an additional time is allowed for the completion of any work, the new time limit fixed by such extension shall be of the essence of this contract. Provided, that COMPANY shall not be charged with liquidated damages or any excess cost when the CITY determines, in its sole discretion, that COMPANY is without fault and COMPANY's reasons for the time extension are acceptable to the CITY. Provided, further, that COMPANY shall not be charged with liquidated damages or excess cost when the delay in completion of the work is due:

April 8, 2025

- a. To any preference, priority or allocation order duly issued by the Government;
- b. To unforeseeable cause beyond the control and without the fault or negligence of COMPANY, including, but not restricted to, acts of God, or of the public enemy, acts of the CITY, acts of another contractor in the performance of a contract with the CITY, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and severe weather; and
- c. To any delays of subcontractors or suppliers occasioned by any of the causes specified in subsections (a) and (b) of this article.

17.4. Provided, further, that COMPANY shall, within ten (10) days from the beginning of such delay, unless the CITY shall, in its sole discretion grant a further period of time prior to the date of final settlement of the contract, notify the CITY, in writing, of the causes of the delay, who shall ascertain the facts and extent of the delay and notify COMPANY within a reasonable time of its decision in the matter.

17.5. COMPANY AGREES THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES MAY BE RECOVERED BY THE CITY FROM RETAINAGE HELD BY THE CITY. NOTWITHSTANDING ANY OTHER PROVISION HEREOF, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES CITY, CITY'S EMPLOYEES AND OFFICERS FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER ARISING FROM THE CITY WITHHOLDING PAYMENT FROM COMPANY AS LIQUIDATED DAMAGES FOR COMPANY'S FAILURE TO COMPLETE THE WORK WITHIN THE TIME SPECIFIED HEREIN, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR CITY'S NEGLIGENCE.

17.6. COMPANY SHALL RECEIVE NO FINANCIAL COMPENSATION FOR DELAY OR HINDRANCE TO THE WORK. IN NO EVENT SHALL THE CITY BE LIABLE TO COMPANY OR ANY SUBCONTRACTOR OR SUPPLIER, ANY OTHER PERSON OR ANY SURETY FOR OR ANY EMPLOYEE OR AGENT OF ANY OF THEM, FOR ANY DAMAGES ARISING OUT OF OR ASSOCIATED WITH ANY DELAY OR HINDRANCE TO THE WORK, REGARDLESS OF THE SOURCE OF THE DELAY OR HINDRANCE, INCLUDING EVENTS OF FORCE MAJEURE, AND EVEN IF SUCH DELAY OR HINDRANCE RESULTS FROM, ARISES OUT OF OR IS DUE, IN WHOLE OR IN PART, TO THE NEGLIGENCE OF THE CITY. COMPANY'S SOLE REMEDY IN ANY SUCH CASE SHALL BE AN EXTENSION OF TIME.

18. **No Third-Party Beneficiary:** CITY's approval of this contract does not create a third-party

beneficiary. There is no third-party beneficiary to this contract. No person or entity who is not a party to this contract shall have any third-party beneficiary or other rights hereunder.

19. WAIVER OF ATTORNEY FEES: BY EXECUTING THIS CONTRACT, COMPANY AGREES TO WAIVE AND DOES HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST CITY REGARDING THE AWARD OR ATTORNEY'S FEES, WHICH ARE IN ANY WAY RELATED TO THIS CONTRACT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS CONTRACT. COMPANY SPECIFICALLY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS CONTRACT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS CONTRACT, INCLUDING, BUT NOT LIMITED TO, ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, COMPANY AGREES TO ABANDON, WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH COMPANY MIGHT OTHERWISE BE ENTITLED.

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY-EXISTING KNOWN RIGHT. COMPANY ACKNOWLEDGES THAT IT UNDERSTANDS ALL TERMS AND CONDITIONS OF THIS CONTRACT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN CITY AND COMPANY. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OR GOVERNMENTAL IMMUNITY AND SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS CONTRACT WITH COMPETENT LEGAL COUNSEL PRIOR TO ITS EXECUTION. THE OBLIGATIONS CONTAINED IN THIS SECTION 18 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

20. Governmental Immunity: By executing this contract CITY is not waiving its right of governmental immunity. CITY is retaining its immunity from suit. CITY is not granting consent to be sued by legislative resolution or action.

THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.

21. Insurance:

COMPANY shall at all times during the term of this Contract maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

-Personal Injury: \$1,000,000.00 per person
\$1,000,000.00 per occurrence

-Property Damage: \$500,000.00 per occurrence

Business Automobile Liability: \$250,000.00 combined single limit -
Personal Injury and Property Damage

Workers' Compensation: Statutory limits

Employers' Liability: \$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-city vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Contract. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Workers' Compensation coverage provided by COMPANY shall inure to the benefit of employees injured during the course and scope of their employment by COMPANY pursuant to this Contract. The Workers' Compensation shall waive all rights of subrogation in favor of CITY.

All insurance required pursuant to this Contract shall provide for a waiver of subrogation in favor of CITY. All insurance required pursuant to this Contract, except for Workers' Compensation Insurance, shall name CITY as an additional insured on a claims occurred basis. CITY shall be provided the notice by COMPANY's insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

COMPANY shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Contract to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of

subrogation in favor of the City of Midland and policies that name the City of Midland as an additional insured on a claims occurred basis (except workers' compensation).

The parties agree that, prior to the execution of the Contract, COMPANY shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of CITY. CITY shall not be required to provide any insurance whatsoever pursuant to this Contract.

COMPANY certifies that the certificate of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. COMPANY shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of COMPANY.

22. **Assignment:** COMPANY shall not, either directly or indirectly, assign all or any part of this Contract or any interest, right or privilege herein, without the prior written consent of CITY. The issue on whether or not to grant consent to an assignment is in the sole discretion of CITY.

23. **RELEASE: NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES CITY AND CITY'S COUNCIL MEMBERS, EMPLOYEES, AND OFFICERS FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES OR CAUSES OF ACTION OF ANY KIND WHATSOEVER THAT COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR CITY'S NEGLIGENCE. THE OBLIGATIONS CONTAINED IN THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.**

24. **Governing Law and Venue:** This contract shall be governed by the laws of the State of Texas. All performance and payment made pursuant to this contract shall be deemed to have occurred in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claims, suits or any other action arising from or connected in any way to this contract or the performance of this contract shall be in Midland County, Texas.

25. **Independent Contractor:** COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant, or employee of CITY. COMPANY shall have exclusive control of, and the exclusive right to control the details of the services and work to be

performed hereunder, and all persons performing the same. COMPANY shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors and the doctrine of respondeat superior shall not apply as between CITY and COMPANY, its officers, agents, employees, contractors and subcontractors. Nothing in this Contract shall be construed as creating a partnership or joint enterprise between CITY and COMPANY. No person performing any of the work and services described hereunder by COMPANY shall be considered an officer, agent, servant or employee of CITY. Further, it is specifically understood and agreed that nothing in this contract is intended or construed as creating a "Community of Pecuniary Interest" or an "Equal Right of Control" which would give rise to vicarious liability.

COMPANY shall be an independent contractor under this Contract and shall assume all of the rights, obligations and liabilities, applicable to it as such independent contractor hereunder. CITY does not have the power to direct the order in which the work is done. CITY shall not have the right to control the means, methods or details of COMPANY's work. COMPANY shall assume exclusive responsibility for the work. COMPANY is entirely free to do the work in its own way.

26. Notice of Alleged Breach; Statutory Prerequisites: As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Contract, COMPANY or its legal representative, shall give the City Manager, or any other reasonable official of CITY, notice in writing (consisting of one (1) original and seven (7) copies of notice attached to a copy of this Contract) of such damages, duly verified, within one hundred twenty (120) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which COMPANY shall settle, the physical and mailing addresses of COMPANY at the time and date the claim was presented and the physical and mailing addresses of COMPANY for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom COMPANY relies to establish its claim; and a failure to provide such written notification within the time and manner provided herein shall exonerate, excuse and except CITY from any liability whatsoever. CITY is under no obligation to provide notice to COMPANY that COMPANY's notice is insufficient. CITY reserves the right to request additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision to the contrary, COMPANY's failure to comply with the

requirements of this Section shall perpetually bar COMPANY's claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, regardless if CITY has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Contract are reasonable. The provisions and obligations of this Section shall survive the termination of this Contract.

27. **Consideration:** The terms of this Contract are supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties named herein.

28. **Termination At Will:** CITY may terminate this Contract at will for no or any reason upon giving at least one hundred eighty (180) days written notice to COMPANY. The parties to this Contract understand and agree that it is in CITY's sole discretion to cancel the Contract during the term of the Contract without penalty to CITY. COMPANY has no expectation and has received no guarantees that this Contract will not be terminated before the end of the Contract term. The parties have bargained for the flexibility of terminating this Contract upon tender of the requisite notice at any time during the term of the Contract. All work and services under the Contract shall be suspended upon termination of the Contract becoming effective.

29. **Compliance:** COMPANY agrees that it shall comply with Texas Government Code Section 2252.908, *et seq.*, as amended. COMPANY agrees that it shall comply with Texas Local Government Code Section 176.006, *et seq.*, as amended.

30. To the extent that Sections 2271.002, 2274.002, and 2276.002 of the Texas Government Code (collectively, the "Anti-Boycott Statutes") apply to this Contract, COMPANY hereby verifies:

- that Company does not boycott Israel and will not boycott Israel during the term of this Contract;
- that Company does not boycott energy companies and will not boycott energy companies during the term of this Contract; and
- that Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Contract against a firearm entity or firearm trade association.

To the extent that the Anti-Boycott Statutes do not apply to this Contract, such verification is not required, and Company shall be deemed to have not made such verification.

31. **Records Retention and Production of Information.** To the extent that this Contract constitutes a contract described by Section 552.371 of the Texas Government Code, COMPANY shall: (i) preserve all contracting information related to this Contract as provided by the records retention requirements

applicable to CITY for the duration of this Contract; (ii) promptly provide to CITY any contracting information related to the Contract that is in the custody or possession of COMPANY on request of CITY; and (iii) on completion of the Contract, either: (a) provide at no cost to CITY all contracting information related to the Contract that is in the custody or possession of COMPANY; or (b) preserve the contracting information related to the Contract as provided by the records retention requirements applicable to CITY.

32. **Public Information.** To the extent that this Contract is a contract described by Section 552.371 of the Texas Government Code, COMPANY agrees as follows in accordance with Section 552.372(b) of the Texas Government Code: The requirements of Subchapter J, Chapter 552, Government Code, may apply to this Contract, and COMPANY agrees that the contract can be terminated if COMPANY knowingly or intentionally fails to comply with a requirement of that subchapter.

33. **Conflict of Terms.** If a conflict of terms or language exists between: (i) any of the provisions of this Contract and (ii) any of the provisions contained in any exhibit(s) attached to this Contract, precedence shall be given to the provisions of this Contract. For the avoidance of any doubt, the provisions contained in this Contract shall supersede any and all conflicting provisions contained in any exhibit(s) attached hereto. Furthermore, the parties acknowledge and agree that any provision contained in an exhibit(s) attached to this Contract that imposes an additional express or implied obligation on CITY is hereby made void and of no force or effect. CITY's sole and exclusive obligations under this Contract are contained in the provisions of this Contract that precede the signature page(s), which evidences the parties' execution.

34. Company agrees that all iron or steel products produced through a manufacturing process and used in the project that is the subject of this Contract shall be produced in the United States in accordance with Government Code § 2252.202, et seq., as amended.

EXECUTED IN DUPLICATE the day and year first above mentioned.

THE CITY OF MIDLAND, TEXAS

By: _____
Tommy Gonzalez, City Manager

ATTEST

Marcia Bentley-German, City Governance Officer/City Secretary

APPROVED ONLY AS TO FORM

Nicholas Toulet, Interim City Attorney

COMPANY:

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this ____ day of _____, 20____ personally appeared, _____, an officer of Nouveau Technology Services LP., known to me to be the person and official whose name is subscribed to the forgoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20____.

Exhibit A
Proposal



Phone: 214-226-0296
Fax: 972-484-5072

Proposal: 32583C
Date: 3/14/2025

To:	Project:
City of Midland Attn: Laurie Williams 300 N. Loraine Midland, TX 79701	City of Midland\ Hogan Cart Barn City of Midland\ Hogan Cart Barn 3600 N Fairgrounds Rd Midland, TX 79705

Salesperson		
Miles Koon		TIPS RCSP 241001

Scope of Work

Nouveau Construction respectfully submits our base proposal for the listed project.
This proposal includes all labor, material and equipment to perform the work described in this proposal and the following scope of work.

Scope based off EIKON drawings dated 2/24/2025

Prepare site and pour 6" concrete foundation per drawings
Supply and install new insulated 80x120 pre-engineered metal bldg with 12ft awnings
Install OHD's and chain hoist
Install 3070 doors frames and hardware
Install interior finishes per drawings
Install water hydrants per drawings
Install air lines per drawings
Install new louvers and exhaust per drawings
Install new conduit, power, lighting, and outlets per drawings
Connect new electrical system to transformer installed by city service provider
Install rack system with power for owner provided chargers
Paymnet and performance bonds included

Deductive ALTERNATE 1: Do NOT Furnish all labor and materials to build interior restroom, including finishes, plumbing supply and waste, fixtures, HVAC, and water heater as specified. \$75,000.00

Deductive ALTERNATE 2: Do NOTFurnish and install automatic ovehead door operators and associated electrical: \$25,000.00

Exclusions

1. TAXES
2. PERMITS
3. ASBESTOS/LEAD/MOLD SURVEY/ABATEMENT
4. ANY SCOPE OF WORK NOT DESCRIBED ABOVE OR UNFORESEEN CONDITIONS.
5. WORK WILL BE CONDUCTED WITHIN STANDARD BUSINESS HOURS OF 7:00 AM TO 4:00 pm MONDAY THROUGH FRIDAY, OR MUTUALLY AGREED UPON HOURS.
6. REQUESTED CHANGES TO THE APPROVED SCOPE OF WORK WILL BE HANDLED AS A CHANGE ORDER. ADDITIONAL WORK WILL ONLY BE PERFORMED UPON WRITTEN ACCEPTANCE OF THE CHANGE ORDER BY THE CUSTOMER.
7. AIR COMPRESSOR
8. ELECTRICAL TRANSFORMER

STEEL PRICES HAVE INCREASED TWICE SINCE THE ORIGINAL BUILDING DESIGN TOTALLING 15%. ANOTHER INCREASE IS EXPECTED IN THE 2ND QUARTER. INCREASE IS EXPECTED TO BE BETWEEN 8-10% (Total increase estimated to be \$20,000)

Proposal



Phone: 214-226-0296
Fax: 972-484-5072

Proposal: 32583C
Date: 3/14/2025

To:	Project:
City of Midland Attn: Laurie Williams 300 N. Loraine Midland, TX 79701	City of Midland\ Hogan Cart Barn City of Midland\ Hogan Cart Barn 3600 N Fairgrounds Rd Midland, TX 79705

Salesperson		
Miles Koon		

Pricing good for 15 days from date of proposal

Proposal Total: 1,320,000.00

Acceptance	
Accepted by:	_____
Title:	_____
Date:	_____

EXHIBIT C

Bonding Requirements

The successful bidder shall be required to furnish a Performance & Payment Bond* for bids in excess of \$50,000.00, in an amount equal to one hundred percent (100%) of the total contract price, such bond to be executed by a Corporate Surety authorized to do business in the State of Texas and acceptable to the City of Midland. **All bonds must be executed on forms contained in these contract documents.** The form of agreement which the successful bidder, as contractor, will be required to execute is also included herewith. The form of agreement and the form of the bonds should be carefully examined by the bidder.

A certified check, cashier's check, bank money order, or irrevocable letter of credit issued by a bank satisfactory to the City, **or a bidder's bond on the form provided**, in the amount of five percent (5%) of the largest possible lump sum bid submitted, payable without recourse to the City, must accompany the bidder's proposal, as a guaranty that the bidder will enter a contract and execute the required payment bond and guaranty in the forms provided within fifteen (15) days after notice of award of contract to him. Bids or proposals without the required bid guaranty will not be considered. All bid sureties and payment bonds shall name the City of Midland as Obligee.

*A cash security such as a cashier's check or irrevocable letter of credit issued by a bank satisfactory to the City for 100 % of the contract amount may be supplied in lieu of the Performance and Payment Bonds. The check will be returned un-cashed upon satisfactory completion of the work and evidence of payment of all obligations due for the contract.

PAYMENT BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT
_____ of the City of
_____ of the County of _____ and State of Texas
as Principal, and _____, as Surety, are held and
firmly bound unto the City of Midland, Texas, as Oblige, in the amount of
_____ DOLLARS
(\$ _____) for the payment whereof the said Principal and Surety bind themselves, their heirs,
administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Oblige, dated the _____
day of _____, 20____, for the furnishing of materials, equipment to perform all labor and work
necessary for _____, hereof as fully and to the
same extent as if copied at length herein.

NOW, THEREFORE, the condition of the obligation is that if the said Principal shall pay all claimants
supplying labor and material to him or a subcontractor in the prosecution of the work provided for in said
contract, then this obligation shall be null and void; otherwise, it is to remain in full force and effect.

Surety, for value received, stipulates and agrees that no change, extension of time alteration or addition
to the terms of the contract, or to the work performed there under, or the plans, specifications of drawings
accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders,
shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of

time, alteration or addition to the terms of the contract, assignment thereof, or to the work to be performed there under.

IN WITNESS WHEREOF the said Principal and Surety have signed and sealed this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

PERFORMANCE BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT _____ (Hereinafter called the Principal[s]), as Principal(s), and _____ (Hereinafter called the Surety), as Surety, are held and firmly bound unto the City of Midland, Texas a home rule municipal corporation of Midland County, Texas, (hereinafter called the Obligee), in the amount of _____ DOLLARS (\$ _____) for the payment whereof the said Principal and surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the _____ day of _____, 20____, for the furnishing of materials and equipment to perform all labor and work necessary for the construction of _____, specifically including in the scope of this work and bond, the additional maintenance guaranty provisions set forth in the contract conditions, which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein, as well as the Principal's primary obligation to perform according to plans and specifications.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform the work in accordance with the plans, specifications, instructions to bidder, general and special conditions and other contract documents, including any addendum thereto, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED further that if any legal action be filed upon this Bond venue shall lie in Midland County, State of Texas.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specifications or drawings accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders, shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of time, alteration or addition to the terms of the contract, assignment thereof, or the work to be performed thereunder.

IN WITNESS WHEREOF, the said Principal and surety do sign and seal this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

EXHIBIT D - Building Wage Rate rev 01/05/2024

"General Decision Number: TX20240261 01/05/2024

Superseded General Decision Number: TX20230261

State: Texas

Construction Type: Building

County: Midland County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

Modification Number Publication Date
0 01/05/2024

BOIL0074-003 07/01/2023

	Rates	Fringes
BOILERMAKER.....	\$ 37.00	24.64

ENGI0178-005 06/01/2020

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
(1) Tower Crane.....	\$ 32.85	13.10
(2) Cranes with Pile Driving or Caisson Attachment and Hydraulic Crane 60 tons and above.....	\$ 28.75	10.60
(3) Hydraulic cranes 59 Tons and under.....	\$ 32.35	13.10

IRON0084-011 06/01/2023

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 27.51	8.13

PLUM0404-001 09/01/2022

	Rates	Fringes
PLUMBER.....	\$ 28.64	10.65

SUTX2014-037 07/21/2014

	Rates	Fringes
BRICKLAYER.....	\$ 20.00	0.00
CARPENTER.....	\$ 13.82 **	0.00
CEMENT MASON/CONCRETE FINISHER...	\$ 13.76 **	0.00
ELECTRICIAN.....	\$ 23.18	6.31
INSULATOR - MECHANICAL (Duct, Pipe & Mechanical System Insulation).....	\$ 19.77	7.13
IRONWORKER, REINFORCING.....	\$ 12.27 **	0.00
IRONWORKER, STRUCTURAL.....	\$ 22.16	5.26
LABORER: Common or General.....	\$ 11.80 **	0.00
LABORER: Mason Tender - Brick...	\$ 11.38 **	0.00
LABORER: Mason Tender - Cement/Concrete.....	\$ 10.58 **	0.00
LABORER: Pipelayer.....	\$ 12.49 **	2.13
LABORER: Roof Tearoff.....	\$ 11.28 **	0.00
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 14.25 **	0.00
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 13.93 **	0.00
OPERATOR: Bulldozer.....	\$ 18.29	1.31
OPERATOR: Drill.....	\$ 16.22 **	0.34
OPERATOR: Forklift.....	\$ 14.83 **	0.00
OPERATOR: Grader/Blade.....	\$ 13.37 **	0.00
OPERATOR: Loader.....	\$ 13.55 **	0.94
OPERATOR: Mechanic.....	\$ 17.52	3.33
OPERATOR: Paver (Asphalt, Aggregate, and Concrete).....	\$ 16.03 **	0.00

OPERATOR: Roller.....	\$ 12.70 **	0.00
PAINTER (Brush, Roller, and Spray).....	\$ 15.00 **	0.73
PIPEFITTER.....	\$ 25.80	8.55
ROOFER.....	\$ 14.75 **	0.00
SHEET METAL WORKER (HVAC Duct Installation Only).....	\$ 22.73	7.52
SHEET METAL WORKER, Excludes HVAC Duct Installation.....	\$ 19.50	0.00
TILE FINISHER.....	\$ 11.22 **	0.00
TILE SETTER.....	\$ 14.74 **	0.00
TRUCK DRIVER: Dump Truck.....	\$ 12.39 **	1.18
TRUCK DRIVER: Flatbed Truck.....	\$ 19.65	8.57
TRUCK DRIVER: Semi-Trailer Truck.....	\$ 12.50 **	0.00
TRUCK DRIVER: Water Truck.....	\$ 12.00 **	4.11

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

=====

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$17.20) or 13658 (\$12.90). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide

employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate

changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION"



City Council Meeting

Item Number: 11
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Erika Martinez, Manager, Purchasing
Subject: RESOLUTION AWARDING A CONTRACT IN THE AMOUNT OF \$293,248.85 FOR THE PURCHASE AND INSTALLATION OF A PLAYGROUND FACILITY AT MOMENTUM BANK BALL PARK TO 4B RECREATION GROUP, LLC, D/B/A PLAYGROUNDS ETC.; AND APPROVING \$29,351.15 FOR PROJECT RELATED EXPENSES (DISTRICT 4) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)

Purpose:

Resolution awarding a contract for the purchase and installation of the Playground at Momentum Bank Ball Park at Scharbauer Sports Complex to 4B Recreation Group, LLC dba Playgrounds Etc. through Buyboard 679-22 for a cost of \$293,248.85, plus project related expenses of \$29,351.15 for a total cost of \$322,600.00.

Recommended City Council Action:

Approve

Fiscal Impact:

\$322,600 is available in the Scharbauer Sports Complex FY 2025 Operating Budget

Strategic Priority:

(Strengthen and Sustain our Infrastructure)

Discussion:

Staff recommends awarding a contract for the purchase and installation of the Playground at Momentum Bank Ball Park at Scharbauer Sports Complex to 4B Recreation Group, LLC dba

Playgrounds Etc. through Buyboard 679-22. We are members of this cooperative and Subchapter F, Section 271.102 of the Local Government Code provides that a local government may participate in a cooperative purchasing program and that purchasing goods or services under Subchapter F satisfies any state law requiring the local government to seek competitive bids for those purchases. The playground at Momentum Bank Ball Park needs replacement due to its uneven surface and structures that are over 15 years old. Please see the attached memo from Laurie Williams, Parks and Recreation Director, for more information.

Therefore, please consider a resolution awarding a contract for the purchase and installation of the Playground at Momentum Bank Ball Park at Scharbauer Sports Complex to 4B Recreation Group, LLC dba Playgrounds Etc. through Buyboard 679-22 for a cost of \$293,248.85, plus project related expenses of \$29,351.15 for a total cost of \$322,600.00.

City Manager's Office



**Scharbauer Sports Complex Division
Interoffice Memorandum**

Date: March 25, 2025
To: Jose Ortiz, Assistant City Manager
From: Laurie M. Williams, Parks and Recreation Director
Subject: Purchase and Installation of Playground in Momentum Bank Ball Park at Scharbauer Sports Complex

The playground located at Momentum Bank Ball Park needs to be replaced. The surface is very uneven, and the structures themselves are over 15 years old.

Playgrounds Etc. has provided a BuyBoard quote in the amount of \$293,248.85. This includes removal of all existing structures and surfacing, and replacement with new structures and new artificial turf surfacing. This playground is very popular during the baseball season, and it is important to keep it a safe and well-maintained amenity.

The Parks and Recreation Department recommends the BuyBoard purchase as quoted in the amount of \$293,248.85, with 10% in additional funds for project related costs. The total for the project is \$322,600.

\$322,600.00 is available in the Scharbauer Sports Complex FY 2025 Operating Budget 079620 in line item 54010, buildings and grounds.

RESOLUTION NO. _____

**RESOLUTION AWARDING A CONTRACT IN THE
AMOUNT OF \$293,248.85 FOR THE PURCHASE AND
INSTALLATION OF A PLAYGROUND FACILITY AT
MOMENTUM BANK BALL PARK TO 4B
RECREATION GROUP, LLC, D/B/A PLAYGROUNDS
ETC.; AND APPROVING \$29,351.15 FOR PROJECT
RELATED EXPENSES**

WHEREAS, Buyboard is a cooperative purchasing agency with which the City participates with on purchases through a cooperative purchasing program in accordance with TEX. LOC. GOV'T CODE § 271.102; and

WHEREAS, 4B Recreation Group, LLC, d/b/a Playgrounds Etc. has submitted a total proposed cost to the City of \$293,248.85 through Buyboard for the purchase and installation of a playground facility at Momentum Bank Ball Park; and

WHEREAS, the Council finds the price proposed by 4B Recreation Group, LLC, d/b/a Playgrounds Etc. through Buyboard for the purchase and installation of a playground facility at Momentum Bank Ball Park to be fair and reasonable; and

WHEREAS, the City Council finds it to be in the public interest to award a contract for the purchase and installation of a playground facility at Momentum Bank Ball Park to 4B Recreation Group, LLC, d/b/a Playgrounds Etc.; and

WHEREAS, the City Council finds it to be in the public interest to approve \$29,351.15 for project related expenses;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF MIDLAND, TEXAS:**

SECTION ONE. That the City Manager and City Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the City of Midland, a contract with 4B Recreation Group, LLC, d/b/a Playgrounds Etc. in the amount of \$293,248.85, through Buyboard, for the installation of a playground facility at Momentum Bank Ball Park. Said contract being in a form substantially similar to Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the sum of \$29,351.15 for project related expenses is hereby approved.

SECTION THREE. That \$322,600.00 shall be available in the Scharbauer Sports Complex FY 2025 Operating Budget.

SECTION FOUR. That the City Comptroller is hereby authorized and directed to pay 4B Recreation Group, LLC, d/b/a Playgrounds Etc., in accordance with the provisions of the above-referenced contract, upon receipt of proper invoices or statements approved by the City Manager or his designee.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2025, by the following vote:

Council members voting “AYE”:

Council members voting “NAY”:

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

RECOMMENDED AND APPROVED:

Tommy Gonzalez, City Manager

APPROVED AS TO CONTENT
AND COMPLETENESS:

Regina Stephenson, General Services Director

APPROVED AS TO FORM ONLY:

Nicholas Toulet, Interim City Attorney



THE CITY OF MIDLAND

CONTRACT

Contract No. 25004377

THIS CONTRACT, effective the 9 day of April, 2025, by and between the City of Midland, hereinafter referred to as "CITY", and 4B Recreation Group, LLC dba Playgrounds Etc., hereinafter referred to as "COMPANY", is made for the following considerations:

1. **Cost:** Total Proposal: \$ 293,248.85 DOLLARS
2. **Scope of Work:** COMPANY shall perform all work described and shall provide labor, materials, equipment and supervision necessary for purchase and installation of playground in Momentum Bank Ball Park at Scharbauer Sports Complex. Said work being more particularly described in the following documents, which are attached hereto and incorporated herein for all purposes.

EXHIBIT A..... Specifications, Proposal or Cost Summary

EXHIBIT B..... Intentionally Omitted

EXHIBIT C..... Bonding instructions for Public Works Contract of \$50,000 and more

EXHIBIT D..... Wage Scale

3. **City:** The words "CITY's Representative" or "representative" shall mean Laurie Williams or the designee under whose supervision these contract documents, including the plans and specifications, were prepared, or who may inspect work performed under this Contract; or such other representative, supervisor, or inspector as may be authorized by CITY to act in any particular capacity under this Contract.

4. **City's Representative:** CITY's Representative may make periodic visits to the site to observe the progress and quality of the executed work and to determine, in general, if the work is proceeding in accordance with the contract documents. CITY's representative will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work, nor will such representative be responsible for the construction means, methods, techniques, sequences or procedures, or the safety precautions incident thereto. CITY's representative will not be responsible for COMPANY's failure to perform the work in accordance with the contract.

5. **Company:** Unless otherwise stipulated, COMPANY shall provide and pay for all materials,
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supplies, machinery, equipment, tools, superintendence, labor, insurance, and all water, light, power, fuel, transportation and all other facilities necessary for the execution and completion of the work covered by the contract documents. Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of a good quality. COMPANY shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

5.1. COMPANY shall, at its expense, obtain all permits and licenses necessary for the performance of this contract and pay all fees and taxes required by law, and comply with all laws, ordinances, rules and regulations governing COMPANY's performance of the contract, including all environmental laws and regulations, whether state or federal.

5.2. All work shall be done and all materials furnished in strict conformity with the contract and specifications.

6. **Minor Work Not Mentioned:** All minor detail of the work not specifically mentioned in the Specifications but obviously necessary for the proper completion of the work, such as the proper connection of new work to old, shall be considered as incidental to and a part of the work for which the prices are named in the contract. COMPANY will not be entitled to any additional compensation therefor unless specifically stated otherwise. Otherwise the term "extra work" as used in this contract shall mean and include all work that may be required by CITY to be done by COMPANY to accomplish any alteration or addition to the work as shown on the Specifications.

6.1. COMPANY shall perform all extra work under the direction of CITY's Representative when presented with a written work order signed by CITY's Representative, subject, however, to the right of the COMPANY to require written confirmation of such extra work order by CITY. Payment for extra work shall be as agreed in the work order.

7. **Safety:** COMPANY shall at all times exercise reasonable precaution for the safety of employees and others on or near the work and shall comply with all applicable provisions of federal, state and municipal laws. All machinery and equipment and other physical hazards shall be guarded in accordance with federal, state or municipal laws or regulations.

8. **INDEMNITY: COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES**

OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.1. COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, PROPERTY DAMAGE, LOSSES, AND EXPENSES OF ANY CHARACTER WHATSOEVER INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF CITY, CITY'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH COMPANY OR COMPANY'S EMPLOYEES, AGENTS OR SUBCONTRACTORS NEGLIGENCE IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.1 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.2. COMPANY AGREES THAT IT WILL INDEMNIFY AND SAVE CITY HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS CONTRACT. WHEN CITY SO DESIRES, COMPANY SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR WAIVED. COMPANY, ITS SURETIES AND

INSURANCE CARRIERS SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS CITY AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS CONTRACT, AND WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.2 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

9. **Start of Work:** COMPANY shall commence work no later than ten (10) days after receipt of the execution of this document or other written release to proceed and shall complete such work no later than 60 calendar days after release to proceed.

10. **Clean Up:** COMPANY shall promptly remove from CITY's premises all materials condemned by CITY's Representative on account of failure to conform to the contract, whether actually incorporated in the work or not, and COMPANY shall at its own expense promptly replace such condemned materials with other materials conforming to the requirements of the contract. COMPANY shall also bear the expense of restoring all work of other contractors damaged by any such removal or replacement. If COMPANY does not remove and replace any such condemned materials within a reasonable time after a written notice by CITY, CITY may remove and replace such at COMPANY's expense.

11. **Warranty:** Neither the final payment nor any provision in this contract shall relieve COMPANY of responsibility for faulty materials or workmanship, and he shall remedy any defects due thereto and pay for any damage to other work resulting therefrom, which shall appear within a period of one (1) year from the date of substantial completion. CITY shall give notice of observed defects with reasonable promptness.

12. **Remedy:** CITY may, on account of subsequently discovered evidence, withhold whole or part of any payment to such extent as may be necessary to protect itself from loss on account of:

12.1. Defective work not remedied; or

12.2. Claims filed or reasonable evidence indicating possible filing of claims; or

12.3. Failure of COMPANY to make payments promptly to subcontractors or for material or labor which CITY may pay as an agent for the COMPANY; or

12.4. Damages to another contractor or subcontractor.

When the above grounds to withhold payment are removed, or COMPANY provides a surety bond satisfactory to CITY, which will protect CITY in the amount withheld, payment may be released.

13. **Funding Out:** In the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable in any fiscal period for contract payments due under the contract, then this contract shall terminate on the last day of the fiscal period for which full appropriations were made, without penalty or expense to CITY of any kind whatsoever.

14. **Wage Scale:** COMPANY agrees to pay all workmen in his employ no less than the generally prevailing wage rate for employees of similar category in the Permian Basin Area, as is depicted in the wage rate scale attached hereto as EXHIBIT D, and incorporated herein by reference for all legal purposes.

14.1. If applicable, the Davis-Bacon Act, 29 CFR 5.5, and any related acts or regulations are hereby incorporated by reference and made a part of this Contract, and all terms and requirements under said laws, by such incorporation, are made terms and requirements of this Contract, to which the parties to this Contract have agreed to be bound.

15. **Prompt Pay Act:** CITY and COMPANY agree that Texas Government Code, Chapter 2251, Payment for Goods and Services (the "Prompt Pay Act") does not waive governmental immunity.

16. **Payment:** After all work is completed by COMPANY, including all Change Orders altering the original scope and amount of said contract are completed, and CITY has inspected and approved that the work is completed and in compliance with the contract and all subsequent Change Orders, CITY shall thereafter issue payment to COMPANY in the amount of the contract and all Change Orders. CITY shall be the final judge of when the work is completed by COMPANY. CITY, in its sole discretion, shall determine if the work under the contract and under any Change Orders has been done to CITY's requirements. CITY may make periodic payments to COMPANY, however such periodic payments may only be made pursuant to this paragraph, and only after all work and all Change Orders are completed by COMPANY and approved by CITY. For contracts exceeding \$25,000 and construction time exceeds ninety days, requests for progress payments may be made to the extent of the materials and labor completed at the end of each month. Upon approval by the Owner's Representative the request and invoice shall be forwarded for payment less 5% retainage. The total of these payments shall not exceed 95% of the total contract amount.

17. **No Third-Party Beneficiary:** CITY's approval of this contract does not create a third-party beneficiary. There is no third-party beneficiary to this contract. No person or entity who is not a party to

this contract shall have any third-party beneficiary or other rights hereunder.

18. WAIVER OF ATTORNEY FEES: BY EXECUTING THIS CONTRACT, COMPANY AGREES TO WAIVE AND DOES HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST CITY REGARDING THE AWARD OR ATTORNEY'S FEES, WHICH ARE IN ANY WAY RELATED TO THIS CONTRACT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS CONTRACT. COMPANY SPECIFICALLY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS CONTRACT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS CONTRACT, INCLUDING, BUT NOT LIMITED TO, ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, COMPANY AGREES TO ABANDON, WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH COMPANY MIGHT OTHERWISE BE ENTITLED.

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY-EXISTING KNOWN RIGHT. COMPANY ACKNOWLEDGES THAT IT UNDERSTANDS ALL TERMS AND CONDITIONS OF THIS CONTRACT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN CITY AND COMPANY. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OR GOVERNMENTAL IMMUNITY AND SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS CONTRACT WITH COMPETENT LEGAL COUNSEL PRIOR TO ITS EXECUTION. THE OBLIGATIONS CONTAINED IN THIS SECTION 18 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

19. Governmental Immunity: By executing this contract CITY is not waiving its right of governmental immunity. CITY is retaining its immunity from suit. CITY is not granting consent to be sued by legislative resolution or action.

20. **Insurance:**

COMPANY shall at all times during the term of this Contract maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

-Personal Injury: \$1,000,000.00 per person
\$1,000,000.00 per occurrence

-Property Damage: \$500,000.00 per occurrence

Business Automobile Liability: \$250,000.00 combined single limit -
Personal Injury and Property Damage

Workers' Compensation: Statutory limits

Employers' Liability: \$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-city vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Contract. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Workers' Compensation coverage provided by COMPANY shall inure to the benefit of employees injured during the course and scope of their employment by COMPANY pursuant to this Contract. The Workers' Compensation shall waive all rights of subrogation in favor of CITY.

All insurance required pursuant to this Contract shall provide for a waiver of subrogation in favor of CITY. All insurance required pursuant to this Contract, except for Workers' Compensation Insurance, shall name CITY as an additional insured on a claims occurred basis. CITY shall be provided the notice by COMPANY's insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

COMPANY shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Contract to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of the City of Midland and policies that name the City of Midland as an additional insured ~~PACKET~~ on a claims occurred basis (except workers' compensation).

April 8, 2025

The parties agree that, prior to the execution of the Contract, COMPANY shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of CITY. CITY shall not be required to provide any insurance whatsoever pursuant to this Contract.

COMPANY certifies that the certificate of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. COMPANY shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of COMPANY.

21. **Assignment:** COMPANY shall not, either directly or indirectly, assign all or any part of this Contract or any interest, right or privilege herein, without the prior written consent of CITY. The issue on whether or not to grant consent to an assignment is in the sole discretion of CITY.

22. **RELEASE: NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES CITY AND CITY'S COUNCIL MEMBERS, EMPLOYEES, AND OFFICERS FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES OR CAUSES OF ACTION OF ANY KIND WHATSOEVER THAT COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR CITY'S NEGLIGENCE. THE OBLIGATIONS CONTAINED IN THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.**

23. **Governing Law and Venue:** This contract shall be governed by the laws of the State of Texas. All performance and payment made pursuant to this contract shall be deemed to have occurred in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claims, suits or any other action arising from or connected in any way to this contract or the performance of this contract shall be in Midland County, Texas.

24. **Independent Contractor:** COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant, or employee of CITY. COMPANY shall have exclusive control of, and the exclusive right to control the details of the services and work to be performed hereunder, and all persons performing the same. COMPANY shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors and the doctrine

of respondeat superior shall not apply as between CITY and COMPANY, its officers, agents, employees, contractors and subcontractors. Nothing in this Contract shall be construed as creating a partnership or joint enterprise between CITY and COMPANY. No person performing any of the work and services described hereunder by COMPANY shall be considered an officer, agent, servant or employee of CITY. Further, it is specifically understood and agreed that nothing in this contract is intended or construed as creating a "Community of Pecuniary Interest" or an "Equal Right of Control" which would give rise to vicarious liability.

COMPANY shall be an independent contractor under this Contract and shall assume all of the rights, obligations and liabilities, applicable to it as such independent contractor hereunder. CITY does not have the power to direct the order in which the work is done. CITY shall not have the right to control the means, methods or details of COMPANY's work. COMPANY shall assume exclusive responsibility for the work. COMPANY is entirely free to do the work in its own way.

25. **Notice of Alleged Breach; Statutory Prerequisites:** As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Contract, COMPANY or its legal representative, shall give the City Manager, or any other reasonable official of CITY, notice in writing (consisting of one (1) original and seven (7) copies of notice attached to a copy of this Contract) of such damages, duly verified, within one hundred twenty (120) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which COMPANY shall settle, the physical and mailing addresses of COMPANY at the time and date the claim was presented and the physical and mailing addresses of COMPANY for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom COMPANY relies to establish its claim; and a failure to provide such written notification within the time and manner provided herein shall exonerate, excuse and except CITY from any liability whatsoever. CITY is under no obligation to provide notice to COMPANY that COMPANY's notice is insufficient. CITY reserves the right to request additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision to the contrary, COMPANY's failure to comply with the requirements of this Section shall perpetually bar COMPANY's claim for damages under Chapter 271 of the Texas Government Code, and Section 311.034 of the Texas Government Code, unless if

CITY has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Contract are reasonable. The provisions and obligations of this Section shall survive the termination of this Contract.

26. **Consideration:** The terms of this Contract are supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties named herein.

27. **Termination At Will:** CITY may terminate this Contract at will for no or any reason upon giving at least one hundred eighty (180) days written notice to COMPANY. The parties to this Contract understand and agree that it is in CITY's sole discretion to cancel the Contract during the term of the Contract without penalty to CITY. COMPANY has no expectation and has received no guarantees that this Contract will not be terminated before the end of the Contract term. The parties have bargained for the flexibility of terminating this Contract upon tender of the requisite notice at any time during the term of the Contract. All work and services under the Contract shall be suspended upon termination of the Contract becoming effective.

28. **Compliance:** COMPANY agrees that it shall comply with Texas Government Code Section 2252.908, *et seq.*, as amended. COMPANY agrees that it shall comply with Texas Local Government Code Section 176.006, *et seq.*, as amended.

29. To the extent that Sections 2271.002 and 2274.002, and 2276.002 of the Texas Government Code (collectively, the "Anti-Boycott Statutes") apply to this Contract, Company hereby verifies:

- that Company does not boycott Israel and will not boycott Israel during the term of this Contract;
- that Company does not boycott energy companies and will not boycott energy companies during the term of this Contract; and
- that Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Contract against a firearm entity or firearm trade association.

To the extent that the Anti-Boycott Statutes do not apply to this Contract, such verification is not required, and Company shall be deemed to have not made such verification.

30. **Records Retention and Production of Information.** To the extent that this Contract constitutes a contract described by Section 552.371 of the Texas Government Code, COMPANY shall: (i) preserve all contracting information related to this Contract as provided by the records retention requirements applicable to CITY for the duration of this Contract; (ii) promptly provide to CITY any contracting information related to the Contract that is in the custody or possession of COMPANY on request of CITY;

and (iii) on completion of the Contract, either: (a) provide at no cost to CITY all contracting information related to the Contract that is in the custody or possession of COMPANY; or (b) preserve the contracting information related to the Contract as provided by the records retention requirements applicable to CITY.

31. **Public Information.** To the extent that this Contract is a contract described by Section 552.371 of the Texas Government Code, COMPANY agrees as follows in accordance with Section 552.372(b) of the Texas Government Code: The requirements of Subchapter J, Chapter 552, Government Code, may apply to this Contract, and COMPANY agrees that the contract can be terminated if COMPANY knowingly or intentionally fails to comply with a requirement of that subchapter.

32. **Conflict of Terms.** If a conflict of terms or language exists between: (i) any of the provisions of this Contract and (ii) any of the provisions contained in any exhibit(s) attached to this Contract, precedence shall be given to the provisions of this Contract. For the avoidance of any doubt, the provisions contained in this Contract shall supersede any and all conflicting provisions contained in any exhibit(s) attached hereto. Furthermore, the parties acknowledge and agree that any provision contained in an exhibit(s) attached to this Contract that imposes an additional express or implied obligation on CITY is hereby made void and of no force or effect. CITY's sole and exclusive obligations under this Contract are contained in the provisions of this Contract that precede the signature page(s), which evidences the parties' execution.

33. Company agrees that all iron or steel products produced through a manufacturing process and used in the project that is the subject of this Contract shall be produced in the United States in accordance with Government Code § 2252.202, et seq., as amended.

EXECUTED IN DUPLICATE the day and year first above mentioned.

THE CITY OF MIDLAND, TEXAS

By: _____
Tommy Gonzalez, City Manager

ATTEST

Marcia Bentley-German, City Governance Officer/City Secretary

APPROVED ONLY AS TO FORM

Nicholas Toulet, Interim City Attorney

COMPANY:

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this ____ day of _____, 20____ personally appeared, _____, an officer of 4B Recreation Group, LLC dba Playgrounds Etc., known to me to be the person and official whose name is subscribed to the forgoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20____.

Exhibit A

Project Proposal

Prepared for
City of Midland

March 2025



Prepared by



1410 W. Texas Avenue
Midland, Texas 79701
432-687-6388
playgroundsetc.com

PACKET

11.19

April 8, 2025



Momentum Bank Ballpark

STRUCTURE **SP02A025-039-1** • QUOTE **QUO0301726**

Design is for illustration purposes only and colors may vary.

11.20

Proudly Presented By:
April 8, 2025





Momentum Bank Ballpark

STRUCTURE SP02A025-039-1 • QUOTE QUO0301726

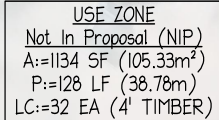
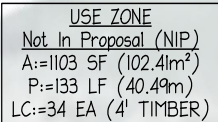
Design is for illustration purposes only and colors may vary.

11.21

April 8, 2025

Proudly Presented By:





PLAYGROUND SUPERVISION IS REQUIRED.

THIS DESIGN IS THE PROPERTY OF
SUPERIOR RECREATIONAL PRODUCTS AND MAY NOT BE
REPRODUCED OR USED IN ANY MANNER WITHOUT
THE EXPRESSED WRITTEN CONSENT OF
SUPERIOR RECREATIONAL PRODUCTS.

REFERENCE NUMBER

PLAYGROUNDS, ETC. - MOMENTUM BALLPARK

DATE _____

DRAWN/SAVED BY

11.22

SCALE

SHEET

PAGE

April 8, 2025



Color Options

Metal Colors

Gloss



Matte or Metallic



Plastic Colors



Activity Panel & Panel Colors

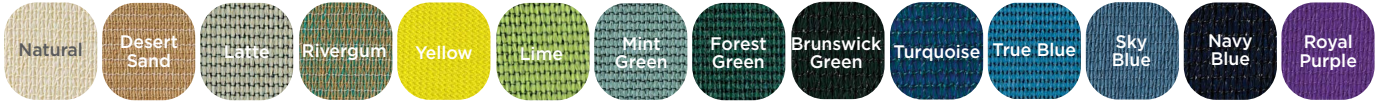
Solid Core



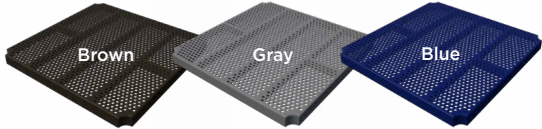
Sandwich Core



Shade Colors | More Available!



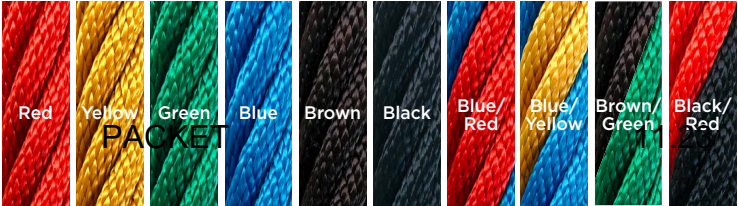
Steel Deck Colors



Recycled Deck & Post Colors



Ascend Rope Colors



Belt Seat Colors



April 8, 2025



Playgrounds Etc.

1410 W Texas Ave.
Midland, TX 79701
432-687-6388

Bid

Date

Bid #

3/26/2025

32589

Name / Address

COM

300 N. Loraine Ave
Midland TX 79701

Notes to Client

Rep	Project Location	Project		
Amber Graham	Momentum Park	SRP Playground - R2		
Item	Description	Qty	Rate	Total
RC-8075	Ascend Spire w/ Slide	1	\$122,582.68	\$122,582.68
SP022025-039-1	Ascend Soar w/ Slide	1	\$55,101.00	\$55,101.00
AT-OE	2240 square feet of Artificial Turf with padding installed over existing substrate.	1	\$47,840.00	\$47,840.00
Demo	Demo and removal of both existing play units and existing turf	1	\$11,928.57	\$11,928.57
Bond	Bond	1	\$4,516.00	\$4,516.00
Freight	Freight	1		\$8,222.60
Installation	Installation of items listed on this proposal	1		\$63,458.00
BuyBoard Discount	BuyBoard Discount, Vendor #679-22			-\$20,400.00

SubTotal \$293,248.85

Sales Tax (0.0%) \$0.00

Total **\$293,248.85**

Approval Signature: _____ **Date:** _____

Thank you for the opportunity to quote your upcoming project. If you have any questions about this proposal or if you need to make any revisions, please contact your Design Consultant at 866-451-2814. We look forward to helping you complete your next project. This bid is good for 30 days.

March 26, 2025 **PACKET**

11.24

April 8, 2025 Page 1 of 1



Momentum Bank Ballpark

STRUCTURE ~~SP022025-0319-1~~ • QUOTE QUO0302273

Design is for illustration purposes only and colors may vary.

11.25

April 8, 2025

Proudly Presented By:





Momentum Bank Ballpark

STRUCTURE ~~SP02A025-039-1~~ • QUOTE QUO0302273

Design is for illustration purposes only and colors may vary.

11.26

April 8, 2025

Proudly Presented By:



EXHIBIT C

Bonding Requirements

The successful bidder shall be required to furnish a Performance & Payment Bond* for bids in excess of \$50,000.00, in an amount equal to one hundred percent (100%) of the total contract price, such bond to be executed by a Corporate Surety authorized to do business in the State of Texas and acceptable to the City of Midland. **All bonds must be executed on forms contained in these contract documents.** The form of agreement which the successful bidder, as contractor, will be required to execute is also included herewith. The form of agreement and the form of the bonds should be carefully examined by the bidder.

A certified check, cashier's check, bank money order, or irrevocable letter of credit issued by a bank satisfactory to the City, **or a bidder's bond on the form provided**, in the amount of five percent (5%) of the largest possible lump sum bid submitted, payable without recourse to the City, must accompany the bidder's proposal, as a guaranty that the bidder will enter a contract and execute the required payment bond and guaranty in the forms provided within fifteen (15) days after notice of award of contract to him. Bids or proposals without the required bid guaranty will not be considered. All bid sureties and payment bonds shall name the City of Midland as Obligee.

*A cash security such as a cashier's check or irrevocable letter of credit issued by a bank satisfactory to the City for 100 % of the contract amount may be supplied in lieu of the Performance and Payment Bonds. The check will be returned un-cashed upon satisfactory completion of the work and evidence of payment of all obligations due for the contract.

PAYMENT BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT
_____ of the City of
_____ of the County of _____ and State of Texas
as Principal, and _____, as Surety, are held and
firmly bound unto the City of Midland, Texas, as Oblige, in the amount of
_____ DOLLARS
(\$ _____) for the payment whereof the said Principal and Surety bind themselves, their heirs,
administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Oblige, dated the _____
day of _____, 20____, for the furnishing of materials, equipment to perform all labor and work
necessary for _____, hereof as fully and to the
same extent as if copied at length herein.

NOW, THEREFORE, the condition of the obligation is that if the said Principal shall pay all claimants
supplying labor and material to him or a subcontractor in the prosecution of the work provided for in said
contract, then this obligation shall be null and void; otherwise, it is to remain in full force and effect.

Surety, for value received, stipulates and agrees that no change, extension of time alteration or addition
to the terms of the contract, or to the work performed there under, or the plans, specifications of drawings
accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders,
shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of

time, alteration or addition to the terms of the contract, assignment thereof, or to the work to be performed there under.

IN WITNESS WHEREOF the said Principal and Surety have signed and sealed this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

PERFORMANCE BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT _____ (Hereinafter called the Principal[s]), as Principal(s), and _____ (Hereinafter called the Surety), as Surety, are held and firmly bound unto the City of Midland, Texas a home rule municipal corporation of Midland County, Texas, (hereinafter called the Obligee), in the amount of _____ DOLLARS (\$ _____) for the payment whereof the said Principal and surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the _____ day of _____, 20____, for the furnishing of materials and equipment to perform all labor and work necessary for the construction of _____, specifically including in the scope of this work and bond, the additional maintenance guaranty provisions set forth in the contract conditions, which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein, as well as the Principal's primary obligation to perform according to plans and specifications.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform the work in accordance with the plans, specifications, instructions to bidder, general and special conditions and other contract documents, including any addendum thereto, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED further that if any legal action be filed upon this Bond venue shall lie in Midland County, State of Texas.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specifications or drawings accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders, shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of time, alteration or addition to the terms of the contract, assignment thereof, or the work to be performed thereunder.

IN WITNESS WHEREOF, the said Principal and surety do sign and seal this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

EXHIBIT D - Building Wage Rate rev 01/05/2024

"General Decision Number: TX20240261 01/05/2024

Superseded General Decision Number: TX20230261

State: Texas

Construction Type: Building

County: Midland County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

BOIL0074-003 07/01/2023

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
(1) Tower Crane.....	\$ 32.85	13.10
(2) Cranes with Pile Driving or Caisson Attachment and Hydraulic Crane 60 tons and above.....	\$ 28.75	10.60
(3) Hydraulic cranes 59 Tons and under.....	\$ 32.35	13.10

IRON0084-011 06/01/2023		

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 27.51	8.13

PLUM0404-001 09/01/2022		

	Rates	Fringes
PLUMBER.....	\$ 28.64	10.65

SUTX2014-037 07/21/2014		

	Rates	Fringes
BRICKLAYER.....	\$ 20.00	0.00
CARPENTER.....	\$ 13.82 **	0.00
CEMENT MASON/CONCRETE FINISHER...	\$ 13.76 **	0.00
ELECTRICIAN.....	\$ 23.18	6.31
INSULATOR - MECHANICAL (Duct, Pipe & Mechanical System Insulation).....	\$ 19.77	7.13
IRONWORKER, REINFORCING.....	\$ 12.27 **	0.00
IRONWORKER, STRUCTURAL.....	\$ 22.16	5.26
LABORER: Common or General.....	\$ 11.80 **	0.00
LABORER: Mason Tender - Brick...	\$ 11.38 **	0.00
LABORER: Mason Tender - Cement/Concrete.....	\$ 10.58 **	0.00
LABORER: Pipelayer.....	\$ 12.49 **	2.13
LABORER: Roof Tearoff.....	\$ 11.28 **	0.00
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 14.25 **	0.00
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 13.93 **	0.00
OPERATOR: Bulldozer.....	\$ 18.29	1.31
OPERATOR: Drill.....	\$ 16.22 **	0.34
OPERATOR: Forklift.....	\$ 14.83 **	0.00
OPERATOR: Grader/Blade.....	\$ 13.37 **	0.00
OPERATOR: Loader.....	\$ 13.55 **	0.94
OPERATOR: Mechanic.....	\$ 17.52	3.33
OPERATOR: Paver (Asphalt, Aggregate, and Concrete).....	\$ 16.03 **	0.00

OPERATOR: Roller.....	\$ 12.70 **	0.00
PAINTER (Brush, Roller, and Spray).....	\$ 15.00 **	0.73
PIPEFITTER.....	\$ 25.80	8.55
ROOFER.....	\$ 14.75 **	0.00
SHEET METAL WORKER (HVAC Duct Installation Only).....	\$ 22.73	7.52
SHEET METAL WORKER, Excludes HVAC Duct Installation.....	\$ 19.50	0.00
TILE FINISHER.....	\$ 11.22 **	0.00
TILE SETTER.....	\$ 14.74 **	0.00
TRUCK DRIVER: Dump Truck.....	\$ 12.39 **	1.18
TRUCK DRIVER: Flatbed Truck.....	\$ 19.65	8.57
TRUCK DRIVER: Semi-Trailer Truck.....	\$ 12.50 **	0.00
TRUCK DRIVER: Water Truck.....	\$ 12.00 **	4.11

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

=====

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$17.20) or 13658 (\$12.90). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide

employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate

changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION"

EXHIBIT D - Heavy & Highway Wage Rate Rev 01/05/2024

"General Decision Number: TX20240002 01/05/2024

Superseded General Decision Number: TX20230002

State: Texas

Construction Types: Heavy and Highway

Counties: Armstrong, Carson, Crosby, Ector, Irion, Lubbock, Midland, Potter, Randall, Taylor and Tom Green Counties in Texas.

HEAVY & HIGHWAY CONSTRUCTION PROJECTS

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

April 8, 2025

Front End Loader, 3CY or
 less.....\$ 12.28 **
 Loader/Backhoe.....\$ 14.18 **
 Mechanic.....\$ 20.14
 Milling Machine.....\$ 15.54 **
 Motor Grader, Rough.....\$ 16.15 **
 Motor Grader, Fine.....\$ 17.49
 Pavement Marking Machine....\$ 16.42 **
 Reclaimer/Pulverizer.....\$ 12.85 **
 Roller, Asphalt.....\$ 10.95 **
 Roller, Other.....\$ 10.36 **
 Scraper.....\$ 10.61 **
 Spreader Box.....\$ 12.60 **

Servicer.....\$ 13.98 **

Steel Worker (Reinforcing).....\$ 13.50 **

TRUCK DRIVER

Lowboy-Float.....\$ 14.46 **
 Single Axle.....\$ 12.74 **
 Single or Tandem Axle Dump..\$ 11.33 **
 Tandem Axle Tractor with
 Semi.....\$ 12.49 **

 WELDERS - Receive rate prescribed for craft performing
 operation to which welding is incidental.

=====
 ** Workers in this classification may be entitled to a higher
 minimum wage under Executive Order 14026 (\$17.20) or 13658
 (\$12.90). Please see the Note at the top of the wage
 determination for more information. Please also note that the
 minimum wage requirements of Executive Order 14026 are not
 currently being enforced as to any contract or subcontract to
 which the states of Texas, Louisiana, or Mississippi, including
 their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave
 for Federal Contractors applies to all contracts subject to the
 Davis-Bacon Act for which the contract is awarded (and any
 solicitation was issued) on or after January 1, 2017. If this
 contract is covered by the EO, the contractor must provide
 employees with 1 hour of paid sick leave for every 30 hours
 they work, up to 56 hours of paid sick leave each year.
 Employees must be permitted to use paid sick leave for their
 own illness, injury or other health-related needs, including

preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter

* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION"



THE CITY OF MIDLAND

CONTRACT

Contract No. 25004377

THIS CONTRACT, effective the 9 day of April, 2025, by and between the City of Midland, hereinafter referred to as "CITY", and 4B Recreation Group, LLC dba Playgrounds Etc., hereinafter referred to as "COMPANY", is made for the following considerations:

1. **Cost:** Total Proposal: \$ 293,248.85 DOLLARS
2. **Scope of Work:** COMPANY shall perform all work described and shall provide labor, materials, equipment and supervision necessary for purchase and installation of playground in Momentum Bank Ball Park at Scharbauer Sports Complex. Said work being more particularly described in the following documents, which are attached hereto and incorporated herein for all purposes.

EXHIBIT A..... Specifications, Proposal or Cost Summary

EXHIBIT B..... Intentionally Omitted

EXHIBIT C..... Bonding instructions for Public Works Contract of \$50,000 and more

EXHIBIT D..... Wage Scale

3. **City:** The words "CITY's Representative" or "representative" shall mean Laurie Williams or the designee under whose supervision these contract documents, including the plans and specifications, were prepared, or who may inspect work performed under this Contract; or such other representative, supervisor, or inspector as may be authorized by CITY to act in any particular capacity under this Contract.

4. **City's Representative:** CITY's Representative may make periodic visits to the site to observe the progress and quality of the executed work and to determine, in general, if the work is proceeding in accordance with the contract documents. CITY's representative will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work, nor will such representative be responsible for the construction means, methods, techniques, sequences or procedures, or the safety precautions incident thereto. CITY's representative will not be responsible for COMPANY's failure to perform the work in accordance with the contract.

5. **Company:** Unless otherwise stipulated, COMPANY shall provide and pay for all materials,
PACKET 11.46 April 8, 2025

supplies, machinery, equipment, tools, superintendence, labor, insurance, and all water, light, power, fuel, transportation and all other facilities necessary for the execution and completion of the work covered by the contract documents. Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of a good quality. COMPANY shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

5.1. COMPANY shall, at its expense, obtain all permits and licenses necessary for the performance of this contract and pay all fees and taxes required by law, and comply with all laws, ordinances, rules and regulations governing COMPANY's performance of the contract, including all environmental laws and regulations, whether state or federal.

5.2. All work shall be done and all materials furnished in strict conformity with the contract and specifications.

6. **Minor Work Not Mentioned:** All minor detail of the work not specifically mentioned in the Specifications but obviously necessary for the proper completion of the work, such as the proper connection of new work to old, shall be considered as incidental to and a part of the work for which the prices are named in the contract. COMPANY will not be entitled to any additional compensation therefor unless specifically stated otherwise. Otherwise the term "extra work" as used in this contract shall mean and include all work that may be required by CITY to be done by COMPANY to accomplish any alteration or addition to the work as shown on the Specifications.

6.1. COMPANY shall perform all extra work under the direction of CITY's Representative when presented with a written work order signed by CITY's Representative, subject, however, to the right of the COMPANY to require written confirmation of such extra work order by CITY. Payment for extra work shall be as agreed in the work order.

7. **Safety:** COMPANY shall at all times exercise reasonable precaution for the safety of employees and others on or near the work and shall comply with all applicable provisions of federal, state and municipal laws. All machinery and equipment and other physical hazards shall be guarded in accordance with federal, state or municipal laws or regulations.

8. **INDEMNITY: COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES**

OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.1. COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, PROPERTY DAMAGE, LOSSES, AND EXPENSES OF ANY CHARACTER WHATSOEVER INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF CITY, CITY'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH COMPANY OR COMPANY'S EMPLOYEES, AGENTS OR SUBCONTRACTORS NEGLIGENCE IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.1 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.2. COMPANY AGREES THAT IT WILL INDEMNIFY AND SAVE CITY HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS CONTRACT. WHEN CITY SO DESIRES, COMPANY SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR WAIVED. COMPANY, ITS SURETIES AND

INSURANCE CARRIERS SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS CITY AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS CONTRACT, AND WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.2 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

9. **Start of Work:** COMPANY shall commence work no later than ten (10) days after receipt of the execution of this document or other written release to proceed and shall complete such work no later than 60 calendar days after release to proceed.

10. **Clean Up:** COMPANY shall promptly remove from CITY's premises all materials condemned by CITY's Representative on account of failure to conform to the contract, whether actually incorporated in the work or not, and COMPANY shall at its own expense promptly replace such condemned materials with other materials conforming to the requirements of the contract. COMPANY shall also bear the expense of restoring all work of other contractors damaged by any such removal or replacement. If COMPANY does not remove and replace any such condemned materials within a reasonable time after a written notice by CITY, CITY may remove and replace such at COMPANY's expense.

11. **Warranty:** Neither the final payment nor any provision in this contract shall relieve COMPANY of responsibility for faulty materials or workmanship, and he shall remedy any defects due thereto and pay for any damage to other work resulting therefrom, which shall appear within a period of one (1) year from the date of substantial completion. CITY shall give notice of observed defects with reasonable promptness.

12. **Remedy:** CITY may, on account of subsequently discovered evidence, withhold whole or part of any payment to such extent as may be necessary to protect itself from loss on account of:

12.1. Defective work not remedied; or

12.2. Claims filed or reasonable evidence indicating possible filing of claims; or

12.3. Failure of COMPANY to make payments promptly to subcontractors or for material or labor which CITY may pay as an agent for the COMPANY; or

12.4. Damages to another contractor or subcontractor.

When the above grounds to withhold payment are removed, or COMPANY provides a surety bond satisfactory to CITY, which will protect CITY in the amount withheld, payment may be released.

13. **Funding Out:** In the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable in any fiscal period for contract payments due under the contract, then this contract shall terminate on the last day of the fiscal period for which full appropriations were made, without penalty or expense to CITY of any kind whatsoever.

14. **Wage Scale:** COMPANY agrees to pay all workmen in his employ no less than the generally prevailing wage rate for employees of similar category in the Permian Basin Area, as is depicted in the wage rate scale attached hereto as EXHIBIT D, and incorporated herein by reference for all legal purposes.

14.1. If applicable, the Davis-Bacon Act, 29 CFR 5.5, and any related acts or regulations are hereby incorporated by reference and made a part of this Contract, and all terms and requirements under said laws, by such incorporation, are made terms and requirements of this Contract, to which the parties to this Contract have agreed to be bound.

15. **Prompt Pay Act:** CITY and COMPANY agree that Texas Government Code, Chapter 2251, Payment for Goods and Services (the "Prompt Pay Act") does not waive governmental immunity.

16. **Payment:** After all work is completed by COMPANY, including all Change Orders altering the original scope and amount of said contract are completed, and CITY has inspected and approved that the work is completed and in compliance with the contract and all subsequent Change Orders, CITY shall thereafter issue payment to COMPANY in the amount of the contract and all Change Orders. CITY shall be the final judge of when the work is completed by COMPANY. CITY, in its sole discretion, shall determine if the work under the contract and under any Change Orders has been done to CITY's requirements. CITY may make periodic payments to COMPANY, however such periodic payments may only be made pursuant to this paragraph, and only after all work and all Change Orders are completed by COMPANY and approved by CITY. For contracts exceeding \$25,000 and construction time exceeds ninety days, requests for progress payments may be made to the extent of the materials and labor completed at the end of each month. Upon approval by the Owner's Representative the request and invoice shall be forwarded for payment less 5% retainage. The total of these payments shall not exceed 95% of the total contract amount.

17. **No Third-Party Beneficiary:** CITY's approval of this contract does not create a third-party beneficiary. There is no third-party beneficiary to this contract. No person or entity who is not a party to

this contract shall have any third-party beneficiary or other rights hereunder.

18. WAIVER OF ATTORNEY FEES: BY EXECUTING THIS CONTRACT, COMPANY AGREES TO WAIVE AND DOES HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST CITY REGARDING THE AWARD OR ATTORNEY'S FEES, WHICH ARE IN ANY WAY RELATED TO THIS CONTRACT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS CONTRACT. COMPANY SPECIFICALLY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS CONTRACT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS CONTRACT, INCLUDING, BUT NOT LIMITED TO, ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, COMPANY AGREES TO ABANDON, WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH COMPANY MIGHT OTHERWISE BE ENTITLED.

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY-EXISTING KNOWN RIGHT. COMPANY ACKNOWLEDGES THAT IT UNDERSTANDS ALL TERMS AND CONDITIONS OF THIS CONTRACT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN CITY AND COMPANY. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OR GOVERNMENTAL IMMUNITY AND SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS CONTRACT WITH COMPETENT LEGAL COUNSEL PRIOR TO ITS EXECUTION. THE OBLIGATIONS CONTAINED IN THIS SECTION 18 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

19. Governmental Immunity: By executing this contract CITY is not waiving its right of governmental immunity. CITY is retaining its immunity from suit. CITY is not granting consent to be sued by legislative resolution or action.

20. **Insurance:**

COMPANY shall at all times during the term of this Contract maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

-Personal Injury: \$1,000,000.00 per person
\$1,000,000.00 per occurrence

-Property Damage: \$500,000.00 per occurrence

Business Automobile Liability: \$250,000.00 combined single limit -
Personal Injury and Property Damage

Workers' Compensation: Statutory limits

Employers' Liability: \$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-city vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Contract. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Workers' Compensation coverage provided by COMPANY shall inure to the benefit of employees injured during the course and scope of their employment by COMPANY pursuant to this Contract. The Workers' Compensation shall waive all rights of subrogation in favor of CITY.

All insurance required pursuant to this Contract shall provide for a waiver of subrogation in favor of CITY. All insurance required pursuant to this Contract, except for Workers' Compensation Insurance, shall name CITY as an additional insured on a claims occurred basis. CITY shall be provided the notice by COMPANY's insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

COMPANY shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Contract to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of the City of Midland and policies that name the City of Midland as an additional insured on a claims occurred basis (except workers' compensation).

The parties agree that, prior to the execution of the Contract, COMPANY shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of CITY. CITY shall not be required to provide any insurance whatsoever pursuant to this Contract.

COMPANY certifies that the certificate of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. COMPANY shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of COMPANY.

21. **Assignment:** COMPANY shall not, either directly or indirectly, assign all or any part of this Contract or any interest, right or privilege herein, without the prior written consent of CITY. The issue on whether or not to grant consent to an assignment is in the sole discretion of CITY.

22. **RELEASE: NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES CITY AND CITY'S COUNCIL MEMBERS, EMPLOYEES, AND OFFICERS FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES OR CAUSES OF ACTION OF ANY KIND WHATSOEVER THAT COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR CITY'S NEGLIGENCE. THE OBLIGATIONS CONTAINED IN THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.**

23. **Governing Law and Venue:** This contract shall be governed by the laws of the State of Texas. All performance and payment made pursuant to this contract shall be deemed to have occurred in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claims, suits or any other action arising from or connected in any way to this contract or the performance of this contract shall be in Midland County, Texas.

24. **Independent Contractor:** COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant, or employee of CITY. COMPANY shall have exclusive control of, and the exclusive right to control the details of the services and work to be performed hereunder, and all persons performing the same. COMPANY shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors and the doctrine

of respondeat superior shall not apply as between CITY and COMPANY, its officers, agents, employees, contractors and subcontractors. Nothing in this Contract shall be construed as creating a partnership or joint enterprise between CITY and COMPANY. No person performing any of the work and services described hereunder by COMPANY shall be considered an officer, agent, servant or employee of CITY. Further, it is specifically understood and agreed that nothing in this contract is intended or construed as creating a "Community of Pecuniary Interest" or an "Equal Right of Control" which would give rise to vicarious liability.

COMPANY shall be an independent contractor under this Contract and shall assume all of the rights, obligations and liabilities, applicable to it as such independent contractor hereunder. CITY does not have the power to direct the order in which the work is done. CITY shall not have the right to control the means, methods or details of COMPANY's work. COMPANY shall assume exclusive responsibility for the work. COMPANY is entirely free to do the work in its own way.

25. **Notice of Alleged Breach; Statutory Prerequisites:** As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Contract, COMPANY or its legal representative, shall give the City Manager, or any other reasonable official of CITY, notice in writing (consisting of one (1) original and seven (7) copies of notice attached to a copy of this Contract) of such damages, duly verified, within one hundred twenty (120) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which COMPANY shall settle, the physical and mailing addresses of COMPANY at the time and date the claim was presented and the physical and mailing addresses of COMPANY for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom COMPANY relies to establish its claim; and a failure to provide such written notification within the time and manner provided herein shall exonerate, excuse and except CITY from any liability whatsoever. CITY is under no obligation to provide notice to COMPANY that COMPANY's notice is insufficient. CITY reserves the right to request additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision to the contrary, COMPANY's failure to comply with the requirements of this Section shall perpetually bar COMPANY's claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, unless if

CITY has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Contract are reasonable. The provisions and obligations of this Section shall survive the termination of this Contract.

26. **Consideration:** The terms of this Contract are supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties named herein.

27. **Termination At Will:** CITY may terminate this Contract at will for no or any reason upon giving at least one hundred eighty (180) days written notice to COMPANY. The parties to this Contract understand and agree that it is in CITY's sole discretion to cancel the Contract during the term of the Contract without penalty to CITY. COMPANY has no expectation and has received no guarantees that this Contract will not be terminated before the end of the Contract term. The parties have bargained for the flexibility of terminating this Contract upon tender of the requisite notice at any time during the term of the Contract. All work and services under the Contract shall be suspended upon termination of the Contract becoming effective.

28. **Compliance:** COMPANY agrees that it shall comply with Texas Government Code Section 2252.908, *et seq.*, as amended. COMPANY agrees that it shall comply with Texas Local Government Code Section 176.006, *et seq.*, as amended.

29. To the extent that Sections 2271.002 and 2274.002, and 2276.002 of the Texas Government Code (collectively, the "Anti-Boycott Statutes") apply to this Contract, Company hereby verifies:

- that Company does not boycott Israel and will not boycott Israel during the term of this Contract;
- that Company does not boycott energy companies and will not boycott energy companies during the term of this Contract; and
- that Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Contract against a firearm entity or firearm trade association.

To the extent that the Anti-Boycott Statutes do not apply to this Contract, such verification is not required, and Company shall be deemed to have not made such verification.

30. **Records Retention and Production of Information.** To the extent that this Contract constitutes a contract described by Section 552.371 of the Texas Government Code, COMPANY shall: (i) preserve all contracting information related to this Contract as provided by the records retention requirements applicable to CITY for the duration of this Contract; (ii) promptly provide to CITY any contracting information related to the Contract that is in the custody or possession of COMPANY on request of CITY;

and (iii) on completion of the Contract, either: (a) provide at no cost to CITY all contracting information related to the Contract that is in the custody or possession of COMPANY; or (b) preserve the contracting information related to the Contract as provided by the records retention requirements applicable to CITY.

31. **Public Information.** To the extent that this Contract is a contract described by Section 552.371 of the Texas Government Code, COMPANY agrees as follows in accordance with Section 552.372(b) of the Texas Government Code: The requirements of Subchapter J, Chapter 552, Government Code, may apply to this Contract, and COMPANY agrees that the contract can be terminated if COMPANY knowingly or intentionally fails to comply with a requirement of that subchapter.

32. **Conflict of Terms.** If a conflict of terms or language exists between: (i) any of the provisions of this Contract and (ii) any of the provisions contained in any exhibit(s) attached to this Contract, precedence shall be given to the provisions of this Contract. For the avoidance of any doubt, the provisions contained in this Contract shall supersede any and all conflicting provisions contained in any exhibit(s) attached hereto. Furthermore, the parties acknowledge and agree that any provision contained in an exhibit(s) attached to this Contract that imposes an additional express or implied obligation on CITY is hereby made void and of no force or effect. CITY's sole and exclusive obligations under this Contract are contained in the provisions of this Contract that precede the signature page(s), which evidences the parties' execution.

33. Company agrees that all iron or steel products produced through a manufacturing process and used in the project that is the subject of this Contract shall be produced in the United States in accordance with Government Code § 2252.202, et seq., as amended.

EXECUTED IN DUPLICATE the day and year first above mentioned.

THE CITY OF MIDLAND, TEXAS

By: _____
Tommy Gonzalez, City Manager

ATTEST

Marcia Bentley-German, City Governance Officer/City Secretary

APPROVED ONLY AS TO FORM

Nicholas Toulet, Interim City Attorney

COMPANY:

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this ____ day of _____, 20____ personally appeared, _____, an officer of 4B Recreation Group, LLC dba Playgrounds Etc., known to me to be the person and official whose name is subscribed to the forgoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20____.

Exhibit A

Project Proposal

Prepared for
City of Midland

March 2025



Prepared by



1410 W. Texas Avenue
Midland, Texas 79701
432-687-6388
playgroundsetc.com

PACKET

11.58

April 8, 2025



Momentum Bank Ballpark

STRUCTURE **SP02A025-039-1** • QUOTE **QUO0301726**

Design is for illustration purposes only and colors may vary.

11.59

Proudly Presented By:
April 8, 2025





Momentum Bank Ballpark

STRUCTURE ~~SP021025-039-1~~ • QUOTE QUO0301726

Design is for illustration purposes only and colors may vary.

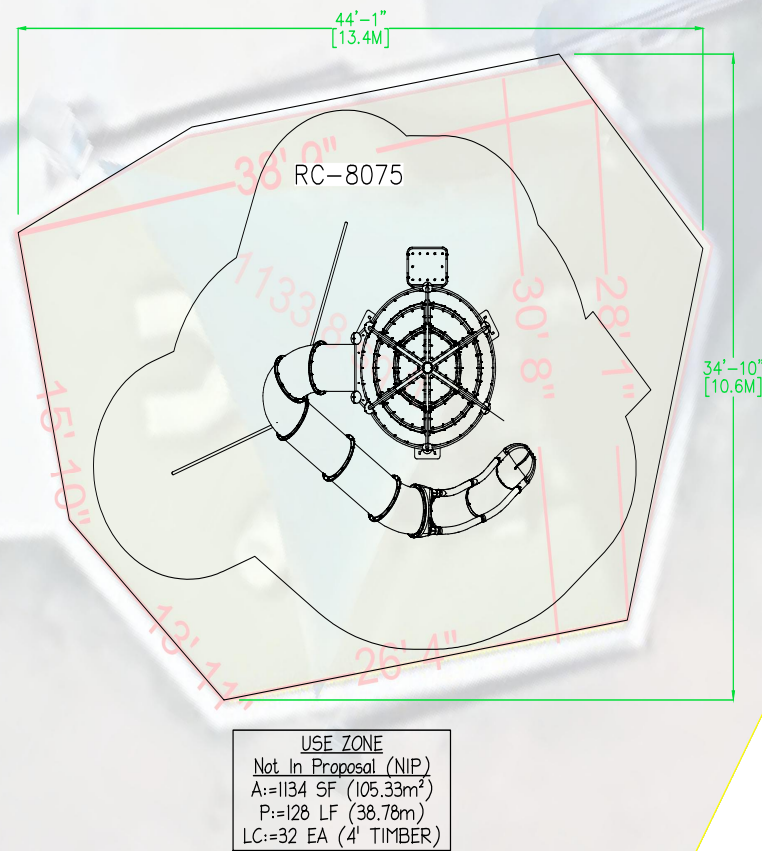
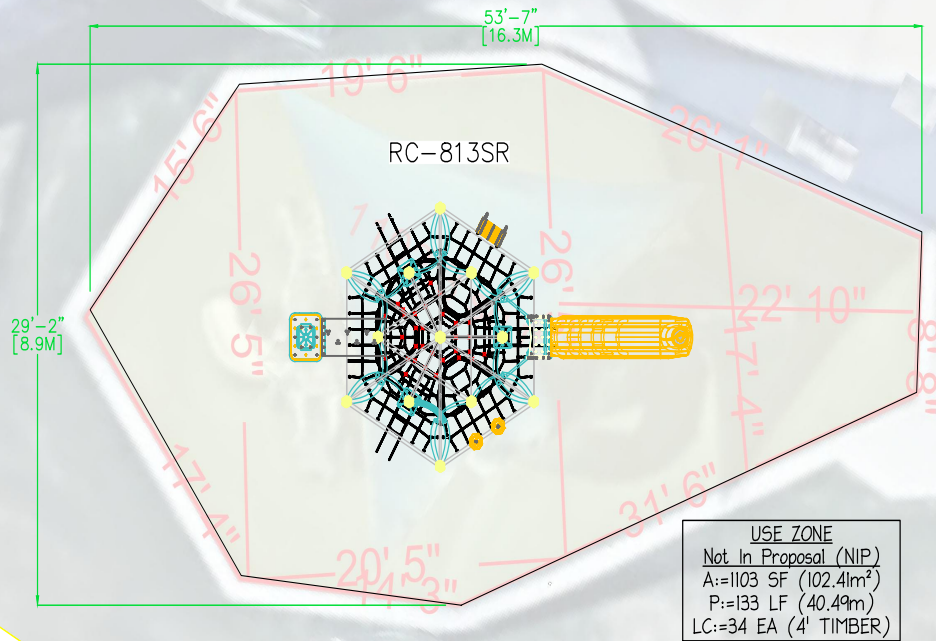
11.60

April 8, 2025

Proudly Presented By:



Site dimensions must be
verified for accuracy.



SuperiorPlaygrounds
BY SUPERIOR RECREATIONAL PRODUCTS

PLAYGROUND SUPERVISION IS REQUIRED.

THIS DESIGN IS THE PROPERTY OF
SUPERIOR RECREATIONAL PRODUCTS AND MAY NOT BE
REPRODUCED OR USED IN ANY MANNER WITHOUT
THE EXPRESSED WRITTEN CONSENT OF
SUPERIOR RECREATIONAL PRODUCTS.

PACKET

REFERENCE NUMBER
SP022025-039-1
PLAYGROUNDS, ETC. - MOMENTUM BALLPARK

DATE
3/11/25

DRAWN/SAVED BY
KLE / KAREN.ESCOBAR

11.61
SCALE
1/8" = 1'

SHEET
1 OF 1

PAGE
SITE_PLAN

April 8, 2025



Color Options

Metal Colors

Gloss



Matte or Metallic



Plastic Colors



Activity Panel & Panel Colors

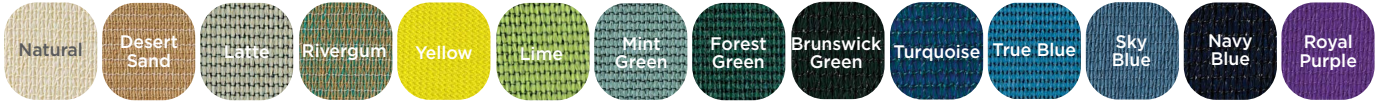
Solid Core



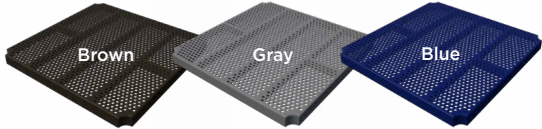
Sandwich Core



Shade Colors | More Available!



Steel Deck Colors

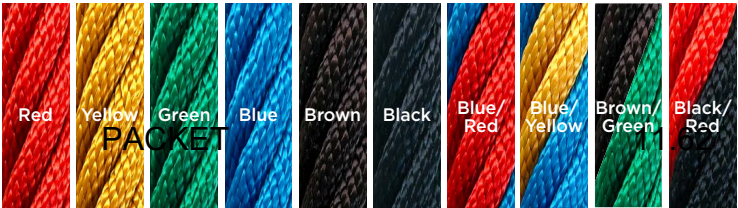


Recycled Deck & Post Colors



*May affect delivery lead time.

Ascend Rope Colors



Belt Seat Colors



April 8, 2025



Playgrounds Etc.

1410 W Texas Ave.
Midland, TX 79701
432-687-6388

Bid

Date

3/26/2025

Bid #

32589

Name / Address

COM

300 N. Loraine Ave
Midland TX 79701

Notes to Client

Rep	Project Location	Project		
Amber Graham	Momentum Park	SRP Playground - R2		
Item	Description	Qty	Rate	Total
RC-8075	Ascend Spire w/ Slide	1	\$122,582.68	\$122,582.68
SP022025-039-1	Ascend Soar w/ Slide	1	\$55,101.00	\$55,101.00
AT-OE	2240 square feet of Artificial Turf with padding installed over existing substrate.	1	\$47,840.00	\$47,840.00
Demo	Demo and removal of both existing play units and existing turf	1	\$11,928.57	\$11,928.57
Bond	Bond	1	\$4,516.00	\$4,516.00
Freight	Freight	1		\$8,222.60
Installation	Installation of items listed on this proposal	1		\$63,458.00
BuyBoard Discount	BuyBoard Discount, Vendor #679-22			-\$20,400.00

SubTotal \$293,248.85

Sales Tax (0.0%) \$0.00

Total **\$293,248.85**

Approval Signature: _____ **Date:** _____

Thank you for the opportunity to quote your upcoming project. If you have any questions about this proposal or if you need to make any revisions, please contact your Design Consultant at 866-451-2814. We look forward to helping you complete your next project. This bid is good for 30 days.



Momentum Bank Ballpark

STRUCTURE ~~SP022025-039-1~~ • QUOTE QUO0302273

Design is for illustration purposes only and colors may vary.

11.64

April 8, 2025

Proudly Presented By:





Momentum Bank Ballpark

STRUCTURE ~~SP02A025-039-1~~ • QUOTE QUO0302273

Design is for illustration purposes only and colors may vary.

11.65

April 8, 2025

Proudly Presented By:



EXHIBIT C

Bonding Requirements

The successful bidder shall be required to furnish a Performance & Payment Bond* for bids in excess of \$50,000.00, in an amount equal to one hundred percent (100%) of the total contract price, such bond to be executed by a Corporate Surety authorized to do business in the State of Texas and acceptable to the City of Midland. **All bonds must be executed on forms contained in these contract documents.** The form of agreement which the successful bidder, as contractor, will be required to execute is also included herewith. The form of agreement and the form of the bonds should be carefully examined by the bidder.

A certified check, cashier's check, bank money order, or irrevocable letter of credit issued by a bank satisfactory to the City, **or a bidder's bond on the form provided**, in the amount of five percent (5%) of the largest possible lump sum bid submitted, payable without recourse to the City, must accompany the bidder's proposal, as a guaranty that the bidder will enter a contract and execute the required payment bond and guaranty in the forms provided within fifteen (15) days after notice of award of contract to him. Bids or proposals without the required bid guaranty will not be considered. All bid sureties and payment bonds shall name the City of Midland as Obligee.

*A cash security such as a cashier's check or irrevocable letter of credit issued by a bank satisfactory to the City for 100 % of the contract amount may be supplied in lieu of the Performance and Payment Bonds. The check will be returned un-cashed upon satisfactory completion of the work and evidence of payment of all obligations due for the contract.

PAYMENT BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT
_____ of the City of
_____ of the County of _____ and State of Texas
as Principal, and _____, as Surety, are held and
firmly bound unto the City of Midland, Texas, as Oblige, in the amount of
_____ DOLLARS
(\$ _____) for the payment whereof the said Principal and Surety bind themselves, their heirs,
administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Oblige, dated the _____
day of _____, 20____, for the furnishing of materials, equipment to perform all labor and work
necessary for _____, hereof as fully and to the
same extent as if copied at length herein.

NOW, THEREFORE, the condition of the obligation is that if the said Principal shall pay all claimants
supplying labor and material to him or a subcontractor in the prosecution of the work provided for in said
contract, then this obligation shall be null and void; otherwise, it is to remain in full force and effect.

Surety, for value received, stipulates and agrees that no change, extension of time alteration or addition
to the terms of the contract, or to the work performed there under, or the plans, specifications of drawings
accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders,
shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of

time, alteration or addition to the terms of the contract, assignment thereof, or to the work to be performed there under.

IN WITNESS WHEREOF the said Principal and Surety have signed and sealed this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

PERFORMANCE BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT _____ (Hereinafter called the Principal[s]), as Principal(s), and _____ (Hereinafter called the Surety), as Surety, are held and firmly bound unto the City of Midland, Texas a home rule municipal corporation of Midland County, Texas, (hereinafter called the Obligee), in the amount of _____ DOLLARS (\$ _____) for the payment whereof the said Principal and surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the _____ day of _____, 20____, for the furnishing of materials and equipment to perform all labor and work necessary for the construction of _____, specifically including in the scope of this work and bond, the additional maintenance guaranty provisions set forth in the contract conditions, which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein, as well as the Principal's primary obligation to perform according to plans and specifications.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform the work in accordance with the plans, specifications, instructions to bidder, general and special conditions and other contract documents, including any addendum thereto, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED further that if any legal action be filed upon this Bond venue shall lie in Midland County, State of Texas.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specifications or drawings accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders, shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of time, alteration or addition to the terms of the contract, assignment thereof, or the work to be performed thereunder.

IN WITNESS WHEREOF, the said Principal and surety do sign and seal this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

EXHIBIT D - Building Wage Rate rev 01/05/2024

"General Decision Number: TX20240261 01/05/2024

Superseded General Decision Number: TX20230261

State: Texas

Construction Type: Building

County: Midland County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

BOIL0074-003 07/01/2023

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
(1) Tower Crane.....	\$ 32.85	13.10
(2) Cranes with Pile Driving or Caisson Attachment and Hydraulic Crane 60 tons and above.....	\$ 28.75	10.60
(3) Hydraulic cranes 59 Tons and under.....	\$ 32.35	13.10

IRON0084-011 06/01/2023		

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 27.51	8.13

PLUM0404-001 09/01/2022		

	Rates	Fringes
PLUMBER.....	\$ 28.64	10.65

SUTX2014-037 07/21/2014		

	Rates	Fringes
BRICKLAYER.....	\$ 20.00	0.00
CARPENTER.....	\$ 13.82 **	0.00
CEMENT MASON/CONCRETE FINISHER...	\$ 13.76 **	0.00
ELECTRICIAN.....	\$ 23.18	6.31
INSULATOR - MECHANICAL (Duct, Pipe & Mechanical System Insulation).....	\$ 19.77	7.13
IRONWORKER, REINFORCING.....	\$ 12.27 **	0.00
IRONWORKER, STRUCTURAL.....	\$ 22.16	5.26
LABORER: Common or General.....	\$ 11.80 **	0.00
LABORER: Mason Tender - Brick...	\$ 11.38 **	0.00
LABORER: Mason Tender - Cement/Concrete.....	\$ 10.58 **	0.00
LABORER: Pipelayer.....	\$ 12.49 **	2.13
LABORER: Roof Tearoff.....	\$ 11.28 **	0.00
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 14.25 **	0.00
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 13.93 **	0.00
OPERATOR: Bulldozer.....	\$ 18.29	1.31
OPERATOR: Drill.....	\$ 16.22 **	0.34
OPERATOR: Forklift.....	\$ 14.83 **	0.00
OPERATOR: Grader/Blade.....	\$ 13.37 **	0.00
OPERATOR: Loader.....	\$ 13.55 **	0.94
OPERATOR: Mechanic.....	\$ 17.52	3.33
OPERATOR: Paver (Asphalt, Aggregate, and Concrete).....	\$ 16.03 **	0.00

OPERATOR: Roller.....	\$ 12.70 **	0.00
PAINTER (Brush, Roller, and Spray).....	\$ 15.00 **	0.73
PIPEFITTER.....	\$ 25.80	8.55
ROOFER.....	\$ 14.75 **	0.00
SHEET METAL WORKER (HVAC Duct Installation Only).....	\$ 22.73	7.52
SHEET METAL WORKER, Excludes HVAC Duct Installation.....	\$ 19.50	0.00
TILE FINISHER.....	\$ 11.22 **	0.00
TILE SETTER.....	\$ 14.74 **	0.00
TRUCK DRIVER: Dump Truck.....	\$ 12.39 **	1.18
TRUCK DRIVER: Flatbed Truck.....	\$ 19.65	8.57
TRUCK DRIVER: Semi-Trailer Truck.....	\$ 12.50 **	0.00
TRUCK DRIVER: Water Truck.....	\$ 12.00 **	4.11

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

=====

** Workers in this classification may be entitled to a higher
minimum wage under Executive Order 14026 (\$17.20) or 13658
(\$12.90). Please see the Note at the top of the wage
determination for more information. Please also note that the
minimum wage requirements of Executive Order 14026 are not
currently being enforced as to any contract or subcontract to
which the states of Texas, Louisiana, or Mississippi, including
their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave
for Federal Contractors applies to all contracts subject to the
Davis-Bacon Act for which the contract is awarded (and any
solicitation was issued) on or after January 1, 2017. If this
contract is covered by the EO, the contractor must provide

employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate

changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION"

EXHIBIT D - Heavy & Highway Wage Rate Rev 01/05/2024

"General Decision Number: TX20240002 01/05/2024

Superseded General Decision Number: TX20230002

State: Texas

Construction Types: Heavy and Highway

Counties: Armstrong, Carson, Crosby, Ector, Irion, Lubbock, Midland, Potter, Randall, Taylor and Tom Green Counties in Texas.

HEAVY & HIGHWAY CONSTRUCTION PROJECTS

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

|_____||_____||

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

Modification Number Publication Date
0 01/05/2024

SUTX2011-002 08/02/2011

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER (Paving & Structures)...	\$ 13.55	**
ELECTRICIAN.....	\$ 20.96	
FORM BUILDER/FORM SETTER Paving & Curb.....	\$ 12.36	**
Structures.....	\$ 13.52	**
LABORER Asphalt Raker.....	\$ 12.28	**
Flagger.....	\$ 9.30	**
Laborer, Common.....	\$ 10.30	**
Laborer, Utility.....	\$ 11.80	**
Work Zone Barricade Servicer.....	\$ 10.30	**
POWER EQUIPMENT OPERATOR: Asphalt Distributer.....	\$ 14.87	**
Asphalt Paving Machine.....	\$ 13.40	**
Broom and Sweeper.....	\$ 11.21	**
Crane, Lattice Boom 80 Tons or Less.....	\$ 16.82	**
Crawler Tractor Operator....	\$ 13.96	**
Excavator, 50,000 lbs or less.....	\$ 13.46	**
Front End Loader Operator, Over 3 CY.....	\$ 12.77	**

Front End Loader, 3CY or
 less.....\$ 12.28 **
 Loader/Backhoe.....\$ 14.18 **
 Mechanic.....\$ 20.14
 Milling Machine.....\$ 15.54 **
 Motor Grader, Rough.....\$ 16.15 **
 Motor Grader, Fine.....\$ 17.49
 Pavement Marking Machine....\$ 16.42 **
 Reclaimer/Pulverizer.....\$ 12.85 **
 Roller, Asphalt.....\$ 10.95 **
 Roller, Other.....\$ 10.36 **
 Scraper.....\$ 10.61 **
 Spreader Box.....\$ 12.60 **

Servicer.....\$ 13.98 **

Steel Worker (Reinforcing).....\$ 13.50 **

TRUCK DRIVER

Lowboy-Float.....\$ 14.46 **
 Single Axle.....\$ 12.74 **
 Single or Tandem Axle Dump..\$ 11.33 **
 Tandem Axle Tractor with
 Semi.....\$ 12.49 **

 WELDERS - Receive rate prescribed for craft performing
 operation to which welding is incidental.

=====
 ** Workers in this classification may be entitled to a higher
 minimum wage under Executive Order 14026 (\$17.20) or 13658
 (\$12.90). Please see the Note at the top of the wage
 determination for more information. Please also note that the
 minimum wage requirements of Executive Order 14026 are not
 currently being enforced as to any contract or subcontract to
 which the states of Texas, Louisiana, or Mississippi, including
 their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave
 for Federal Contractors applies to all contracts subject to the
 Davis-Bacon Act for which the contract is awarded (and any
 solicitation was issued) on or after January 1, 2017. If this
 contract is covered by the EO, the contractor must provide
 employees with 1 hour of paid sick leave for every 30 hours
 they work, up to 56 hours of paid sick leave each year.
 Employees must be permitted to use paid sick leave for their
 own illness, injury or other health-related needs, including

preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

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WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
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U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
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Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

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Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION"



City Council Meeting

Item Number: 12
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Erika Martinez, Manager, Purchasing
Subject: RESOLUTION AWARDING A CONTRACT IN THE AMOUNT OF \$133,751.62 FOR THE PURCHASE AND INSTALLATION OF SHADE STRUCTURES AT DOUG RUSSELL POOL TO 4B RECREATION GROUP, LLC, D/B/A PLAYGROUNDS ETC.; AND APPROVING \$6,248.38 FOR PROJECT RELATED EXPENSES (DISTRICT 3) (GENERAL SERVICES) (STRENGTHEN AND SUSTAIN OUR INFRASTRUCTURE)

Purpose:

Resolution awarding a contract for the purchase and installation of the Shade Structures at Doug Russell Pool to 4B Recreation Group, LLC dba Playgrounds Etc. through Buyboard 679-22 for a cost of \$133,751.62, plus project related expenses of \$6,248.38 for a total cost of \$140,000.00.

Recommended City Council Action:

Approve

Fiscal Impact:

\$140,000 is available in the Doug Russell Bath House renovation project 900454-097.

Strategic Priority:

(Strengthen and Sustain our Infrastructure)

Discussion:

Staff recommends awarding a contract for the purchase and installation of the Shade Structures at Doug Russell Pool to 4B Recreation Group, LLC dba Playgrounds Etc. through Buyboard 679-22. We are members of this cooperative and Subchapter F, Section 271.102 of

the Local Government Code provides that a local government may participate in a cooperative purchasing program and that purchasing goods or services under Subchapter F satisfies any state law requiring the local government to seek competitive bids for those purchases. The Doug Russell Aquatic Center, popular in the summer, added shade umbrellas after its 2016 renovation. After 9 years, and due to issues with the west Texas winds, staff recommends replacing them with 2 large hexagonal shades and 5 cantilever rectangular shades for better coverage. Please see the attached memo from Laurie Williams, Parks and Recreation Director, for more information.

Therefore, please consider a resolution awarding a contract for the purchase and installation of the Shade Structures at Doug Russell Pool to 4B Recreation Group, LLC dba Playgrounds Etc. through Buyboard 679-22 for a cost of \$ \$133,751.62, plus project related expenses of \$6,248.38 for a total cost of \$140,000.00.



City Manager's Office



**Recreation Division
Interoffice Memorandum**

Date: March 25, 2025
To: Jose Ortiz, Assistant City Manager
From: Laurie M. Williams, Parks and Recreation Director
Subject: Shade Structure Installation at Doug Russell Bath House

The Doug Russell Aquatic Center is in high demand and used throughout the summer for recreational activities. When the pool was renovated in 2016, large shade umbrellas were installed to add shade in the area of the pool deck. After 9 years, these shades need to be replaced. Due to issues with the umbrella types of shade in our west Texas winds, staff recommends more permanent shade structure installation. The proposal to add 2 large hexagon shades and 5 cantilever rectangular shades will provide much needed shade for the aquatic center guests.

Playgrounds Etc. has submitted a BuyBoard quote in the amount of \$133,751.62 for the shades. The price includes materials, freight and installation. An additional 5% is requested for additional work related to the project. Total funding required is \$140,000.

[\\$140,000 is available in the Doug Russell Bath House renovation project 900454-097.](#)

RESOLUTION NO. _____

**RESOLUTION AWARDING A CONTRACT IN THE
AMOUNT OF \$133,751.62 FOR THE PURCHASE AND
INSTALLATION OF SHADE STRUCTURES AT DOUG
RUSSELL POOL TO 4B RECREATION GROUP, LLC,
D/B/A PLAYGROUNDS ETC.; AND APPROVING
\$6,248.38 FOR PROJECT RELATED EXPENSES**

WHEREAS, Buyboard is a cooperative purchasing agency with which the City participates with on purchases through a cooperative purchasing program in accordance with TEX. LOC. GOV'T CODE § 271.102; and

WHEREAS, 4B Recreation Group, LLC, d/b/a Playgrounds Etc. has submitted a total proposed cost to the City of \$133,751.62 through Buyboard for the purchase and installation of shade structures at Doug Russell Pool; and

WHEREAS, the Council finds the price proposed by 4B Recreation Group, LLC, d/b/a Playgrounds Etc. through Buyboard for the purchase and installation of shade structures at Doug Russell Pool to be fair and reasonable; and

WHEREAS, the City Council finds it to be in the public interest to award a contract for the purchase and installation of shade structures at Doug Russell Pool to 4B Recreation Group, LLC, d/b/a Playgrounds Etc.; and

WHEREAS, the City Council finds it to be in the public interest to approve \$6,248.38 for project related expenses;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF MIDLAND, TEXAS:**

SECTION ONE. That the City Manager and City Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the City of Midland, a contract with 4B Recreation Group, LLC, d/b/a Playgrounds Etc. in the amount of \$133,751.62, through Buyboard, for the installation of shade structures at Doug Russell Pool. Said contract being in a form substantially similar to Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the sum of \$6,248.38 for project related expenses is hereby approved.

SECTION THREE. That \$140,000.00 shall be available in the Doug Russell Bath House Renovation Project (900454-097).

SECTION FOUR. That the City Comptroller is hereby authorized and directed to pay 4B Recreation Group, LLC, d/b/a Playgrounds Etc., in accordance with the provisions of the above-referenced contract, upon receipt of proper invoices or statements approved by the City Manager or his designee.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2025, by the following vote:

Council members voting “AYE”:

Council members voting “NAY”:

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

RECOMMENDED AND APPROVED:

Tommy Gonzalez, City Manager

APPROVED AS TO CONTENT
AND COMPLETENESS:

Regina Stephenson, General Services Director

APPROVED AS TO FORM ONLY:

Nicholas Toulet, Interim City Attorney



THE CITY OF MIDLAND

CONTRACT

Contract No. 25004374

THIS CONTRACT, effective the 9 day of April 2025, by and between the City of Midland, hereinafter referred to as "CITY", and 4B Recreation Group, LLC dba Playgrounds Etc., hereinafter referred to as "COMPANY", is made for the following considerations:

1. **Cost:** Total Proposal: \$ 133,751.62 DOLLARS
2. **Scope of Work:** COMPANY shall perform all work described and shall provide labor, materials, equipment and supervision necessary for purchase and installation of the Shade Structures at Doug Russell Pool. Said work being more particularly described in the following documents, which are attached hereto and incorporated herein for all purposes.

EXHIBIT A..... Specifications, Proposal or Cost Summary

EXHIBIT B..... Intentionally Omitted

EXHIBIT C..... Bonding instructions for Public Works Contract of \$50,000 and more

EXHIBIT D..... Wage Scale

3. **City:** The words "CITY's Representative" or "representative" shall mean Laurie Williams or the designee under whose supervision these contract documents, including the plans and specifications, were prepared, or who may inspect work performed under this Contract; or such other representative, supervisor, or inspector as may be authorized by CITY to act in any particular capacity under this Contract.

4. **City's Representative:** CITY's Representative may make periodic visits to the site to observe the progress and quality of the executed work and to determine, in general, if the work is proceeding in accordance with the contract documents. CITY's representative will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work, nor will such representative be responsible for the construction means, methods, techniques, sequences or procedures, or the safety precautions incident thereto. CITY's representative will not be responsible for COMPANY's failure to perform the work in accordance with the contract.

5. **Company:** Unless otherwise stipulated, COMPANY shall provide and pay for all materials,
PACKET

supplies, machinery, equipment, tools, superintendence, labor, insurance, and all water, light, power, fuel, transportation and all other facilities necessary for the execution and completion of the work covered by the contract documents. Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of a good quality. COMPANY shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

5.1. COMPANY shall, at its expense, obtain all permits and licenses necessary for the performance of this contract and pay all fees and taxes required by law, and comply with all laws, ordinances, rules and regulations governing COMPANY's performance of the contract, including all environmental laws and regulations, whether state or federal.

5.2. All work shall be done and all materials furnished in strict conformity with the contract and specifications.

6. **Minor Work Not Mentioned:** All minor detail of the work not specifically mentioned in the Specifications but obviously necessary for the proper completion of the work, such as the proper connection of new work to old, shall be considered as incidental to and a part of the work for which the prices are named in the contract. COMPANY will not be entitled to any additional compensation therefor unless specifically stated otherwise. Otherwise the term "extra work" as used in this contract shall mean and include all work that may be required by CITY to be done by COMPANY to accomplish any alteration or addition to the work as shown on the Specifications.

6.1. COMPANY shall perform all extra work under the direction of CITY's Representative when presented with a written work order signed by CITY's Representative, subject, however, to the right of the COMPANY to require written confirmation of such extra work order by CITY. Payment for extra work shall be as agreed in the work order.

7. **Safety:** COMPANY shall at all times exercise reasonable precaution for the safety of employees and others on or near the work and shall comply with all applicable provisions of federal, state and municipal laws. All machinery and equipment and other physical hazards shall be guarded in accordance with federal, state or municipal laws or regulations.

8. **INDEMNITY: COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES**

OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.1. COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, PROPERTY DAMAGE, LOSSES, AND EXPENSES OF ANY CHARACTER WHATSOEVER INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF CITY, CITY'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH COMPANY OR COMPANY'S EMPLOYEES, AGENTS OR SUBCONTRACTORS NEGLIGENCE IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.1 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.2. COMPANY AGREES THAT IT WILL INDEMNIFY AND SAVE CITY HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS CONTRACT. WHEN CITY SO DESIRES, COMPANY SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR WAIVED. COMPANY, ITS SURETIES AND

INSURANCE CARRIERS SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS CITY AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS CONTRACT, AND WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.2 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

9. **Start of Work:** COMPANY shall commence work no later than ten (10) days after receipt of the execution of this document or other written release to proceed and shall complete such work no later than 60 calendar days after release to proceed.

10. **Clean Up:** COMPANY shall promptly remove from CITY's premises all materials condemned by CITY's Representative on account of failure to conform to the contract, whether actually incorporated in the work or not, and COMPANY shall at its own expense promptly replace such condemned materials with other materials conforming to the requirements of the contract. COMPANY shall also bear the expense of restoring all work of other contractors damaged by any such removal or replacement. If COMPANY does not remove and replace any such condemned materials within a reasonable time after a written notice by CITY, CITY may remove and replace such at COMPANY's expense.

11. **Warranty:** Neither the final payment nor any provision in this contract shall relieve COMPANY of responsibility for faulty materials or workmanship, and he shall remedy any defects due thereto and pay for any damage to other work resulting therefrom, which shall appear within a period of one (1) year from the date of substantial completion. CITY shall give notice of observed defects with reasonable promptness.

12. **Remedy:** CITY may, on account of subsequently discovered evidence, withhold whole or part of any payment to such extent as may be necessary to protect itself from loss on account of:

12.1. Defective work not remedied; or

12.2. Claims filed or reasonable evidence indicating possible filing of claims; or

12.3. Failure of COMPANY to make payments promptly to subcontractors or for material or labor which CITY may pay as an agent for the COMPANY; or

12.4. Damages to another contractor or subcontractor.

When the above grounds to withhold payment are removed, or COMPANY provides a surety bond satisfactory to CITY, which will protect CITY in the amount withheld, payment may be released.

13. **Funding Out:** In the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable in any fiscal period for contract payments due under the contract, then this contract shall terminate on the last day of the fiscal period for which full appropriations were made, without penalty or expense to CITY of any kind whatsoever.

14. **Wage Scale:** COMPANY agrees to pay all workmen in his employ no less than the generally prevailing wage rate for employees of similar category in the Permian Basin Area, as is depicted in the wage rate scale attached hereto as EXHIBIT D, and incorporated herein by reference for all legal purposes.

14.1. If applicable, the Davis-Bacon Act, 29 CFR 5.5, and any related acts or regulations are hereby incorporated by reference and made a part of this Contract, and all terms and requirements under said laws, by such incorporation, are made terms and requirements of this Contract, to which the parties to this Contract have agreed to be bound.

15. **Prompt Pay Act:** CITY and COMPANY agree that Texas Government Code, Chapter 2251, Payment for Goods and Services (the "Prompt Pay Act") does not waive governmental immunity.

16. **Payment:** After all work is completed by COMPANY, including all Change Orders altering the original scope and amount of said contract are completed, and CITY has inspected and approved that the work is completed and in compliance with the contract and all subsequent Change Orders, CITY shall thereafter issue payment to COMPANY in the amount of the contract and all Change Orders. CITY shall be the final judge of when the work is completed by COMPANY. CITY, in its sole discretion, shall determine if the work under the contract and under any Change Orders has been done to CITY's requirements. CITY may make periodic payments to COMPANY, however such periodic payments may only be made pursuant to this paragraph, and only after all work and all Change Orders are completed by COMPANY and approved by CITY. For contracts exceeding \$25,000 and construction time exceeds ninety days, requests for progress payments may be made to the extent of the materials and labor completed at the end of each month. Upon approval by the Owner's Representative the request and invoice shall be forwarded for payment less 5% retainage. The total of these payments shall not exceed 95% of the total contract amount.

17. **No Third-Party Beneficiary:** CITY's approval of this contract does not create a third-party beneficiary. There is no third-party beneficiary to this contract. No person or entity, who is not a party to

this contract shall have any third-party beneficiary or other rights hereunder.

18. WAIVER OF ATTORNEY FEES: BY EXECUTING THIS CONTRACT, COMPANY AGREES TO WAIVE AND DOES HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST CITY REGARDING THE AWARD OR ATTORNEY'S FEES, WHICH ARE IN ANY WAY RELATED TO THIS CONTRACT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS CONTRACT. COMPANY SPECIFICALLY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS CONTRACT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS CONTRACT, INCLUDING, BUT NOT LIMITED TO, ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, COMPANY AGREES TO ABANDON, WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH COMPANY MIGHT OTHERWISE BE ENTITLED.

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY-EXISTING KNOWN RIGHT. COMPANY ACKNOWLEDGES THAT IT UNDERSTANDS ALL TERMS AND CONDITIONS OF THIS CONTRACT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN CITY AND COMPANY. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OR GOVERNMENTAL IMMUNITY AND SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS CONTRACT WITH COMPETENT LEGAL COUNSEL PRIOR TO ITS EXECUTION. THE OBLIGATIONS CONTAINED IN THIS SECTION 18 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

19. Governmental Immunity: By executing this contract CITY is not waiving its right of governmental immunity. CITY is retaining its immunity from suit. CITY is not granting consent to be sued by legislative resolution or action.

20. **Insurance:**

COMPANY shall at all times during the term of this Contract maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

-Personal Injury: \$1,000,000.00 per person
\$1,000,000.00 per occurrence

-Property Damage: \$500,000.00 per occurrence

Business Automobile Liability: \$250,000.00 combined single limit -
Personal Injury and Property Damage

Workers' Compensation: Statutory limits

Employers' Liability: \$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-city vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Contract. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Workers' Compensation coverage provided by COMPANY shall inure to the benefit of employees injured during the course and scope of their employment by COMPANY pursuant to this Contract. The Workers' Compensation shall waive all rights of subrogation in favor of CITY.

All insurance required pursuant to this Contract shall provide for a waiver of subrogation in favor of CITY. All insurance required pursuant to this Contract, except for Workers' Compensation Insurance, shall name CITY as an additional insured on a claims occurred basis. CITY shall be provided the notice by COMPANY's insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

COMPANY shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Contract to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of the City of Midland and policies that name the City of Midland as an additional insured on a claims occurred basis (except workers compensation).

The parties agree that, prior to the execution of the Contract, COMPANY shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of CITY. CITY shall not be required to provide any insurance whatsoever pursuant to this Contract.

COMPANY certifies that the certificate of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. COMPANY shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of COMPANY.

21. **Assignment:** COMPANY shall not, either directly or indirectly, assign all or any part of this Contract or any interest, right or privilege herein, without the prior written consent of CITY. The issue on whether or not to grant consent to an assignment is in the sole discretion of CITY.

22. **RELEASE: NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES CITY AND CITY'S COUNCIL MEMBERS, EMPLOYEES, AND OFFICERS FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES OR CAUSES OF ACTION OF ANY KIND WHATSOEVER THAT COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR CITY'S NEGLIGENCE. THE OBLIGATIONS CONTAINED IN THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.**

23. **Governing Law and Venue:** This contract shall be governed by the laws of the State of Texas. All performance and payment made pursuant to this contract shall be deemed to have occurred in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claims, suits or any other action arising from or connected in any way to this contract or the performance of this contract shall be in Midland County, Texas.

24. **Independent Contractor:** COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant, or employee of CITY. COMPANY shall have exclusive control of, and the exclusive right to control the details of the services and work to be performed hereunder, and all persons performing the same. COMPANY shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors and the doctrine

of respondeat superior shall not apply as between CITY and COMPANY, its officers, agents, employees, contractors and subcontractors. Nothing in this Contract shall be construed as creating a partnership or joint enterprise between CITY and COMPANY. No person performing any of the work and services described hereunder by COMPANY shall be considered an officer, agent, servant or employee of CITY. Further, it is specifically understood and agreed that nothing in this contract is intended or construed as creating a "Community of Pecuniary Interest" or an "Equal Right of Control" which would give rise to vicarious liability.

COMPANY shall be an independent contractor under this Contract and shall assume all of the rights, obligations and liabilities, applicable to it as such independent contractor hereunder. CITY does not have the power to direct the order in which the work is done. CITY shall not have the right to control the means, methods or details of COMPANY's work. COMPANY shall assume exclusive responsibility for the work. COMPANY is entirely free to do the work in its own way.

25. **Notice of Alleged Breach; Statutory Prerequisites:** As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Contract, COMPANY or its legal representative, shall give the City Manager, or any other reasonable official of CITY, notice in writing (consisting of one (1) original and seven (7) copies of notice attached to a copy of this Contract) of such damages, duly verified, within one hundred twenty (120) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which COMPANY shall settle, the physical and mailing addresses of COMPANY at the time and date the claim was presented and the physical and mailing addresses of COMPANY for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom COMPANY relies to establish its claim; and a failure to provide such written notification within the time and manner provided herein shall exonerate, excuse and except CITY from any liability whatsoever. CITY is under no obligation to provide notice to COMPANY that COMPANY's notice is insufficient. CITY reserves the right to request additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision to the contrary, COMPANY's failure to comply with the requirements of this Section shall perpetually bar COMPANY's claim for damages under Chapter 271 of the Texas Government Code, and Section 311.034 of the Texas Government Code, unless if

CITY has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Contract are reasonable. The provisions and obligations of this Section shall survive the termination of this Contract.

26. **Consideration:** The terms of this Contract are supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties named herein.

27. **Termination At Will:** CITY may terminate this Contract at will for no or any reason upon giving at least one hundred eighty (180) days written notice to COMPANY. The parties to this Contract understand and agree that it is in CITY's sole discretion to cancel the Contract during the term of the Contract without penalty to CITY. COMPANY has no expectation and has received no guarantees that this Contract will not be terminated before the end of the Contract term. The parties have bargained for the flexibility of terminating this Contract upon tender of the requisite notice at any time during the term of the Contract. All work and services under the Contract shall be suspended upon termination of the Contract becoming effective.

28. **Compliance:** COMPANY agrees that it shall comply with Texas Government Code Section 2252.908, *et seq.*, as amended. COMPANY agrees that it shall comply with Texas Local Government Code Section 176.006, *et seq.*, as amended.

29. To the extent that Sections 2271.002 and 2274.002, and 2276.002 of the Texas Government Code (collectively, the "Anti-Boycott Statutes") apply to this Contract, Company hereby verifies:

- that Company does not boycott Israel and will not boycott Israel during the term of this Contract;
- that Company does not boycott energy companies and will not boycott energy companies during the term of this Contract; and
- that Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Contract against a firearm entity or firearm trade association.

To the extent that the Anti-Boycott Statutes do not apply to this Contract, such verification is not required, and Company shall be deemed to have not made such verification.

30. **Records Retention and Production of Information.** To the extent that this Contract constitutes a contract described by Section 552.371 of the Texas Government Code, COMPANY shall: (i) preserve all contracting information related to this Contract as provided by the records retention requirements applicable to CITY for the duration of this Contract; (ii) promptly provide to CITY any contracting information related to the Contract that is in the custody or possession of COMPANY on request of CITY;

and (iii) on completion of the Contract, either: (a) provide at no cost to CITY all contracting information related to the Contract that is in the custody or possession of COMPANY; or (b) preserve the contracting information related to the Contract as provided by the records retention requirements applicable to CITY.

31. **Public Information.** To the extent that this Contract is a contract described by Section 552.371 of the Texas Government Code, COMPANY agrees as follows in accordance with Section 552.372(b) of the Texas Government Code: The requirements of Subchapter J, Chapter 552, Government Code, may apply to this Contract, and COMPANY agrees that the contract can be terminated if COMPANY knowingly or intentionally fails to comply with a requirement of that subchapter.

32. **Conflict of Terms.** If a conflict of terms or language exists between: (i) any of the provisions of this Contract and (ii) any of the provisions contained in any exhibit(s) attached to this Contract, precedence shall be given to the provisions of this Contract. For the avoidance of any doubt, the provisions contained in this Contract shall supersede any and all conflicting provisions contained in any exhibit(s) attached hereto. Furthermore, the parties acknowledge and agree that any provision contained in an exhibit(s) attached to this Contract that imposes an additional express or implied obligation on CITY is hereby made void and of no force or effect. CITY's sole and exclusive obligations under this Contract are contained in the provisions of this Contract that precede the signature page(s), which evidences the parties' execution.

33. Company agrees that all iron or steel products produced through a manufacturing process and used in the project that is the subject of this Contract shall be produced in the United States in accordance with Government Code § 2252.202, et seq., as amended.

EXECUTED IN DUPLICATE the day and year first above mentioned.

THE CITY OF MIDLAND, TEXAS

By: _____
Tommy Gonzalez, City Manager

ATTEST

Marcia Bentley-German, City Governance Officer/City Secretary

APPROVED ONLY AS TO FORM

Nicholas Toulet, Interim City Attorney

COMPANY:

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this ____ day of _____, 20____ personally appeared, _____, an officer of 4B Recreation Group, LLC dba Playgrounds Etc., known to me to be the person and official whose name is subscribed to the forgoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20____.

Project Proposal

Prepared for
City of Midland - Doug Russell Pool
Shades

March 2025



Prepared by



1410 W. Texas Avenue
Midland, Texas 79701
432-687-6388
playgroundsetc.com

Scope of Work

City of Midland

Playgrounds Etc understands that new construction and dealing with contractors can be stressful and burdensome. Our mission at Playgrounds Etc is to ensure that we make designing, receiving, and installing your new play scape the enjoyable experience that it should be. It has been a pleasure designing and bidding this project for your children. Keeping in mind the many options to consider when designing a new playground, we were able to design a playground that we are certain will best suit the needs of the children, and also meet the pricing objectives of your organization.

Site Preparation (1 Day)

Site preparation can be the most important stage of the process when completing a project of this scale. We will be contacting Dig Tess, which is an organization that will mark any public utilities leading up to, or conflicting with, the designated play area. One aspect of installation that is always considered is the slope of the area. Slope is important to ensure that proper drainage is obtained, thus reducing the amount of water that comes into contact with the play area. Proper drainage will reduce displacement of surfacing materials. We also want to make sure that we do not create any drainage issues for the surrounding facilities. While we are happy to provide machinery for minor excavations in order to complete this process any major excavation will need to be discussed and contracted for beforehand.

Delivery (10-12 Weeks)

The equipment will be shipped via an eighteen wheel truck and trailer to your location. Receiving a shipment of this size can become a burden if the right amount of man power and machinery are not available. Playgrounds Etc will be happy to supply needed man power and/or machinery needed to receive the shipment of equipment and surfacing materials if need be.

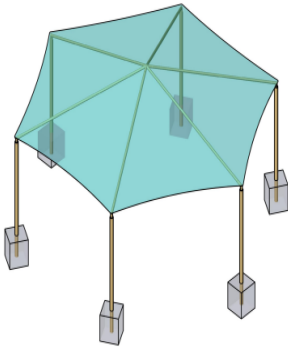
Installation (1-2 Weeks)

The next step will be to have all specified equipment installed. The installation will be a full installation, supervised by Certified Playground Safety Inspectors. Our installers will ensure that all equipment is installed in the proper locations, maintaining proper safety zones. The upright posts for the composite units will be concreted in the ground at a depth of 30 inches, in order to ensure stability. Once all the equipment has been installed we will then begin the process of installing the safety surfacing.

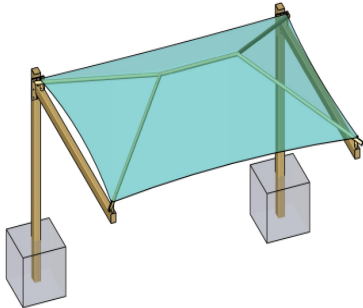
Clean Up (1 Day)

Playgrounds Etc will be responsible for cleaning up any trash that is left behind from shipping crates or plastic wrapping. Although we are happy to ensure that the playground and surrounding area is free of trash and other debris, we do ask that dumpsters be provided.

Hexagon Hip Shade					
Diameter	20'	Shape	Hexagon	Entry Height	12'
Peak Height	14.87'	Elbow	Glide	Column Mount	Embedded
Column Size	05.0" 11-Ga	Rafter Size	02.5" 12-Ga	Dome Qty.	1
Column Length	15'	Rafter Length	10.4'	Column Qty.	6



Hanging Cantilever Hip Shade					
Length	18'	Width	18'	Entry Height	9'
Peak Height	12.33'	Elbow	Glide	Column Mount	Embedded
Column Size	8"x6"x14"	Rafter Size	02.875" 12-Ga	Ridge Size	02.875" 12-Ga
Column Length	15'	Rafter Length	11.73'	Ridge Length	4.5'
Dome Qty.	1	Column Qty.	2	Beam Size	8"x6"x16"



PACKET

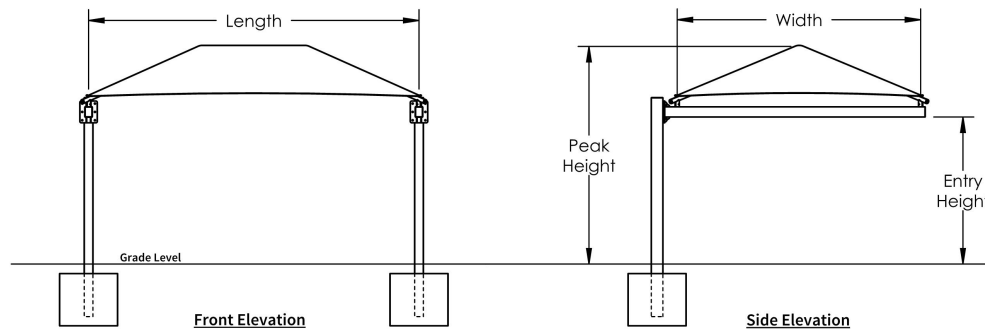
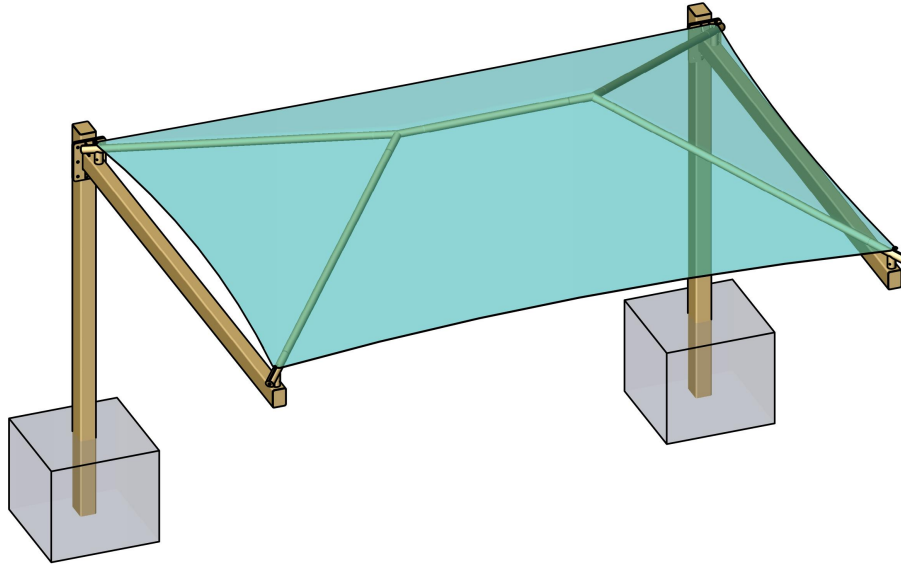


12.21

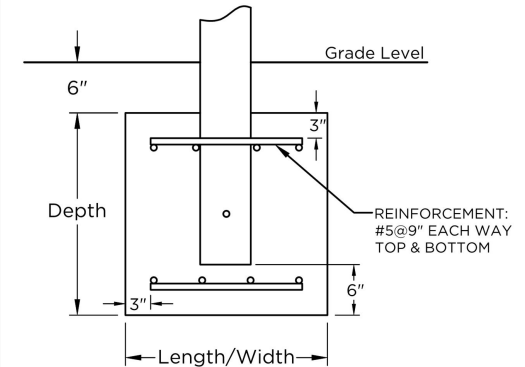
April 8, 2025

Hanging Cantilever Hip Shade

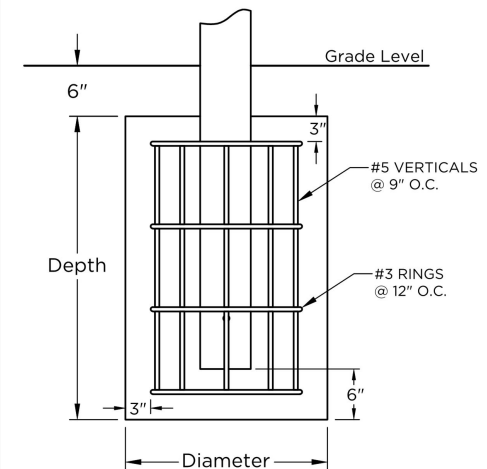
Length	18'	Width	18'	Entry Height	9'
Peak Height	12.33'	Elbow	Glide	Column Mount	Embedded
Column Size	8"x6"x1/4"	Rafter Size	Ø2.875" 12-Ga	Ridge Size	Ø2.875" 12-Ga
Column Length	13'	Rafter Length	11.73'	Ridge Length	4.5'
Dome Qty.	1	Column Qty.	2	Beam Size	8"x6"x3/16"



Square Footing		
Column	Length & Width	Depth
Single Cap	3.67	3
Double Cap	N/A	3



Auger Footing		
Diameter	Single Cap Depth	Double Cap Depth
1'-6"		
2'-0"	Out of range	N/A
2'-6"	Out of range	N/A
3'-0"	4.59	N/A



SuperiorShade

PACKET

QUOTE

98528

SHADE SIZE

18 X 18

SHADE STYLE

**Hanging Cantilever
Hip Shade**

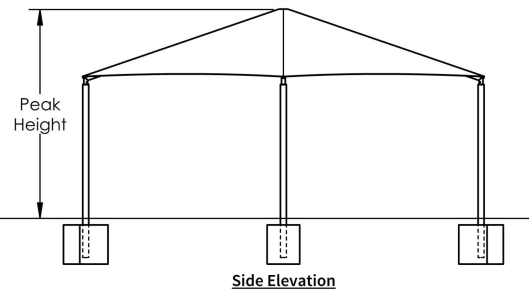
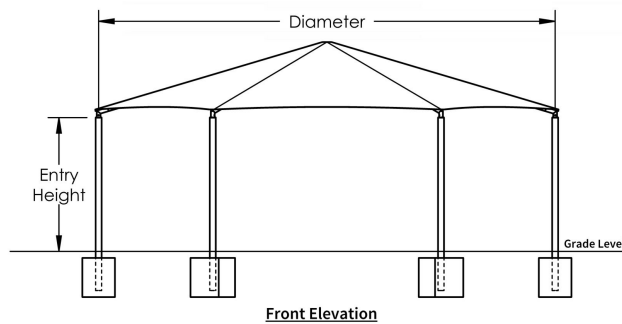
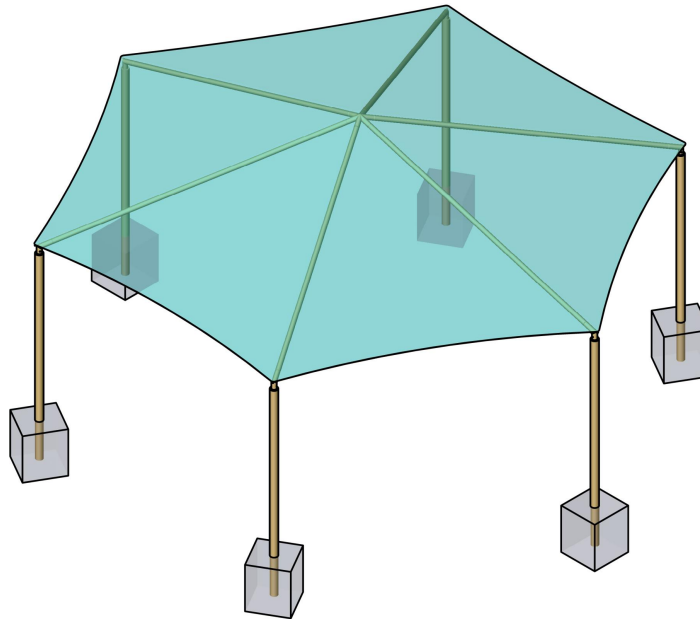
12.22

These drawings are for reference only and should not be used as construction details. They show the general character and rough dimensions of the structural features. Exact spans, fasteners, materials, and foundations can be determined by a licensed professional engineer upon request. Estimated footing size above is based on 1,500 PSF soil bearing pressure.

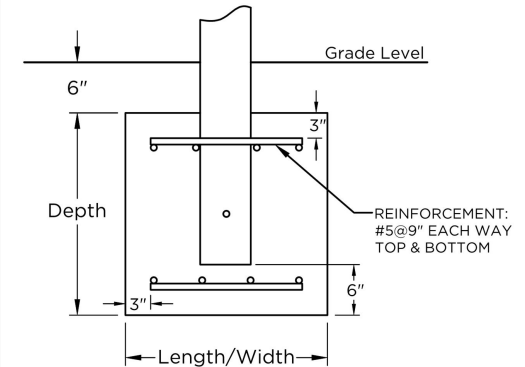
April 8, 2025

Hexagon Hip Shade

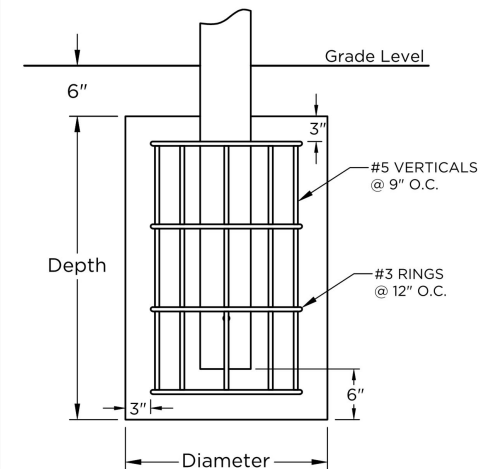
Diameter	20'	Shape	Hexagon	Entry Height	12'
Peak Height	14.87'	Elbow	Glide	Column Mount	Embedded
Column Size	Ø5.0" 11-Ga	Rafter Size	Ø2.5" 12-Ga	Dome Qty.	1
Column Length	15'	Rafter Length	10.4'	Column Qty.	6



Square Footing		
Column	Length & Width	Depth
Single Cap	1.84	3
Double Cap	N/A	3



Auger Footing		
Diameter	Single Cap Depth	Double Cap Depth
1'-6"		
2'-0"	2.58	N/A
2'-6"	Out of range	N/A
3'-0"	Out of range	N/A



SuperiorShade

PACKET

QUOTE

98529

SHADE SIZE

20 X 12

SHADE STYLE

Hexagon Hip Shade

12.23

These drawings are for reference only and should not be used as construction details. They show the general character and rough dimensions of the structural features. Exact spans, fasteners, materials, and foundations can be determined by a licensed professional engineer upon request. Estimated footing size above is based on 1,500 PSF soil bearing pressure.

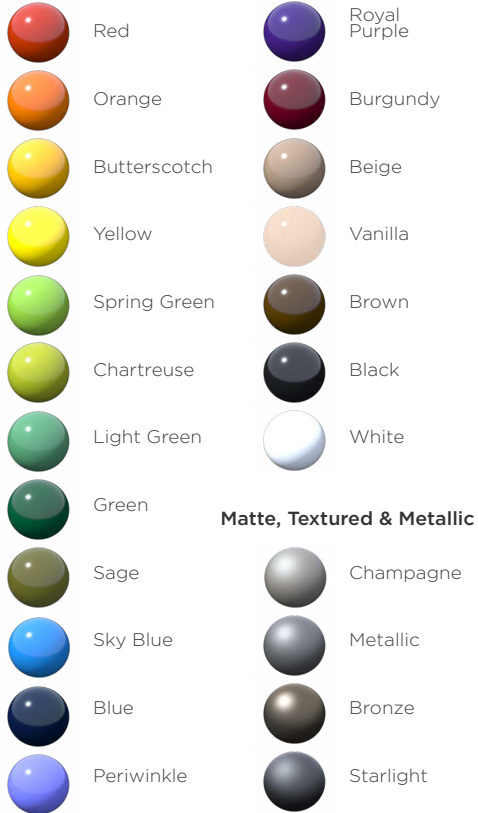
April 8, 2025

Color Options

Frames

Backed by a [5-year limited warranty](#).

Gloss



RainGuard[®] Waterproof Shade Fabric

For our Single Post Waterproof Umbrella.

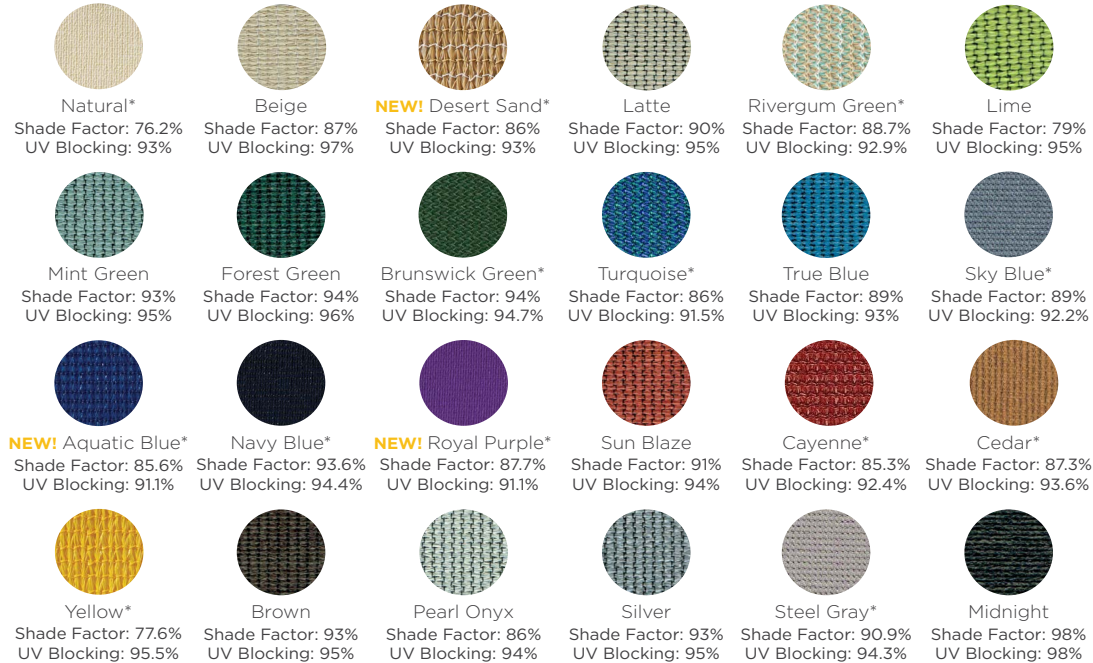
Backed by a [10-year limited warranty](#).



PACKET

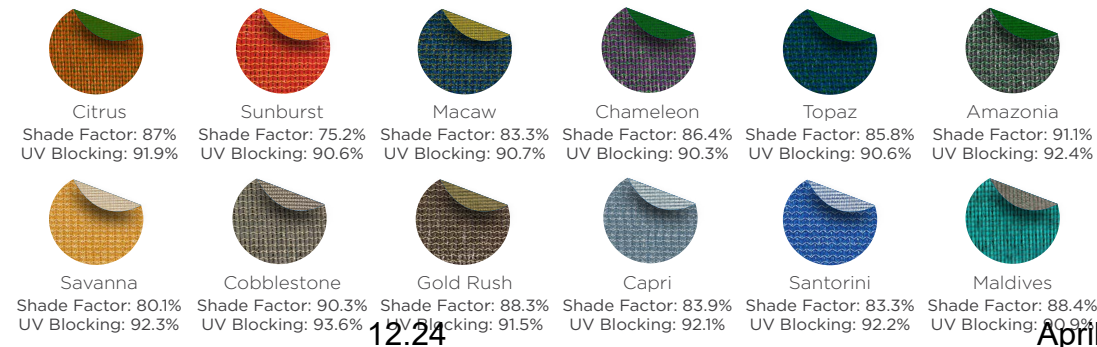
Traditional Fabric

This selection of fabric colors are California Fire Marshal certified, fire retardant, and pass the NFPA 701 or ASTM E84 tests. Colors marked with an asterisk are available as both flame retardant and non-flame retardant. Backed by a [10-year limited warranty](#).



Dual Shade Fabric

Available for an upcharge for our Hypar Umbrella, Triangle Sail, and Hyperbolic Sail. Backed by a [10-year limited warranty](#).



2 REASONS TO CHOOSE FLAME RETARDANT FABRIC

① Helps meeting appropriate federal, state, and local building codes.

② Permanent and reliable flame retardant properties, as opposed to fabrics treated with FR additives in a post-production application.

12.24

April 8, 2025

Shade Warranty

Superior Recreational Products (SRP) warrants that its product will be free from defects in materials and workmanship as well as maintain structural integrity for the periods listed below from the date of invoice and once SRP has been paid in full. This warranty is in effect only if the product has been assembled and installed strictly in accordance with the setup instructions provided by SRP, good construction practices, general maintenance and care is provided as per instructions in the customer packet, and has been subjected only to normal use and exposure. Product should be maintained per the instructions given at time of delivery.

LW Lifetime* Warranty on stainless steel hardware

20 20-Year Limited Warranty on framework

10 10-Year Limited Warranty on fabric

5 5-Year Limited Warranty on powder coat

1 1-Year Limited Warranty on cables

1 1-Year Limited Warranty on materials not above

The Limited Warranty excludes abnormal conditions, contingent liability, cosmetic defects such as scratches, dents, marring, stripping, peeling, or fading; damage due to incorrect installation, vandalism, misuse, accident wear and tear from normal use; exposure to extreme weather, immersion in salt or chlorine water, damage due to sand, salt spray, or other abrasive and corrosive material; unauthorized repair or modification, abnormal use, or lack of maintenance. The warranty does not cover damages due to "acts of God" such as hail, flooding, lightning, tornadoes, sand storms, shifts of terrain, earthquakes, mudslides, and wind-storms.

SRP does not warrant product for defects caused by erection, harsh site conditions, lack of maintenance, and/or other conditions beyond SRP's control. SRP will not be held responsible for any materials that were not properly stored prior to installation. SRP reserves the right to void the limited warranty if it not installed per the installation instructions and/or unauthorized modifications.

In the unlikely event of failure, SRP reserves the right to alter the design, color, or contributing factors to rectify the condition and help prevent any future reoccurrence(s). SRP has the option to repair or replace any defect in materials.

The warranty is void if any changes, modifications, additions, or attachments are made to the product without the written consent of the manufacturer.

No signs, objects, ornaments, fans, lights, fixtures, or decorations may be hung from the structure unless specifically designed and engineered by the manufacturer or has manufacturers written approval.

SRP excludes any implied warranty of merchantability, fitness, or purpose, and there are no warranties which extend beyond the description of the face hereof. Under no circumstances will SRP be responsible for any indirect, special, consequential, incidental, or liquidated damages due to breach of warranty and such damages are specifically excluded from the warranty.

The owner shall notify SRP with original Sales Order Number issued from SRP to arrange for an inspection within 30 days after discovery of any defect under this warranty and before any alteration or repair is made or attempted. This Limited Warranty shall be null and void if the owner makes any alterations in design.

This warranty is the only express warranty given by the company. No person has authority to change or add to these obligations and liabilities. The company reserves the right to determine whether the fault is caused by faulty workmanship, material, or the part that is defective.

SRP will repair or replace at its discretion any defective part/s on an Ex-Works basis only. It is the responsibility of the customer to return the whole unit or the defective part/s at their own cost back to SRP for inspection along with proof of the date of purchase. SRP will not be liable for any costs incurred by the customer as a result of replacing the defective part/s, including but not limited to the costs of site visits and the labor costs involved with the removal and reinstallation of the whole unit or the defective part/s. Furthermore SRP will not be liable for any claimed compensation while the unit is not working or not present at the site whatsoever. This guarantee does not entitle the customer to a complete new product due to a defective component.

Limited Warranty: Structural Steel

SRP offers a 20-year Limited Warranty on structural steel frames for shade canopies against failure due to rust-through corrosion under normal environmental conditions. Should the fabric or parts need to be replaced under the warranty, SRP will manufacture and ship new replacement parts at no charge for the first ten years, thereafter pro-rated at 10% per annum over the last ten years.

PACKET

12.25

April 8, 2025

Workmanship is warranted for a period of five years. This steel warranty shall be void if damage to the steel is caused by the installer or from physical damage, damage by salt spray or sprinkler systems, contact with chemicals, chlorine, pollution, misuse, vandalism, or any act of God.

Limited Warranty: Powder Coat

Superior Recreational Products offers a 5-year Limited Warranty for powder coating to the original purchaser. This Limited Warranty is for factory applied finish only. Damage occurring from shipping, erection, vandalism, accidents, or field modification is not covered in this limited warranty and will require field touch-up immediately and periodically thereafter. The owner must report any defect in powder coat at the time the installation is completed. Not covered by this Limited Warranty are acute angles, welds, and end plates.

The Limited Warranty for powder coating provides the following after a 5-year exposure period when applied according to the recommendations listed on the product's technical data sheet and appropriate surface preparation has been utilized.

- The coatings shall retain their original color with a ΔE of <7.5 units for high chroma colors (yellows, reds, oranges, etc.) and a ΔE of <5.0 units for low chroma colors, when tested in accordance with ASTM D 2244.
- The coating shall retain a minimum of 50% of its original gloss level after washing, when tested in accordance with ASTM D 523.
- The coating shall exhibit chalking no worse than numerical rating of 6, when evaluated in accordance with ASTM D 659-80.

Limited Warranty: Shade Fabric

Traditional shade fabric made with PTFE fiber that is high strength and low shrinkage and VALMEX[®] MEHATOP F 1 waterproof fabric carry a 10-year limited warranty. This warranties that the sewing thread used on the traditional shade fabric will be free from defects in material and workmanship and will not be damaged by exposure to sunlight, weather, and water. All other warranties are disclaimed.

SRP fabrics carry a 10-Year Limited Manufacturer's Warranty from the date of delivery against failure from significant fading**, deterioration, breakdown, outdoor heat, cold, or discoloration. Should the fabric need to be replaced under the warranty, SRP will manufacture and ship new fabric at no charge for the first six years, thereafter pro-rated at 18% per annum over the last four years.

**The colors red and yellow are warranted against significant fading for only two years.

If the corners of the fabric are equipped with both holes in the fabric corner PLUS reinforcing straps, BOTH the strap and fabric hole must be placed over each corner hook or the fabric warranty is void.

Fabric curtains, valences, or flat vertical panels are not covered under the warranty.

Fabric is not warranted where it is installed on a structure that is not engineered and built by SRP or its agents.

This warranty shall be void if damage to or failure to the shade is caused by contact with chemicals, chlorine, bleaching agents, hydrocarbons or hydrocarbon containing solvents, misuse, vandalism, or any act of God, including but not limited to wind in excess of the wind limitations set forth below.

All fabric tops are warranted for sustained winds up to 76 mph (Hurricane Force 1) and for gusts of up to 3 seconds duration up to 90 mph. Removal of the shade fabric is required if damaging winds are called for. Damage due to snow and/or ice accumulation is not covered by this warranty. Canopies should be removed during the "off season."

These structures have been designed to eliminate any friction between the rafters and the fabric. The warranty will, therefore, be voided if any modification (temporary or permanent) is made to the rafter, cross pieces, or ridge beams, or if the fastening apparatus or canopy are not secured accordingly.

Structures are warranted for winds up to 90 or 105 mph only if shade canopies have been removed as per requirement set forth above in the fabric paragraph. Removal and re-installation must be performed by a qualified person or authorized dealer.

**For the purpose of this warranty, lifetime encompasses no specific term of years, but rather that seller warrants to its original customer for as long as the original customer owns the product and uses the product for its intended purpose that the product and all parts will be free from defects in materials and manufacturing workmanship. This warranty does not cover damage caused by vandalism, misuse or abuse, altered or modified parts, or cosmetic damage such as scratches, dents, or fading or weathering and normal wear and tear. This warranty is valid only if the structures are installed in conformity with instructions provided by Superior Recreational Products using approved Superior Recreational Products parts. Superior Recreational Products will deliver the repaired or replacement part or parts to the site free of charge, but will not be responsible for labor or the labor costs of replacement. Warranty claims must be filed within the applicable warranty period and accompanied by a sales order or invoice number.*



Playgrounds Etc.

1410 W Texas Ave.
Midland, TX 79701
432-687-6388

Bid

Date

Bid #

3/26/2025

32590

Name / Address

COM

300 N. Loraine Ave
Midland TX 79701

Notes to Client

Install address: Alamo Park, 900 Midland Dr, Midland, TX 79703

Rep	Project Location	Project		
Amber Graham	Doug Russell Pool	Shades		
Item	Description	Qty	Rate	Total
SRP SHADE	Hanging Cantilever, 18' x 18' x 9', Embedded w/ Glide Elbows	5	\$11,103.20	\$55,516.00
SRP SHADE	Hexagon Hip Shade, 20' wide, 12' height, Embedded w/ Glide Elbows	2	\$8,341.50	\$16,683.00
SRP SHADE	Expedite Fees	1	\$2,400.00	\$2,400.00
Bond	Bond	1	\$2,417.33	\$2,417.33
Freight	Freight	1		\$8,901.00
Installation	Installation of items listed on this proposal	1		\$58,334.29
BuyBoard Discount	BuyBoard Discount, Vendor #679-22			-\$10,500.00
			SubTotal	\$133,751.62
			Sales Tax (0.0%)	\$0.00
			Total	\$133,751.62

Approval Signature: _____ Date: _____

Thank you for the opportunity to quote your upcoming project. If you have any questions about this proposal or if you need to make any revisions, please contact your Design Consultant at 866-451-2814. We look forward to helping you complete your next project. This bid is good for 30 days.

March 26, 2025 **PACKET**

12.27

April 8, 2025 Page 1 of 1

EXHIBIT C

Bonding Requirements

The successful bidder shall be required to furnish a Performance & Payment Bond* for bids in excess of \$50,000.00, in an amount equal to one hundred percent (100%) of the total contract price, such bond to be executed by a Corporate Surety authorized to do business in the State of Texas and acceptable to the City of Midland. **All bonds must be executed on forms contained in these contract documents.** The form of agreement which the successful bidder, as contractor, will be required to execute is also included herewith. The form of agreement and the form of the bonds should be carefully examined by the bidder.

A certified check, cashier's check, bank money order, or irrevocable letter of credit issued by a bank satisfactory to the City, **or a bidder's bond on the form provided**, in the amount of five percent (5%) of the largest possible lump sum bid submitted, payable without recourse to the City, must accompany the bidder's proposal, as a guaranty that the bidder will enter a contract and execute the required payment bond and guaranty in the forms provided within fifteen (15) days after notice of award of contract to him. Bids or proposals without the required bid guaranty will not be considered. All bid sureties and payment bonds shall name the City of Midland as Obligee.

*A cash security such as a cashier's check or irrevocable letter of credit issued by a bank satisfactory to the City for 100 % of the contract amount may be supplied in lieu of the Performance and Payment Bonds. The check will be returned un-cashed upon satisfactory completion of the work and evidence of payment of all obligations due for the contract.

PAYMENT BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT
_____ of the City of
_____ of the County of _____ and State of Texas
as Principal, and _____, as Surety, are held and
firmly bound unto the City of Midland, Texas, as Oblige, in the amount of
_____ DOLLARS
(\$ _____) for the payment whereof the said Principal and Surety bind themselves, their heirs,
administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Oblige, dated the _____
day of _____, 20____, for the furnishing of materials, equipment to perform all labor and work
necessary for _____, hereof as fully and to the
same extent as if copied at length herein.

NOW, THEREFORE, the condition of the obligation is that if the said Principal shall pay all claimants
supplying labor and material to him or a subcontractor in the prosecution of the work provided for in said
contract, then this obligation shall be null and void; otherwise, it is to remain in full force and effect.

Surety, for value received, stipulates and agrees that no change, extension of time alteration or addition
to the terms of the contract, or to the work performed there under, or the plans, specifications of drawings
accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders,
shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of

time, alteration or addition to the terms of the contract, assignment thereof, or to the work to be performed there under.

IN WITNESS WHEREOF the said Principal and Surety have signed and sealed this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

PERFORMANCE BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT _____ (Hereinafter called the Principal[s]), as Principal(s), and _____ (Hereinafter called the Surety), as Surety, are held and firmly bound unto the City of Midland, Texas a home rule municipal corporation of Midland County, Texas, (hereinafter called the Obligee), in the amount of _____ DOLLARS (\$ _____) for the payment whereof the said Principal and surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the _____ day of _____, 20____, for the furnishing of materials and equipment to perform all labor and work necessary for the construction of _____, specifically including in the scope of this work and bond, the additional maintenance guaranty provisions set forth in the contract conditions, which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein, as well as the Principal's primary obligation to perform according to plans and specifications.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform the work in accordance with the plans, specifications, instructions to bidder, general and special conditions and other contract documents, including any addendum thereto, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED further that if any legal action be filed upon this Bond venue shall lie in Midland County, State of Texas.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specifications or drawings accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders, shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of time, alteration or addition to the terms of the contract, assignment thereof, or the work to be performed thereunder.

IN WITNESS WHEREOF, the said Principal and surety do sign and seal this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

EXHIBIT D - Building Wage Rate rev 01/05/2024

"General Decision Number: TX20240261 01/05/2024

Superseded General Decision Number: TX20230261

State: Texas

Construction Type: Building

County: Midland County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

BOIL0074-003 07/01/2023

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
(1) Tower Crane.....	\$ 32.85	13.10
(2) Cranes with Pile Driving or Caisson Attachment and Hydraulic Crane 60 tons and above.....	\$ 28.75	10.60
(3) Hydraulic cranes 59 Tons and under.....	\$ 32.35	13.10

IRON0084-011 06/01/2023		

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 27.51	8.13

PLUM0404-001 09/01/2022		

	Rates	Fringes
PLUMBER.....	\$ 28.64	10.65

SUTX2014-037 07/21/2014		

	Rates	Fringes
BRICKLAYER.....	\$ 20.00	0.00
CARPENTER.....	\$ 13.82 **	0.00
CEMENT MASON/CONCRETE FINISHER...	\$ 13.76 **	0.00
ELECTRICIAN.....	\$ 23.18	6.31
INSULATOR - MECHANICAL (Duct, Pipe & Mechanical System Insulation).....	\$ 19.77	7.13
IRONWORKER, REINFORCING.....	\$ 12.27 **	0.00
IRONWORKER, STRUCTURAL.....	\$ 22.16	5.26
LABORER: Common or General.....	\$ 11.80 **	0.00
LABORER: Mason Tender - Brick...	\$ 11.38 **	0.00
LABORER: Mason Tender - Cement/Concrete.....	\$ 10.58 **	0.00
LABORER: Pipelayer.....	\$ 12.49 **	2.13
LABORER: Roof Tearoff.....	\$ 11.28 **	0.00
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 14.25 **	0.00
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 13.93 **	0.00
OPERATOR: Bulldozer.....	\$ 18.29	1.31
OPERATOR: Drill.....	\$ 16.22 **	0.34
OPERATOR: Forklift.....	\$ 14.83 **	0.00
OPERATOR: Grader/Blade.....	\$ 13.37 **	0.00
OPERATOR: Loader.....	\$ 13.55 **	0.94
OPERATOR: Mechanic.....	\$ 17.52	3.33
OPERATOR: Paver (Asphalt, Aggregate, and Concrete).....	\$ 16.03 **	0.00

OPERATOR: Roller.....	\$ 12.70 **	0.00
PAINTER (Brush, Roller, and Spray).....	\$ 15.00 **	0.73
PIPEFITTER.....	\$ 25.80	8.55
ROOFER.....	\$ 14.75 **	0.00
SHEET METAL WORKER (HVAC Duct Installation Only).....	\$ 22.73	7.52
SHEET METAL WORKER, Excludes HVAC Duct Installation.....	\$ 19.50	0.00
TILE FINISHER.....	\$ 11.22 **	0.00
TILE SETTER.....	\$ 14.74 **	0.00
TRUCK DRIVER: Dump Truck.....	\$ 12.39 **	1.18
TRUCK DRIVER: Flatbed Truck.....	\$ 19.65	8.57
TRUCK DRIVER: Semi-Trailer Truck.....	\$ 12.50 **	0.00
TRUCK DRIVER: Water Truck.....	\$ 12.00 **	4.11

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

=====

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$17.20) or 13658 (\$12.90). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide

employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate

changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION"

EXHIBIT D - Heavy & Highway Wage Rate Rev 01/05/2024

"General Decision Number: TX20240002 01/05/2024

Superseded General Decision Number: TX20230002

State: Texas

Construction Types: Heavy and Highway

Counties: Armstrong, Carson, Crosby, Ector, Irion, Lubbock, Midland, Potter, Randall, Taylor and Tom Green Counties in Texas.

HEAVY & HIGHWAY CONSTRUCTION PROJECTS

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

|_____||_____||

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

Modification Number Publication Date
0 01/05/2024

SUTX2011-002 08/02/2011

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER (Paving & Structures)...	\$ 13.55	**
ELECTRICIAN.....	\$ 20.96	
FORM BUILDER/FORM SETTER Paving & Curb.....	\$ 12.36	**
Structures.....	\$ 13.52	**
LABORER Asphalt Raker.....	\$ 12.28	**
Flagger.....	\$ 9.30	**
Laborer, Common.....	\$ 10.30	**
Laborer, Utility.....	\$ 11.80	**
Work Zone Barricade Servicer.....	\$ 10.30	**
POWER EQUIPMENT OPERATOR: Asphalt Distributer.....	\$ 14.87	**
Asphalt Paving Machine.....	\$ 13.40	**
Broom and Sweeper.....	\$ 11.21	**
Crane, Lattice Boom 80 Tons or Less.....	\$ 16.82	**
Crawler Tractor Operator....	\$ 13.96	**
Excavator, 50,000 lbs or less.....	\$ 13.46	**
Front End Loader Operator, Over 3 CY.....	\$ 12.77	**

Front End Loader, 3CY or
 less.....\$ 12.28 **
 Loader/Backhoe.....\$ 14.18 **
 Mechanic.....\$ 20.14
 Milling Machine.....\$ 15.54 **
 Motor Grader, Rough.....\$ 16.15 **
 Motor Grader, Fine.....\$ 17.49
 Pavement Marking Machine....\$ 16.42 **
 Reclaimer/Pulverizer.....\$ 12.85 **
 Roller, Asphalt.....\$ 10.95 **
 Roller, Other.....\$ 10.36 **
 Scraper.....\$ 10.61 **
 Spreader Box.....\$ 12.60 **

Servicer.....\$ 13.98 **

Steel Worker (Reinforcing).....\$ 13.50 **

TRUCK DRIVER

Lowboy-Float.....\$ 14.46 **
 Single Axle.....\$ 12.74 **
 Single or Tandem Axle Dump..\$ 11.33 **
 Tandem Axle Tractor with
 Semi.....\$ 12.49 **

 WELDERS - Receive rate prescribed for craft performing
 operation to which welding is incidental.

=====
 ** Workers in this classification may be entitled to a higher
 minimum wage under Executive Order 14026 (\$17.20) or 13658
 (\$12.90). Please see the Note at the top of the wage
 determination for more information. Please also note that the
 minimum wage requirements of Executive Order 14026 are not
 currently being enforced as to any contract or subcontract to
 which the states of Texas, Louisiana, or Mississippi, including
 their agencies, are a party.

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 Davis-Bacon Act for which the contract is awarded (and any
 solicitation was issued) on or after January 1, 2017. If this
 contract is covered by the EO, the contractor must provide
 employees with 1 hour of paid sick leave for every 30 hours
 they work, up to 56 hours of paid sick leave each year.
 Employees must be permitted to use paid sick leave for their
 own illness, injury or other health-related needs, including

preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

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WAGE DETERMINATION APPEALS PROCESS

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Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

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U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

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U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION"



THE CITY OF MIDLAND

CONTRACT

Contract No. 25004374

THIS CONTRACT, effective the 9 day of April 2025, by and between the City of Midland, hereinafter referred to as "CITY", and 4B Recreation Group, LLC dba Playgrounds Etc., hereinafter referred to as "COMPANY", is made for the following considerations:

1. **Cost:** Total Proposal: \$ 133,751.62 DOLLARS
2. **Scope of Work:** COMPANY shall perform all work described and shall provide labor, materials, equipment and supervision necessary for purchase and installation of the Shade Structures at Doug Russell Pool. Said work being more particularly described in the following documents, which are attached hereto and incorporated herein for all purposes.

EXHIBIT A..... Specifications, Proposal or Cost Summary

EXHIBIT B..... Intentionally Omitted

EXHIBIT C..... Bonding instructions for Public Works Contract of \$50,000 and more

EXHIBIT D..... Wage Scale

3. **City:** The words "CITY's Representative" or "representative" shall mean Laurie Williams or the designee under whose supervision these contract documents, including the plans and specifications, were prepared, or who may inspect work performed under this Contract; or such other representative, supervisor, or inspector as may be authorized by CITY to act in any particular capacity under this Contract.

4. **City's Representative:** CITY's Representative may make periodic visits to the site to observe the progress and quality of the executed work and to determine, in general, if the work is proceeding in accordance with the contract documents. CITY's representative will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work, nor will such representative be responsible for the construction means, methods, techniques, sequences or procedures, or the safety precautions incident thereto. CITY's representative will not be responsible for COMPANY's failure to perform the work in accordance with the contract.

5. **Company:** Unless otherwise stipulated, COMPANY shall provide and pay for all materials,
PACKET 12.47 April 8, 2025

supplies, machinery, equipment, tools, superintendence, labor, insurance, and all water, light, power, fuel, transportation and all other facilities necessary for the execution and completion of the work covered by the contract documents. Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of a good quality. COMPANY shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

5.1. COMPANY shall, at its expense, obtain all permits and licenses necessary for the performance of this contract and pay all fees and taxes required by law, and comply with all laws, ordinances, rules and regulations governing COMPANY's performance of the contract, including all environmental laws and regulations, whether state or federal.

5.2. All work shall be done and all materials furnished in strict conformity with the contract and specifications.

6. **Minor Work Not Mentioned:** All minor detail of the work not specifically mentioned in the Specifications but obviously necessary for the proper completion of the work, such as the proper connection of new work to old, shall be considered as incidental to and a part of the work for which the prices are named in the contract. COMPANY will not be entitled to any additional compensation therefor unless specifically stated otherwise. Otherwise the term "extra work" as used in this contract shall mean and include all work that may be required by CITY to be done by COMPANY to accomplish any alteration or addition to the work as shown on the Specifications.

6.1. COMPANY shall perform all extra work under the direction of CITY's Representative when presented with a written work order signed by CITY's Representative, subject, however, to the right of the COMPANY to require written confirmation of such extra work order by CITY. Payment for extra work shall be as agreed in the work order.

7. **Safety:** COMPANY shall at all times exercise reasonable precaution for the safety of employees and others on or near the work and shall comply with all applicable provisions of federal, state and municipal laws. All machinery and equipment and other physical hazards shall be guarded in accordance with federal, state or municipal laws or regulations.

8. **INDEMNITY: COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES**

OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.1. COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, PROPERTY DAMAGE, LOSSES, AND EXPENSES OF ANY CHARACTER WHATSOEVER INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF CITY, CITY'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH COMPANY OR COMPANY'S EMPLOYEES, AGENTS OR SUBCONTRACTORS NEGLIGENCE IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS CONTRACT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.1 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

8.2. COMPANY AGREES THAT IT WILL INDEMNIFY AND SAVE CITY HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS CONTRACT. WHEN CITY SO DESIRES, COMPANY SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR WAIVED. COMPANY, ITS SURETIES AND

INSURANCE CARRIERS SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS CITY AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS CONTRACT, AND WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST CITY OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES. THE OBLIGATIONS CONTAINED IN THIS SECTION 8.2 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

9. **Start of Work:** COMPANY shall commence work no later than ten (10) days after receipt of the execution of this document or other written release to proceed and shall complete such work no later than 60 calendar days after release to proceed.

10. **Clean Up:** COMPANY shall promptly remove from CITY's premises all materials condemned by CITY's Representative on account of failure to conform to the contract, whether actually incorporated in the work or not, and COMPANY shall at its own expense promptly replace such condemned materials with other materials conforming to the requirements of the contract. COMPANY shall also bear the expense of restoring all work of other contractors damaged by any such removal or replacement. If COMPANY does not remove and replace any such condemned materials within a reasonable time after a written notice by CITY, CITY may remove and replace such at COMPANY's expense.

11. **Warranty:** Neither the final payment nor any provision in this contract shall relieve COMPANY of responsibility for faulty materials or workmanship, and he shall remedy any defects due thereto and pay for any damage to other work resulting therefrom, which shall appear within a period of one (1) year from the date of substantial completion. CITY shall give notice of observed defects with reasonable promptness.

12. **Remedy:** CITY may, on account of subsequently discovered evidence, withhold whole or part of any payment to such extent as may be necessary to protect itself from loss on account of:

12.1. Defective work not remedied; or

12.2. Claims filed or reasonable evidence indicating possible filing of claims; or

12.3. Failure of COMPANY to make payments promptly to subcontractors or for material or labor which CITY may pay as an agent for the COMPANY; or

12.4. Damages to another contractor or subcontractor.

When the above grounds to withhold payment are removed, or COMPANY provides a surety bond satisfactory to CITY, which will protect CITY in the amount withheld, payment may be released.

13. **Funding Out:** In the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable in any fiscal period for contract payments due under the contract, then this contract shall terminate on the last day of the fiscal period for which full appropriations were made, without penalty or expense to CITY of any kind whatsoever.

14. **Wage Scale:** COMPANY agrees to pay all workmen in his employ no less than the generally prevailing wage rate for employees of similar category in the Permian Basin Area, as is depicted in the wage rate scale attached hereto as EXHIBIT D, and incorporated herein by reference for all legal purposes.

14.1. If applicable, the Davis-Bacon Act, 29 CFR 5.5, and any related acts or regulations are hereby incorporated by reference and made a part of this Contract, and all terms and requirements under said laws, by such incorporation, are made terms and requirements of this Contract, to which the parties to this Contract have agreed to be bound.

15. **Prompt Pay Act:** CITY and COMPANY agree that Texas Government Code, Chapter 2251, Payment for Goods and Services (the "Prompt Pay Act") does not waive governmental immunity.

16. **Payment:** After all work is completed by COMPANY, including all Change Orders altering the original scope and amount of said contract are completed, and CITY has inspected and approved that the work is completed and in compliance with the contract and all subsequent Change Orders, CITY shall thereafter issue payment to COMPANY in the amount of the contract and all Change Orders. CITY shall be the final judge of when the work is completed by COMPANY. CITY, in its sole discretion, shall determine if the work under the contract and under any Change Orders has been done to CITY's requirements. CITY may make periodic payments to COMPANY, however such periodic payments may only be made pursuant to this paragraph, and only after all work and all Change Orders are completed by COMPANY and approved by CITY. For contracts exceeding \$25,000 and construction time exceeds ninety days, requests for progress payments may be made to the extent of the materials and labor completed at the end of each month. Upon approval by the Owner's Representative the request and invoice shall be forwarded for payment less 5% retainage. The total of these payments shall not exceed 95% of the total contract amount.

17. **No Third-Party Beneficiary:** CITY's approval of this contract does not create a third-party beneficiary. There is no third-party beneficiary to this contract. No person or entity, who is not a party to

this contract shall have any third-party beneficiary or other rights hereunder.

18. WAIVER OF ATTORNEY FEES: BY EXECUTING THIS CONTRACT, COMPANY AGREES TO WAIVE AND DOES HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST CITY REGARDING THE AWARD OR ATTORNEY'S FEES, WHICH ARE IN ANY WAY RELATED TO THIS CONTRACT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS CONTRACT. COMPANY SPECIFICALLY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS CONTRACT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS CONTRACT, INCLUDING, BUT NOT LIMITED TO, ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, COMPANY AGREES TO ABANDON, WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH COMPANY MIGHT OTHERWISE BE ENTITLED.

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY-EXISTING KNOWN RIGHT. COMPANY ACKNOWLEDGES THAT IT UNDERSTANDS ALL TERMS AND CONDITIONS OF THIS CONTRACT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN CITY AND COMPANY. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OR GOVERNMENTAL IMMUNITY AND SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS CONTRACT WITH COMPETENT LEGAL COUNSEL PRIOR TO ITS EXECUTION. THE OBLIGATIONS CONTAINED IN THIS SECTION 18 SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

19. Governmental Immunity: By executing this contract CITY is not waiving its right of governmental immunity. CITY is retaining its immunity from suit. CITY is not granting consent to be sued by legislative resolution or action.

20. **Insurance:**

COMPANY shall at all times during the term of this Contract maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

-Personal Injury: \$1,000,000.00 per person
\$1,000,000.00 per occurrence

-Property Damage: \$500,000.00 per occurrence

Business Automobile Liability: \$250,000.00 combined single limit -
Personal Injury and Property Damage

Workers' Compensation: Statutory limits

Employers' Liability: \$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-city vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Contract. This insurance shall name CITY as an additional insured and waive subrogation in favor of CITY.

The Workers' Compensation coverage provided by COMPANY shall inure to the benefit of employees injured during the course and scope of their employment by COMPANY pursuant to this Contract. The Workers' Compensation shall waive all rights of subrogation in favor of CITY.

All insurance required pursuant to this Contract shall provide for a waiver of subrogation in favor of CITY. All insurance required pursuant to this Contract, except for Workers' Compensation Insurance, shall name CITY as an additional insured on a claims occurred basis. CITY shall be provided the notice by COMPANY's insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

COMPANY shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Contract to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of the City of Midland and policies that name the City of Midland as an additional insured on a claims occurred basis (except workers compensation).

The parties agree that, prior to the execution of the Contract, COMPANY shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of CITY. CITY shall not be required to provide any insurance whatsoever pursuant to this Contract.

COMPANY certifies that the certificate of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. COMPANY shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of COMPANY.

21. **Assignment:** COMPANY shall not, either directly or indirectly, assign all or any part of this Contract or any interest, right or privilege herein, without the prior written consent of CITY. The issue on whether or not to grant consent to an assignment is in the sole discretion of CITY.

22. **RELEASE: NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES CITY AND CITY'S COUNCIL MEMBERS, EMPLOYEES, AND OFFICERS FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES OR CAUSES OF ACTION OF ANY KIND WHATSOEVER THAT COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR CITY'S NEGLIGENCE. THE OBLIGATIONS CONTAINED IN THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.**

23. **Governing Law and Venue:** This contract shall be governed by the laws of the State of Texas. All performance and payment made pursuant to this contract shall be deemed to have occurred in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claims, suits or any other action arising from or connected in any way to this contract or the performance of this contract shall be in Midland County, Texas.

24. **Independent Contractor:** COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant, or employee of CITY. COMPANY shall have exclusive control of, and the exclusive right to control the details of the services and work to be performed hereunder, and all persons performing the same. COMPANY shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors and the doctrine

of respondeat superior shall not apply as between CITY and COMPANY, its officers, agents, employees, contractors and subcontractors. Nothing in this Contract shall be construed as creating a partnership or joint enterprise between CITY and COMPANY. No person performing any of the work and services described hereunder by COMPANY shall be considered an officer, agent, servant or employee of CITY. Further, it is specifically understood and agreed that nothing in this contract is intended or construed as creating a "Community of Pecuniary Interest" or an "Equal Right of Control" which would give rise to vicarious liability.

COMPANY shall be an independent contractor under this Contract and shall assume all of the rights, obligations and liabilities, applicable to it as such independent contractor hereunder. CITY does not have the power to direct the order in which the work is done. CITY shall not have the right to control the means, methods or details of COMPANY's work. COMPANY shall assume exclusive responsibility for the work. COMPANY is entirely free to do the work in its own way.

25. **Notice of Alleged Breach; Statutory Prerequisites:** As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Contract, COMPANY or its legal representative, shall give the City Manager, or any other reasonable official of CITY, notice in writing (consisting of one (1) original and seven (7) copies of notice attached to a copy of this Contract) of such damages, duly verified, within one hundred twenty (120) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which COMPANY shall settle, the physical and mailing addresses of COMPANY at the time and date the claim was presented and the physical and mailing addresses of COMPANY for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom COMPANY relies to establish its claim; and a failure to provide such written notification within the time and manner provided herein shall exonerate, excuse and except CITY from any liability whatsoever. CITY is under no obligation to provide notice to COMPANY that COMPANY's notice is insufficient. CITY reserves the right to request additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision to the contrary, COMPANY's failure to comply with the requirements of this Section shall perpetually bar COMPANY's claim for damages under Chapter 271 of the Texas Government Code, and Section 311.034 of the Texas Government Code, unless if

CITY has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Contract are reasonable. The provisions and obligations of this Section shall survive the termination of this Contract.

26. **Consideration:** The terms of this Contract are supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties named herein.

27. **Termination At Will:** CITY may terminate this Contract at will for no or any reason upon giving at least one hundred eighty (180) days written notice to COMPANY. The parties to this Contract understand and agree that it is in CITY's sole discretion to cancel the Contract during the term of the Contract without penalty to CITY. COMPANY has no expectation and has received no guarantees that this Contract will not be terminated before the end of the Contract term. The parties have bargained for the flexibility of terminating this Contract upon tender of the requisite notice at any time during the term of the Contract. All work and services under the Contract shall be suspended upon termination of the Contract becoming effective.

28. **Compliance:** COMPANY agrees that it shall comply with Texas Government Code Section 2252.908, *et seq.*, as amended. COMPANY agrees that it shall comply with Texas Local Government Code Section 176.006, *et seq.*, as amended.

29. To the extent that Sections 2271.002 and 2274.002, and 2276.002 of the Texas Government Code (collectively, the "Anti-Boycott Statutes") apply to this Contract, Company hereby verifies:

- that Company does not boycott Israel and will not boycott Israel during the term of this Contract;
- that Company does not boycott energy companies and will not boycott energy companies during the term of this Contract; and
- that Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Contract against a firearm entity or firearm trade association.

To the extent that the Anti-Boycott Statutes do not apply to this Contract, such verification is not required, and Company shall be deemed to have not made such verification.

30. **Records Retention and Production of Information.** To the extent that this Contract constitutes a contract described by Section 552.371 of the Texas Government Code, COMPANY shall: (i) preserve all contracting information related to this Contract as provided by the records retention requirements applicable to CITY for the duration of this Contract; (ii) promptly provide to CITY any contracting information related to the Contract that is in the custody or possession of COMPANY on request of CITY;

and (iii) on completion of the Contract, either: (a) provide at no cost to CITY all contracting information related to the Contract that is in the custody or possession of COMPANY; or (b) preserve the contracting information related to the Contract as provided by the records retention requirements applicable to CITY.

31. **Public Information.** To the extent that this Contract is a contract described by Section 552.371 of the Texas Government Code, COMPANY agrees as follows in accordance with Section 552.372(b) of the Texas Government Code: The requirements of Subchapter J, Chapter 552, Government Code, may apply to this Contract, and COMPANY agrees that the contract can be terminated if COMPANY knowingly or intentionally fails to comply with a requirement of that subchapter.

32. **Conflict of Terms.** If a conflict of terms or language exists between: (i) any of the provisions of this Contract and (ii) any of the provisions contained in any exhibit(s) attached to this Contract, precedence shall be given to the provisions of this Contract. For the avoidance of any doubt, the provisions contained in this Contract shall supersede any and all conflicting provisions contained in any exhibit(s) attached hereto. Furthermore, the parties acknowledge and agree that any provision contained in an exhibit(s) attached to this Contract that imposes an additional express or implied obligation on CITY is hereby made void and of no force or effect. CITY's sole and exclusive obligations under this Contract are contained in the provisions of this Contract that precede the signature page(s), which evidences the parties' execution.

33. Company agrees that all iron or steel products produced through a manufacturing process and used in the project that is the subject of this Contract shall be produced in the United States in accordance with Government Code § 2252.202, et seq., as amended.

EXECUTED IN DUPLICATE the day and year first above mentioned.

THE CITY OF MIDLAND, TEXAS

By: _____
Tommy Gonzalez, City Manager

ATTEST

Marcia Bentley-German, City Governance Officer/City Secretary

APPROVED ONLY AS TO FORM

Nicholas Toulet, Interim City Attorney

COMPANY:

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this ____ day of _____, 20____ personally appeared, _____, an officer of 4B Recreation Group, LLC dba Playgrounds Etc., known to me to be the person and official whose name is subscribed to the forgoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20____.

Project Proposal

Prepared for
City of Midland - Doug Russell Pool
Shades

March 2025



Prepared by



1410 W. Texas Avenue
Midland, Texas 79701
432-687-6388
playgroundsetc.com

Scope of Work

City of Midland

Playgrounds Etc understands that new construction and dealing with contractors can be stressful and burdensome. Our mission at Playgrounds Etc is to ensure that we make designing, receiving, and installing your new play scape the enjoyable experience that it should be. It has been a pleasure designing and bidding this project for your children. Keeping in mind the many options to consider when designing a new playground, we were able to design a playground that we are certain will best suit the needs of the children, and also meet the pricing objectives of your organization.

Site Preparation (1 Day)

Site preparation can be the most important stage of the process when completing a project of this scale. We will be contacting Dig Tess, which is an organization that will mark any public utilities leading up to, or conflicting with, the designated play area. One aspect of installation that is always considered is the slope of the area. Slope is important to ensure that proper drainage is obtained, thus reducing the amount of water that comes into contact with the play area. Proper drainage will reduce displacement of surfacing materials. We also want to make sure that we do not create any drainage issues for the surrounding facilities. While we are happy to provide machinery for minor excavations in order to complete this process any major excavation will need to be discussed and contracted for beforehand.

Delivery (10-12 Weeks)

The equipment will be shipped via an eighteen wheel truck and trailer to your location. Receiving a shipment of this size can become a burden if the right amount of man power and machinery are not available. Playgrounds Etc will be happy to supply needed man power and/or machinery needed to receive the shipment of equipment and surfacing materials if need be.

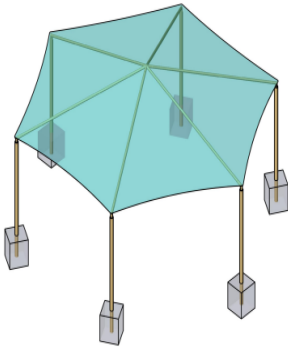
Installation (1-2 Weeks)

The next step will be to have all specified equipment installed. The installation will be a full installation, supervised by Certified Playground Safety Inspectors. Our installers will ensure that all equipment is installed in the proper locations, maintaining proper safety zones. The upright posts for the composite units will be concreted in the ground at a depth of 30 inches, in order to ensure stability. Once all the equipment has been installed we will then begin the process of installing the safety surfacing.

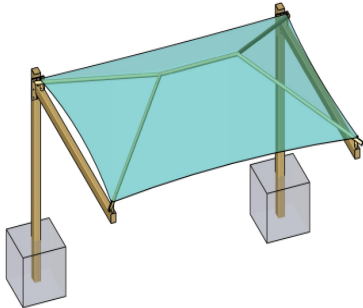
Clean Up (1 Day)

Playgrounds Etc will be responsible for cleaning up any trash that is left behind from shipping crates or plastic wrapping. Although we are happy to ensure that the playground and surrounding area is free of trash and other debris, we do ask that dumpsters be provided.

Hexagon Hip Shade					
Diameter	20'	Shape	Hexagon	Entry Height	12'
Peak Height	14.87'	Elbow	Glide	Column Mount	Embedded
Column Size	02.5" 11-Ga	Rafter Size	02.5" 12-Ga	Dome Qty.	1
Column Length	15'	Rafter Length	10.4'	Column Qty.	6



Hanging Cantilever Hip Shade					
Length	18'	Width	18'	Entry Height	9'
Peak Height	12.33'	Elbow	Glide	Column Mount	Embedded
Column Size	8"x14"	Rafter Size	02.875" 12-Ga	Ridge Size	02.875" 12-Ga
Column Length	15'	Rafter Length	11.73'	Ridge Length	4.5'
Dome Qty.	1	Column Qty.	2	Beam Size	8"x3"x18"



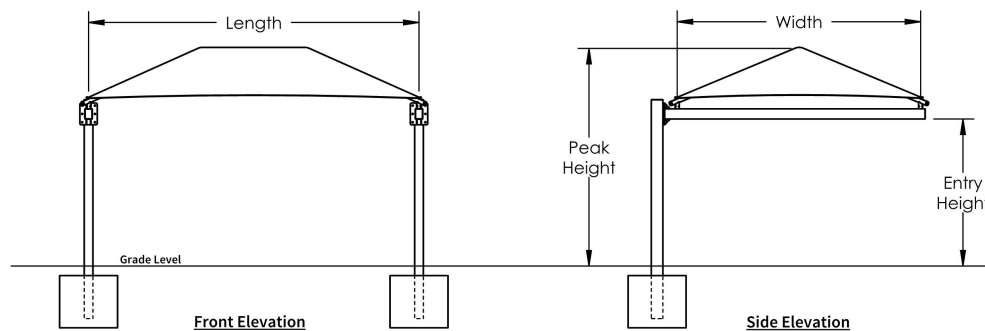
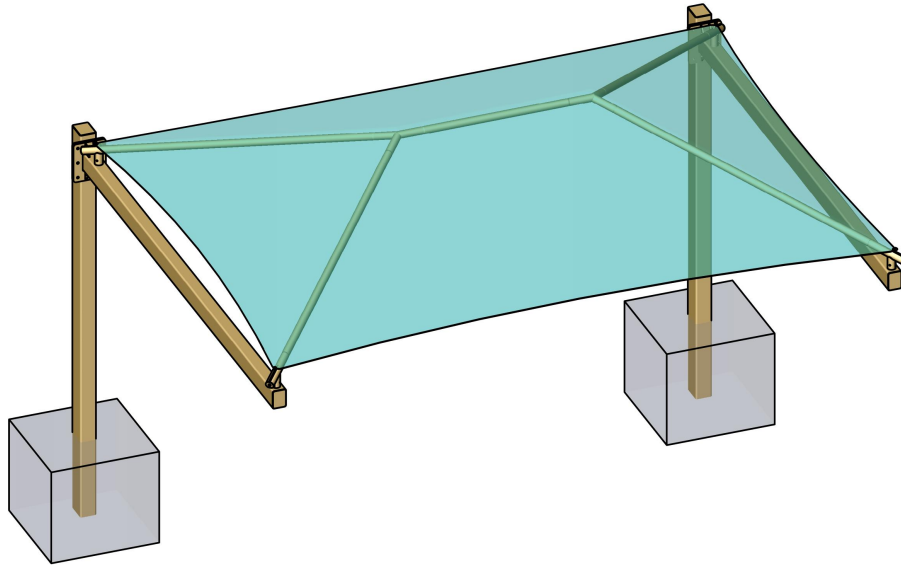
PACKET



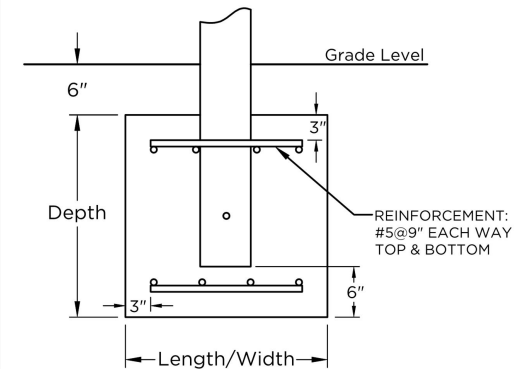
April 8, 2025

Hanging Cantilever Hip Shade

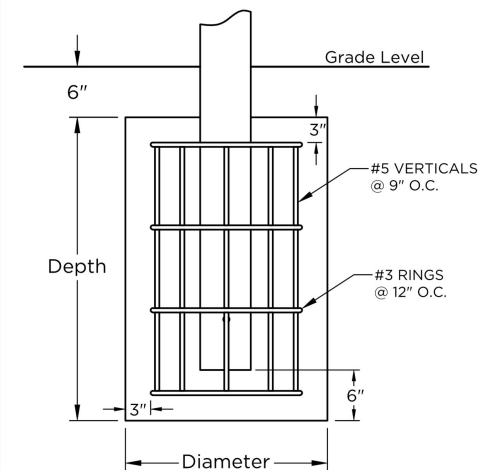
Length	18'	Width	18'	Entry Height	9'
Peak Height	12.33'	Elbow	Glide	Column Mount	Embedded
Column Size	8"x6"x1/4"	Rafter Size	Ø2.875" 12-Ga	Ridge Size	Ø2.875" 12-Ga
Column Length	13'	Rafter Length	11.73'	Ridge Length	4.5'
Dome Qty.	1	Column Qty.	2	Beam Size	8"x6"x3/16"



Square Footing		
Column	Length & Width	Depth
Single Cap	3.67	3
Double Cap	N/A	3



Auger Footing		
Diameter	Single Cap Depth	Double Cap Depth
1'-6"		
2'-0"	Out of range	N/A
2'-6"	Out of range	N/A
3'-0"	4.59	N/A



SuperiorShade

PACKET

QUOTE

98528

SHADE SIZE

18 X 18

SHADE STYLE

**Hanging Cantilever
Hip Shade**

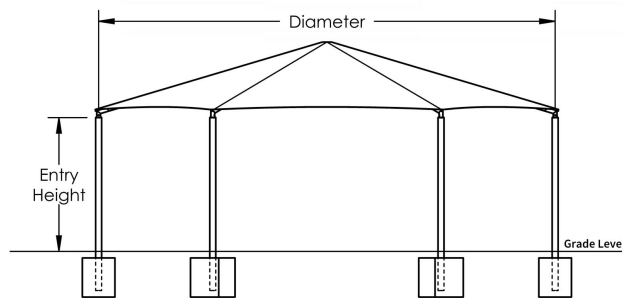
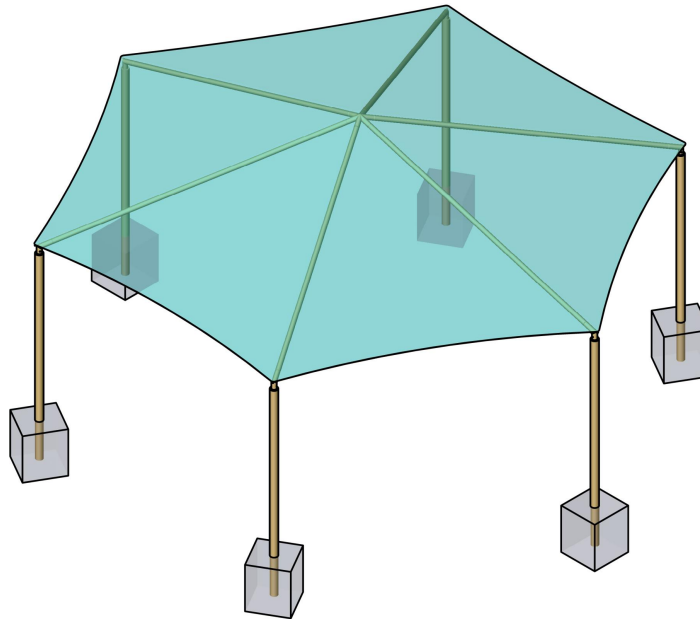
12.62

These drawings are for reference only and should not be used as construction details. They show the general character and rough dimensions of the structural features. Exact spans, fasteners, materials, and foundations can be determined by a licensed professional engineer upon request. Estimated footing size above is based on 1,500 PSF soil bearing pressure.

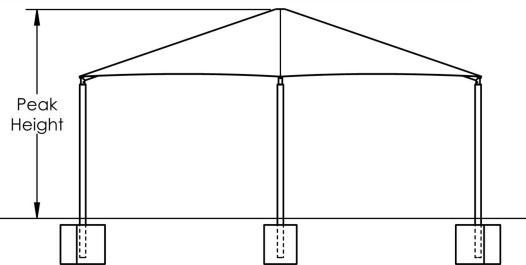
April 8, 2025

Hexagon Hip Shade

Diameter	20'	Shape	Hexagon	Entry Height	12'
Peak Height	14.87'	Elbow	Glide	Column Mount	Embedded
Column Size	Ø5.0" 11-Ga	Rafter Size	Ø2.5" 12-Ga	Dome Qty.	1
Column Length	15'	Rafter Length	10.4'	Column Qty.	6

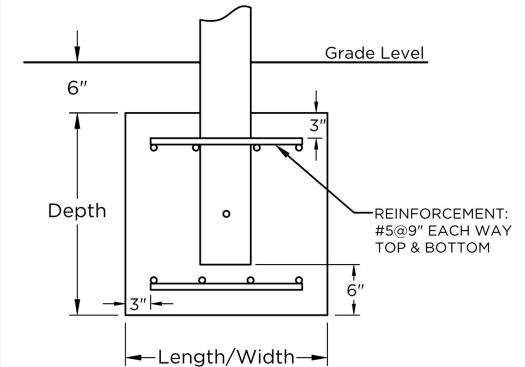


Front Elevation

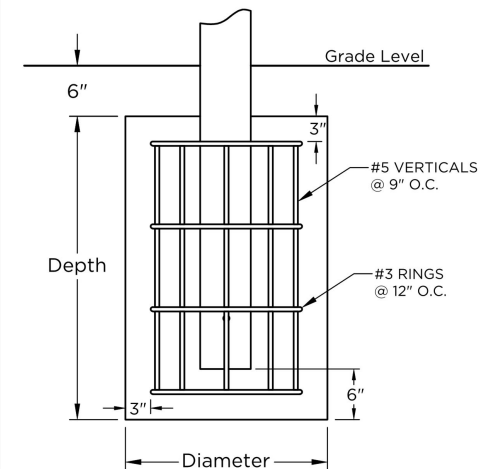


Side Elevation

Square Footing		
Column	Length & Width	Depth
Single Cap	1.84	3
Double Cap	N/A	3



Auger Footing		
Diameter	Single Cap Depth	Double Cap Depth
1'-6"		
2'-0"	2.58	N/A
2'-6"	Out of range	N/A
3'-0"	Out of range	N/A



These drawings are for reference only and should not be used as construction details. They show the general character and rough dimensions of the structural features. Exact spans, fasteners, materials, and foundations can be determined by a licensed professional engineer upon request. Estimated footing size above is based on 1,500 PSF soil bearing pressure.

SuperiorShade

PACKET

QUOTE

98529

SHADE SIZE

20 X 12

SHADE STYLE

Hexagon Hip Shade

12.63

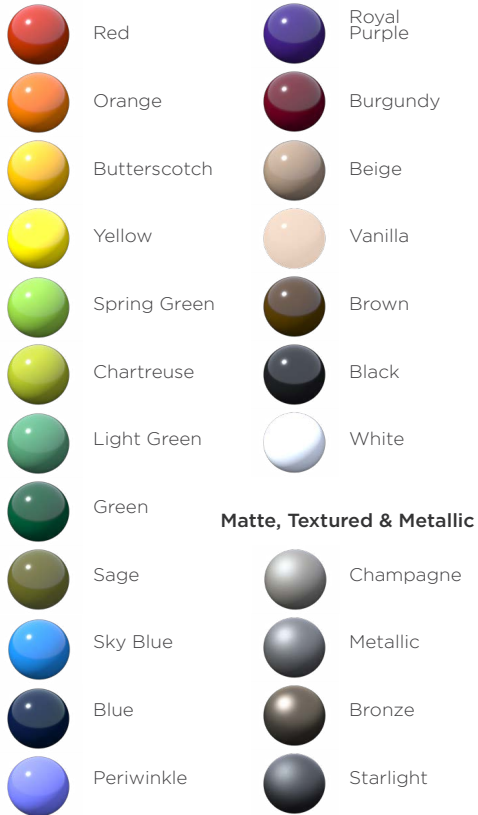
April 8, 2025

Color Options

Frames

Backed by a [5-year limited warranty](#).

Gloss



RainGuard[®] Waterproof Shade Fabric

For our Single Post Waterproof Umbrella.

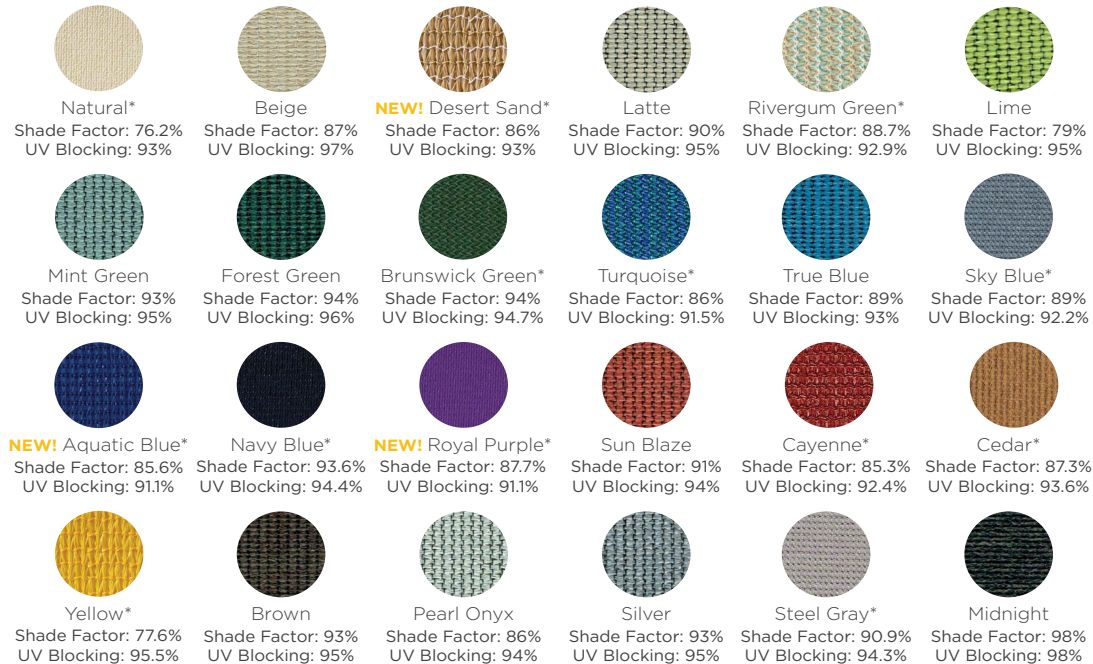
Backed by a [10-year limited warranty](#).



PACKET

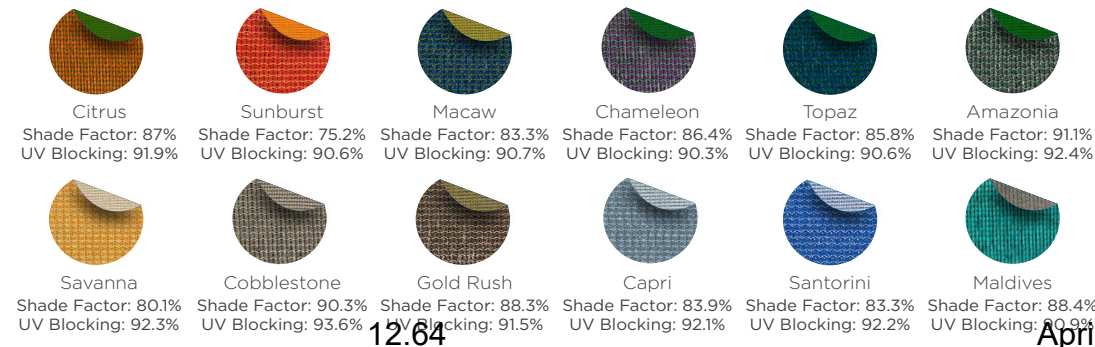
Traditional Fabric

This selection of fabric colors are California Fire Marshal certified, fire retardant, and pass the NFPA 701 or ASTM E84 tests. Colors marked with an asterisk are available as both flame retardant and non-flame retardant. Backed by a [10-year limited warranty](#).



Dual Shade Fabric

Available for an upcharge for our Hypar Umbrella, Triangle Sail, and Hyperbolic Sail. Backed by a [10-year limited warranty](#).



2 REASONS TO CHOOSE FLAME RETARDANT FABRIC

① Helps meeting appropriate federal, state, and local building codes.

② Permanent and reliable flame retardant properties, as opposed to fabrics treated with FR additives in a post-production application.

April 8, 2025

Shade Warranty

Superior Recreational Products (SRP) warrants that its product will be free from defects in materials and workmanship as well as maintain structural integrity for the periods listed below from the date of invoice and once SRP has been paid in full. This warranty is in effect only if the product has been assembled and installed strictly in accordance with the setup instructions provided by SRP, good construction practices, general maintenance and care is provided as per instructions in the customer packet, and has been subjected only to normal use and exposure. Product should be maintained per the instructions given at time of delivery.

LW Lifetime* Warranty on stainless steel hardware

20 20-Year Limited Warranty on framework

10 10-Year Limited Warranty on fabric

5 5-Year Limited Warranty on powder coat

1 1-Year Limited Warranty on cables

1 1-Year Limited Warranty on materials not above

The Limited Warranty excludes abnormal conditions, contingent liability, cosmetic defects such as scratches, dents, marring, stripping, peeling, or fading; damage due to incorrect installation, vandalism, misuse, accident wear and tear from normal use; exposure to extreme weather, immersion in salt or chlorine water, damage due to sand, salt spray, or other abrasive and corrosive material; unauthorized repair or modification, abnormal use, or lack of maintenance. The warranty does not cover damages due to "acts of God" such as hail, flooding, lightning, tornadoes, sand storms, shifts of terrain, earthquakes, mudslides, and wind-storms.

SRP does not warrant product for defects caused by erection, harsh site conditions, lack of maintenance, and/or other conditions beyond SRP's control. SRP will not be held responsible for any materials that were not properly stored prior to installation. SRP reserves the right to void the limited warranty if it not installed per the installation instructions and/or unauthorized modifications.

In the unlikely event of failure, SRP reserves the right to alter the design, color, or contributing factors to rectify the condition and help prevent any future reoccurrence(s). SRP has the option to repair or replace any defect in materials.

The warranty is void if any changes, modifications, additions, or attachments are made to the product without the written consent of the manufacturer.

No signs, objects, ornaments, fans, lights, fixtures, or decorations may be hung from the structure unless specifically designed and engineered by the manufacturer or has manufacturers written approval.

SRP excludes any implied warranty of merchantability, fitness, or purpose, and there are no warranties which extend beyond the description of the face hereof. Under no circumstances will SRP be responsible for any indirect, special, consequential, incidental, or liquidated damages due to breach of warranty and such damages are specifically excluded from the warranty.

The owner shall notify SRP with original Sales Order Number issued from SRP to arrange for an inspection within 30 days after discovery of any defect under this warranty and before any alteration or repair is made or attempted. This Limited Warranty shall be null and void if the owner makes any alterations in design.

This warranty is the only express warranty given by the company. No person has authority to change or add to these obligations and liabilities. The company reserves the right to determine whether the fault is caused by faulty workmanship, material, or the part that is defective.

SRP will repair or replace at its discretion any defective part/s on an Ex-Works basis only. It is the responsibility of the customer to return the whole unit or the defective part/s at their own cost back to SRP for inspection along with proof of the date of purchase. SRP will not be liable for any costs incurred by the customer as a result of replacing the defective part/s, including but not limited to the costs of site visits and the labor costs involved with the removal and reinstallation of the whole unit or the defective part/s. Furthermore SRP will not be liable for any claimed compensation while the unit is not working or not present at the site whatsoever. This guarantee does not entitle the customer to a complete new product due to a defective component.

Limited Warranty: Structural Steel

SRP offers a 20-year Limited Warranty on structural steel frames for shade canopies against failure due to rust-through corrosion under normal environmental conditions. Should the fabric or parts need to be replaced under the warranty, SRP will manufacture and ship new replacement parts at no charge for the first ten years, thereafter pro-rated at 10% per annum over the last ten years.

PACKET

12.65

April 8, 2025

Workmanship is warranted for a period of five years. This steel warranty shall be void if damage to the steel is caused by the installer or from physical damage, damage by salt spray or sprinkler systems, contact with chemicals, chlorine, pollution, misuse, vandalism, or any act of God.

Limited Warranty: Powder Coat

Superior Recreational Products offers a 5-year Limited Warranty for powder coating to the original purchaser. This Limited Warranty is for factory applied finish only. Damage occurring from shipping, erection, vandalism, accidents, or field modification is not covered in this limited warranty and will require field touch-up immediately and periodically thereafter. The owner must report any defect in powder coat at the time the installation is completed. Not covered by this Limited Warranty are acute angles, welds, and end plates.

The Limited Warranty for powder coating provides the following after a 5-year exposure period when applied according to the recommendations listed on the product's technical data sheet and appropriate surface preparation has been utilized.

- The coatings shall retain their original color with a ΔE of <7.5 units for high chroma colors (yellows, reds, oranges, etc.) and a ΔE of <5.0 units for low chroma colors, when tested in accordance with ASTM D 2244.
- The coating shall retain a minimum of 50% of its original gloss level after washing, when tested in accordance with ASTM D 523.
- The coating shall exhibit chalking no worse than numerical rating of 6, when evaluated in accordance with ASTM D 659-80.

Limited Warranty: Shade Fabric

Traditional shade fabric made with PTFE fiber that is high strength and low shrinkage and VALMEX[®] MEHATOP F 1 waterproof fabric carry a 10-year limited warranty. This warranties that the sewing thread used on the traditional shade fabric will be free from defects in material and workmanship and will not be damaged by exposure to sunlight, weather, and water. All other warranties are disclaimed.

SRP fabrics carry a 10-Year Limited Manufacturer's Warranty from the date of delivery against failure from significant fading**, deterioration, breakdown, outdoor heat, cold, or discoloration. Should the fabric need to be replaced under the warranty, SRP will manufacture and ship new fabric at no charge for the first six years, thereafter pro-rated at 18% per annum over the last four years.

**The colors red and yellow are warranted against significant fading for only two years.

If the corners of the fabric are equipped with both holes in the fabric corner PLUS reinforcing straps, BOTH the strap and fabric hole must be placed over each corner hook or the fabric warranty is void.

Fabric curtains, valences, or flat vertical panels are not covered under the warranty.

Fabric is not warranted where it is installed on a structure that is not engineered and built by SRP or its agents.

This warranty shall be void if damage to or failure to the shade is caused by contact with chemicals, chlorine, bleaching agents, hydrocarbons or hydrocarbon containing solvents, misuse, vandalism, or any act of God, including but not limited to wind in excess of the wind limitations set forth below.

All fabric tops are warranted for sustained winds up to 76 mph (Hurricane Force 1) and for gusts of up to 3 seconds duration up to 90 mph. Removal of the shade fabric is required if damaging winds are called for. Damage due to snow and/or ice accumulation is not covered by this warranty. Canopies should be removed during the "off season."

These structures have been designed to eliminate any friction between the rafters and the fabric. The warranty will, therefore, be voided if any modification (temporary or permanent) is made to the rafter, cross pieces, or ridge beams, or if the fastening apparatus or canopy are not secured accordingly.

Structures are warranted for winds up to 90 or 105 mph only if shade canopies have been removed as per requirement set forth above in the fabric paragraph. Removal and re-installation must be performed by a qualified person or authorized dealer.

**For the purpose of this warranty, lifetime encompasses no specific term of years, but rather that seller warrants to its original customer for as long as the original customer owns the product and uses the product for its intended purpose that the product and all parts will be free from defects in materials and manufacturing workmanship. This warranty does not cover damage caused by vandalism, misuse or abuse, altered or modified parts, or cosmetic damage such as scratches, dents, or fading or weathering and normal wear and tear. This warranty is valid only if the structures are installed in conformity with instructions provided by Superior Recreational Products using approved Superior Recreational Products parts. Superior Recreational Products will deliver the repaired or replacement part or parts to the site free of charge, but will not be responsible for labor or the labor costs of replacement. Warranty claims must be filed within the applicable warranty period and accompanied by a sales order or invoice number.*



Playgrounds Etc.

1410 W Texas Ave.
Midland, TX 79701
432-687-6388

Bid

Date

Bid #

3/26/2025

32590

Name / Address

COM

300 N. Loraine Ave
Midland TX 79701

Notes to Client

Install address: Alamo Park, 900 Midland Dr, Midland, TX 79703

Rep	Project Location	Project		
Amber Graham	Doug Russell Pool	Shades		
Item	Description	Qty	Rate	Total
SRP SHADE	Hanging Cantilever, 18' x 18' x 9', Embedded w/ Glide Elbows	5	\$11,103.20	\$55,516.00
SRP SHADE	Hexagon Hip Shade, 20' wide, 12' height, Embedded w/ Glide Elbows	2	\$8,341.50	\$16,683.00
SRP SHADE	Expedite Fees	1	\$2,400.00	\$2,400.00
Bond	Bond	1	\$2,417.33	\$2,417.33
Freight	Freight	1		\$8,901.00
Installation	Installation of items listed on this proposal	1		\$58,334.29
BuyBoard Discount	BuyBoard Discount, Vendor #679-22			-\$10,500.00

SubTotal \$133,751.62

Sales Tax (0.0%) \$0.00

Total **\$133,751.62**

Approval Signature: _____ **Date:** _____

Thank you for the opportunity to quote your upcoming project. If you have any questions about this proposal or if you need to make any revisions, please contact your Design Consultant at 866-451-2814. We look forward to helping you complete your next project. This bid is good for 30 days.

EXHIBIT C

Bonding Requirements

The successful bidder shall be required to furnish a Performance & Payment Bond* for bids in excess of \$50,000.00, in an amount equal to one hundred percent (100%) of the total contract price, such bond to be executed by a Corporate Surety authorized to do business in the State of Texas and acceptable to the City of Midland. **All bonds must be executed on forms contained in these contract documents.** The form of agreement which the successful bidder, as contractor, will be required to execute is also included herewith. The form of agreement and the form of the bonds should be carefully examined by the bidder.

A certified check, cashier's check, bank money order, or irrevocable letter of credit issued by a bank satisfactory to the City, **or a bidder's bond on the form provided**, in the amount of five percent (5%) of the largest possible lump sum bid submitted, payable without recourse to the City, must accompany the bidder's proposal, as a guaranty that the bidder will enter a contract and execute the required payment bond and guaranty in the forms provided within fifteen (15) days after notice of award of contract to him. Bids or proposals without the required bid guaranty will not be considered. All bid sureties and payment bonds shall name the City of Midland as Obligee.

*A cash security such as a cashier's check or irrevocable letter of credit issued by a bank satisfactory to the City for 100 % of the contract amount may be supplied in lieu of the Performance and Payment Bonds. The check will be returned un-cashed upon satisfactory completion of the work and evidence of payment of all obligations due for the contract.

PAYMENT BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT
_____ of the City of
_____ of the County of _____ and State of Texas
as Principal, and _____, as Surety, are held and
firmly bound unto the City of Midland, Texas, as Oblige, in the amount of
_____ DOLLARS
(\$ _____) for the payment whereof the said Principal and Surety bind themselves, their heirs,
administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Oblige, dated the _____
day of _____, 20____, for the furnishing of materials, equipment to perform all labor and work
necessary for _____, hereof as fully and to the
same extent as if copied at length herein.

NOW, THEREFORE, the condition of the obligation is that if the said Principal shall pay all claimants
supplying labor and material to him or a subcontractor in the prosecution of the work provided for in said
contract, then this obligation shall be null and void; otherwise, it is to remain in full force and effect.

Surety, for value received, stipulates and agrees that no change, extension of time alteration or addition
to the terms of the contract, or to the work performed there under, or the plans, specifications of drawings
accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders,
shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of

time, alteration or addition to the terms of the contract, assignment thereof, or to the work to be performed there under.

IN WITNESS WHEREOF the said Principal and Surety have signed and sealed this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

PERFORMANCE BOND

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

SURETY NO _____

KNOW ALL MEN BY THESE PRESENTS, THAT _____ (Hereinafter called the Principal[s]), as Principal(s), and _____ (Hereinafter called the Surety), as Surety, are held and firmly bound unto the City of Midland, Texas a home rule municipal corporation of Midland County, Texas, (hereinafter called the Obligee), in the amount of _____ DOLLARS (\$ _____) for the payment whereof the said Principal and surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the _____ day of _____, 20____, for the furnishing of materials and equipment to perform all labor and work necessary for the construction of _____, specifically including in the scope of this work and bond, the additional maintenance guaranty provisions set forth in the contract conditions, which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein, as well as the Principal's primary obligation to perform according to plans and specifications.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform the work in accordance with the plans, specifications, instructions to bidder, general and special conditions and other contract documents, including any addendum thereto, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED further that if any legal action be filed upon this Bond venue shall lie in Midland County, State of Texas.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specifications or drawings accompanying the same, or any assignment of the contract as may be provided for in the instructions to bidders, shall in anywise affect its obligation on this Bond, and it does waive notice of any such change, extension of time, alteration or addition to the terms of the contract, assignment thereof, or the work to be performed thereunder.

IN WITNESS WHEREOF, the said Principal and surety do sign and seal this instrument, this _____ day of _____, 20__.

Principal

Surety

By _____

By _____

Address _____

Address _____

APPROVED AS TO FORM:

City Attorney

NOTE: Attach Power of Attorney

EXHIBIT D - Building Wage Rate rev 01/05/2024

"General Decision Number: TX20240261 01/05/2024

Superseded General Decision Number: TX20230261

State: Texas

Construction Type: Building

County: Midland County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

BOIL0074-003 07/01/2023

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
(1) Tower Crane.....	\$ 32.85	13.10
(2) Cranes with Pile Driving or Caisson Attachment and Hydraulic Crane 60 tons and above.....	\$ 28.75	10.60
(3) Hydraulic cranes 59 Tons and under.....	\$ 32.35	13.10

IRON0084-011 06/01/2023		

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 27.51	8.13

PLUM0404-001 09/01/2022		

	Rates	Fringes
PLUMBER.....	\$ 28.64	10.65

SUTX2014-037 07/21/2014		

	Rates	Fringes
BRICKLAYER.....	\$ 20.00	0.00
CARPENTER.....	\$ 13.82 **	0.00
CEMENT MASON/CONCRETE FINISHER...	\$ 13.76 **	0.00
ELECTRICIAN.....	\$ 23.18	6.31
INSULATOR - MECHANICAL (Duct, Pipe & Mechanical System Insulation).....	\$ 19.77	7.13
IRONWORKER, REINFORCING.....	\$ 12.27 **	0.00
IRONWORKER, STRUCTURAL.....	\$ 22.16	5.26
LABORER: Common or General.....	\$ 11.80 **	0.00
LABORER: Mason Tender - Brick...	\$ 11.38 **	0.00
LABORER: Mason Tender - Cement/Concrete.....	\$ 10.58 **	0.00
LABORER: Pipelayer.....	\$ 12.49 **	2.13
LABORER: Roof Tearoff.....	\$ 11.28 **	0.00
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 14.25 **	0.00
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 13.93 **	0.00
OPERATOR: Bulldozer.....	\$ 18.29	1.31
OPERATOR: Drill.....	\$ 16.22 **	0.34
OPERATOR: Forklift.....	\$ 14.83 **	0.00
OPERATOR: Grader/Blade.....	\$ 13.37 **	0.00
OPERATOR: Loader.....	\$ 13.55 **	0.94
OPERATOR: Mechanic.....	\$ 17.52	3.33
OPERATOR: Paver (Asphalt, Aggregate, and Concrete).....	\$ 16.03 **	0.00

OPERATOR: Roller.....	\$ 12.70 **	0.00
PAINTER (Brush, Roller, and Spray).....	\$ 15.00 **	0.73
PIPEFITTER.....	\$ 25.80	8.55
ROOFER.....	\$ 14.75 **	0.00
SHEET METAL WORKER (HVAC Duct Installation Only).....	\$ 22.73	7.52
SHEET METAL WORKER, Excludes HVAC Duct Installation.....	\$ 19.50	0.00
TILE FINISHER.....	\$ 11.22 **	0.00
TILE SETTER.....	\$ 14.74 **	0.00
TRUCK DRIVER: Dump Truck.....	\$ 12.39 **	1.18
TRUCK DRIVER: Flatbed Truck.....	\$ 19.65	8.57
TRUCK DRIVER: Semi-Trailer Truck.....	\$ 12.50 **	0.00
TRUCK DRIVER: Water Truck.....	\$ 12.00 **	4.11

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

=====

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$17.20) or 13658 (\$12.90). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide

employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate

changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION"

EXHIBIT D - Heavy & Highway Wage Rate Rev 01/05/2024

"General Decision Number: TX20240002 01/05/2024

Superseded General Decision Number: TX20230002

State: Texas

Construction Types: Heavy and Highway

Counties: Armstrong, Carson, Crosby, Ector, Irion, Lubbock, Midland, Potter, Randall, Taylor and Tom Green Counties in Texas.

HEAVY & HIGHWAY CONSTRUCTION PROJECTS

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

April 8, 2025

Front End Loader, 3CY or
 less.....\$ 12.28 **
 Loader/Backhoe.....\$ 14.18 **
 Mechanic.....\$ 20.14
 Milling Machine.....\$ 15.54 **
 Motor Grader, Rough.....\$ 16.15 **
 Motor Grader, Fine.....\$ 17.49
 Pavement Marking Machine....\$ 16.42 **
 Reclaimer/Pulverizer.....\$ 12.85 **
 Roller, Asphalt.....\$ 10.95 **
 Roller, Other.....\$ 10.36 **
 Scraper.....\$ 10.61 **
 Spreader Box.....\$ 12.60 **

Servicer.....\$ 13.98 **

Steel Worker (Reinforcing).....\$ 13.50 **

TRUCK DRIVER

Lowboy-Float.....\$ 14.46 **
 Single Axle.....\$ 12.74 **
 Single or Tandem Axle Dump..\$ 11.33 **
 Tandem Axle Tractor with
 Semi.....\$ 12.49 **

 WELDERS - Receive rate prescribed for craft performing
 operation to which welding is incidental.

=====
 ** Workers in this classification may be entitled to a higher
 minimum wage under Executive Order 14026 (\$17.20) or 13658
 (\$12.90). Please see the Note at the top of the wage
 determination for more information. Please also note that the
 minimum wage requirements of Executive Order 14026 are not
 currently being enforced as to any contract or subcontract to
 which the states of Texas, Louisiana, or Mississippi, including
 their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave
 for Federal Contractors applies to all contracts subject to the
 Davis-Bacon Act for which the contract is awarded (and any
 solicitation was issued) on or after January 1, 2017. If this
 contract is covered by the EO, the contractor must provide
 employees with 1 hour of paid sick leave for every 30 hours
 they work, up to 56 hours of paid sick leave each year.
 Employees must be permitted to use paid sick leave for their
 own illness, injury or other health-related needs, including

preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter

* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION"



City Council Meeting

Item Number: 13
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Justine Ruff, Director
Subject: RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THAT CERTAIN NON-EXCLUSIVE COMMERCIAL FIXED-BASE OPERATOR LEASE AGREEMENT BETWEEN THE CITY OF MIDLAND AND BASIN AVIATION, INC. (DISTRICT 3) (AIRPORTS) (TRANSPARENT & CONSISTENT COMMUNICATION)

Purpose:

Resolution authorizing Amendment #1 to the Non-Exclusive Commercial Fixed Base Operator Lease Agreement Between the City of Midland, Texas and Basin Aviation, Inc. dated August 15, 2018.

Recommended City Council Action:

Approve

Fiscal Impact:

N/A

Strategic Priority:

(Transparent & Consistent Communication)

Discussion:

On August 15, 2018, the City of Midland entered into a Non-Exclusive Commercial Fixed Base Operator Lease agreement with Basin Aviation for leased premise at Midland Airpark. Several items in this agreement are clarified in this proposed Amendment. Here's a summary of the amendment's main points:

1. **Start Date:** The original agreement had an undefined start date, as the completion of the required improvements was pending Airport projects that were delayed by COVID. This amendment establishes the start date as **September 3, 2021**, coinciding with the certification of occupancy of Basin Aviation's new terminal building.
2. **Completion of Improvements:** Basin Aviation has completed 5 of the 8 required improvements listed in the original agreement. The remaining improvements are contingent upon the City's pending projects. These include:
 - Contributing **\$10,000** toward an entrance sign to Midland Airpark.
 - Building **8 large T-hangars** and **12 small T-hangars** for a total cost of approximately **\$1.2M**.
3. **New Hangar Option:** The amendment gives Basin Aviation the option to build a **large box hangar, instead of the T-hangars** within **3 years** of the amendment's date. If the hangar is not constructed within this time frame, Basin must pay the City **\$2M**.
4. **Extension of Lease Term:** The lease term is extended from the original **15 years** to **25 years** under the amended terms.
5. **Clarification on Apron:** The amendment clarifies that the **apron at Midland Airpark** is **not included in the lease agreement** and will remain available to all users of the Airpark.

This amendment provides flexibility to Basin Aviation, particularly with respect to the type of hangar to be constructed, while also ensuring a significant financial commitment to the City if they elect to not construct the hangar within the specified time.

For & Out

Marino Williams Jr.

City Manager's Office

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
AN AMENDMENT TO THAT CERTAIN NON-
EXCLUSIVE COMMERCIAL FIXED-BASE
OPERATOR LEASE AGREEMENT BETWEEN THE
CITY OF MIDLAND AND BASIN AVIATION, INC.**

WHEREAS, the City Council finds it to be in the public interest to authorize the execution of an amendment to that certain Non-Exclusive Commercial Fixed-Base Operator Lease Agreement between the City of Midland and Basin Aviation, Inc.;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF MIDLAND, TEXAS:**

THAT the City Manager and City Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the City of Midland, an amendment to that certain Non-Exclusive Commercial Fixed-Base Operator Lease Agreement between the City of Midland and Basin Aviation, Inc. Said amendment being in a form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2025, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

RECOMMENDED AND APPROVED:

Tommy Gonzalez, City Manager

APPROVED AS TO CONTENT
AND COMPLETENESS:

Justine Ruff, Director of Airports

APPROVED AS TO FORM ONLY:

Nicholas Toulet, Interim City Attorney

**AMENDMENT TO THE NON-EXCLUSIVE COMMERCIAL FIXED BASE
OPERATOR LEASE AGREEMENT**

between
THE CITY OF MIDLAND, TEXAS,
and
BASIN AVIATION, INC.

THIS AMENDMENT (this “*Amendment*”) is made and effective this ____ day of April, 2025, by and between **CITY OF MIDLAND, TEXAS** (“*City*”), a home-rule municipality, and **BASIN AVIATION, INC.** (“*Lessee*”).

WHEREAS, City and Lessee entered into that certain Lease Agreement dated August 15, 2018 (the “*Agreement*”), providing for the lease of certain City-owned facilities and land at Midland Airpark Airport to engage in the business of aeronautics as a fixed-base operator, which was approved by the Midland City Council; and

WHEREAS, the Agreement has been in full force and effect since its effective date and has not been allowed to lapse; and

WHEREAS, Lessee and City desire to make certain amendments to the Agreement as set forth below.

W I T N E S S E T H:

For and in consideration of the execution of this Amendment and the mutual promises and covenants of the parties hereto, it is mutually promised, understood and agreed as follows:

- I. ARTICLE 1.01 LEASED PREMISES is hereby deleted in its entirety and replaced with the following:

City agrees to lease to Lessee: (a) certain City-owned buildings and improvements, including all fixtures, apparatus, and equipment located therein, located at Midland Airpark Airport, and being more particularly described as Hangars 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, A, B, I, N and S; and (b) certain City-owned land being more particularly described as Tracts 1, 2, 3, 4-A, and 4-B as shown on **Exhibit A**, attached hereto and incorporated herein by reference (collectively, the “*Leased Premises*”). If any of the Improvements (as defined herein) described in **Exhibit B** are constructed on lands not identified in **Exhibit A**, **Exhibit A** shall be amended to include such additional land. Notwithstanding the foregoing or any contrary provision contained herein, any portion of the Airport apron that is depicted in **Exhibit A** shall not be considered to be part of the Leased Premises; Lessee acknowledges and agrees that all portions of the Airport apron are reserved by City for the common use of Airport Patrons and City personnel.

Exhibit A

II. The Agreement is hereby amended to replace the exhibit referenced as **Exhibit B** therein with the exhibit attached hereto as **Amended Exhibit B**, which is incorporated herein for all purposes.

III. **ARTICLE 2.01 LEASE TERM** is hereby deleted in its entirety and replaced with the following:

The term of this Agreement shall commence on August 15, 2018, and continue thereafter until the twenty-fifth (25th) anniversary of September 3, 2021 (the “*Expiration Date*”), being the date on which City issued a certificate of occupancy for the passenger arrival/departure building constructed by Lessee and located adjacent to Building 11, said building being one of the improvements listed on the prior version of **Exhibit B**. This Agreement may be (i) extended pursuant to **Section 2.02** or (ii) terminated earlier than the Expiration Date pursuant to **Section 2.04** or **Section 6.07**, in which case, the last day of the extended or abbreviated term shall constitute the new Expiration Date for purposes of this Agreement. Each twelve (12) month calendar period commencing on the Commencement Date or on each annual anniversary date of the Commencement Date during the term of this Agreement including the extended term described in **Section 2.02**, if applicable, shall be referred to in this Agreement as an Annual Period.

III. **ARTICLE 6.07 IMPROVEMENTS TO THE LEASED PREMISES** is hereby deleted in its entirety and replaced with the following:

Subject to City’s completion and/or installation of a ramp, taxiway, street vehicle defined driveways, and other associated infrastructure at the Airport, said infrastructure improvements being further described in **Exhibit C** attached hereto and incorporated herein for all purposes (the “*Infrastructure Improvements*”), Lessee agrees to make certain Airport facility enhancements and upgrades to the Leased Premises (the “*Improvements*”) listed in **Exhibit B**. Following Lessee’s commencement of the construction of the Improvements, Lessee shall thereafter diligently pursue the completion of the Improvements at its sole cost and expense. Prior to the construction of any Improvements, plans and specifications for such Improvements shall be submitted to and approved by the Director of Airports. Lessee shall comply with the plans and specification in the performance of all work done, including any published and applicable hangar design standards. No material amendment to the plans and specifications may be made without the written approval of the Director of Airports. The decision to what shall constitute “material” shall be made in the sole and absolute discretion of the Director of Airports. If the Improvements are not completed in accordance with this Section, Lessee shall be in material breach of this Agreement and City may terminate this Agreement in its sole and absolute discretion; *provided, however*, if Lessee does not complete the construction of the Improvements consisting of the T-hangars or box hangar within the timeframe set forth in **Exhibit B**, then, prior to the expiration of such timeframe, Lessee may keep this Agreement in effect by remitting the sum of \$2,000,000 to the City for the City to utilize at the Airpark in the manner the

City deems fit. In addition to the Improvements set forth in **Exhibit B**, City and Lessee agree to cooperate and assist each other during the term of this Agreement in applications and funding from governmental entities to assist with paving, ramps, new facilities, and infrastructure at the Airport.

- IV. The Agreement is hereby amended to include **Exhibit C** (List of City Infrastructure Improvements) as an exhibit to the Agreement, which is hereby incorporated into the Agreement for all purposes.
- V. The Agreement, inclusive of this Amendment, is hereby ratified and affirmed by City and Lessee to be in good standing, and the Agreement shall in all respects remain in full force and effect in accordance with its provisions and as amended above.

[Signature Pages Follow]

EXECUTED by the duly authorized officials as of the day and year first above written.

CITY OF MIDLAND

Tommy Gonzalez, City Manager

ATTEST:

Marcia Bentley-German, City Secretary

BASIN AVIATION, INC.

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of the BASIN AVIATION, INC.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, A.D., 2025

.

Notary Public, State of _____

Printed Name

My Commission Expires: _____

Amended Exhibit B

Basin Facility Improvements	Lessee Cost	Completion Deadline
Contribute toward the cost of entrance signage, directional signage, and landscaping	\$10,000 ¹	Six (6) months from the effective date of the Amendment
Build T-hangars or box hangar of at least 10,000 square feet available aircraft storage		Thirty-six (36) months from the date that the City notifies Lessee that the necessary components of the Infrastructure Improvements have been completed whereby Lessee may commence construction of this Improvement

¹ Lessee shall not be obligated to expend in excess of this amount for this improvement.

Exhibit C



Midland Airpark
New Hangar Infrastructure Development
City of Midland, Texas

Parkhill Site Layout

Parkhill.com

Issue:
Date: 4-1-2025
Project No: 9783.19
Sheet: 1

**AMENDMENT TO THE NON-EXCLUSIVE COMMERCIAL FIXED BASE
OPERATOR LEASE AGREEMENT**

between
THE CITY OF MIDLAND, TEXAS,
and
BASIN AVIATION, INC.

THIS AMENDMENT (this “*Amendment*”) is made and effective this ____ day of April, 2025, by and between **CITY OF MIDLAND, TEXAS** (“*City*”), a home-rule municipality, and **BASIN AVIATION, INC.** (“*Lessee*”).

WHEREAS, City and Lessee entered into that certain Lease Agreement dated August 15, 2018 (the “*Agreement*”), providing for the lease of certain City-owned facilities and land at Midland Airpark Airport to engage in the business of aeronautics as a fixed-base operator, which was approved by the Midland City Council; and

WHEREAS, the Agreement has been in full force and effect since its effective date and has not been allowed to lapse; and

WHEREAS, Lessee and City desire to make certain amendments to the Agreement as set forth below.

W I T N E S S E T H:

For and in consideration of the execution of this Amendment and the mutual promises and covenants of the parties hereto, it is mutually promised, understood and agreed as follows:

- I. ARTICLE 1.01 LEASED PREMISES is hereby deleted in its entirety and replaced with the following:

City agrees to lease to Lessee: (a) certain City-owned buildings and improvements, including all fixtures, apparatus, and equipment located therein, located at Midland Airpark Airport, and being more particularly described as Hangars 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, A, B, I, N and S; and (b) certain City-owned land being more particularly described as Tracts 1, 2, 3, 4-A, and 4-B as shown on **Exhibit A**, attached hereto and incorporated herein by reference (collectively, the “*Leased Premises*”). If any of the Improvements (as defined herein) described in **Exhibit B** are constructed on lands not identified in **Exhibit A**, **Exhibit A** shall be amended to include such additional land. Notwithstanding the foregoing or any contrary provision contained herein, any portion of the Airport apron that is depicted in **Exhibit A** shall not be considered to be part of the Leased Premises; Lessee acknowledges and agrees that all portions of the Airport apron are reserved by City for the common use of Airport Patrons and City personnel.

II. The Agreement is hereby amended to replace the exhibit referenced as **Exhibit B** therein with the exhibit attached hereto as **Amended Exhibit B**, which is incorporated herein for all purposes.

III. **ARTICLE 2.01 LEASE TERM** is hereby deleted in its entirety and replaced with the following:

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City deems fit. In addition to the Improvements set forth in **Exhibit B**, City and Lessee agree to cooperate and assist each other during the term of this Agreement in applications and funding from governmental entities to assist with paving, ramps, new facilities, and infrastructure at the Airport.

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- V. The Agreement, inclusive of this Amendment, is hereby ratified and affirmed by City and Lessee to be in good standing, and the Agreement shall in all respects remain in full force and effect in accordance with its provisions and as amended above.

[Signature Pages Follow]

EXECUTED by the duly authorized officials as of the day and year first above written.

CITY OF MIDLAND

Tommy Gonzalez, City Manager

ATTEST:

Marcia Bentley-German, City Secretary

BASIN AVIATION, INC.

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of the BASIN AVIATION, INC.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, A.D., 2025

.

Notary Public, State of _____

Printed Name

My Commission Expires: _____

Amended Exhibit B

Basin Facility Improvements	Lessee Cost	Completion Deadline
Contribute toward the cost of entrance signage, directional signage, and landscaping	\$10,000 ¹	Six (6) months from the effective date of the Amendment
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¹ Lessee shall not be obligated to expend in excess of this amount for this improvement.

Exhibit C



Midland Airpark
New Hangar Infrastructure Development
 City of Midland, Texas

Parkhill Site Layout
 Parkhill.com
 Issue: 4-1-2025
 Date: 9783.19
 Project No: 1
 Sheet:



City Council Meeting

Item Number: 14
Meeting Date: April 8, 2025
To: City Council / City Manager
From: John Simmons, Manager, Right-of-Way
Subject: MOTION AUTHORIZING THE EXECUTION OF A SURFACE USE AGREEMENT (25-329-013) WITH VITAL ENERGY, INC., REGARDING CITY-OWNED PROPERTY DESCRIBED AS SECTION 8, T-2-S, T&P RR CO.SURVEY,MIDLAND COUNTY, TEXAS (DISTRICT: NONE) (UTILITIES) (PROVIDE SOUND GOVERNANCE & FISCAL MANAGEMENT)

Purpose:

Motion allows Surface Owner and Operator to enter into an agreement regarding Operator's use of the Surface Premises for its oil and gas operations thereon for the purpose of providing for the protection of the surface estate and water resources of the Surface Premises in connection with oil and gas exploration, development, and production under the Leases;

Recommended City Council Action:

Approve

Fiscal Impact:

The following fees will be collected and are based on COM / UT Rate:

Application fee (one time): \$1,000

Initial Fee: \$1,000

Annual Fee beginning 2026 : \$10,000.00

Location (Surface Damage) fees for total of 14 wells over 15,000 feet total depth and new roads: \$361,320.48

Total Collected this date: \$363,320.48

Strategic Priority:

(Provide Sound Governance & Fiscal Management)

Discussion:

City of Midland owns an undivided interest in the surface of property located in Section 8, Block 38, 2 - South, commonly referred to as the Plant Farm. Land is primarily used to spread treated effluent water when needed. This area of the Plant Farm is primarily used for drilling and production with the majority of the wells being owned and operated by Oxy Rock Operating

Certificates of Insurance (COI) with City of Midland named as additional insured and a waiver of subrogation in favor of the City of Midland has been collected and on file.

City Secretary to record a Memorandum of Surface Use

City Manager's Office

8-Mile A 1S Wellbore Schematic

General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Lower Spraberry
Northing	-	TVD	8883
Easting	-	Lateral Length	10225
County	Midland	Total Depth	19569

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S 1 Lead	11.5	4573	0
Int. S 1 Tail	14.8	500	4573
Prod. Lead	14.2	17569	2000

Geology

Estimated Formation Tops	TVD
YATES	2779
SEVEN_RIVERS	2938
GRAYBURG	4200
SAN ANDRES	4532
GLORIETA	5159
CLEARFORK	6783
U SPRABERRY	7707
M SPRABERRY	7994
JO MILL	8555
L SPRABERRY	8729
DEAN	9058
WOLFCAMP A	9277
WOLFCAMP B	9517
WOLFCAMP C	9820
WOLFCAMP D	10256
STRAWN	10549
ATOKA	10926
BARNETT	11191
-	-
-	-
Landing TVD	8883
Landing MD	9344
Inclination	90.04

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
DV Tool	-	-	-	-	-	-	-	-
Intermediate	12.25	9.625	8.835	40#	L-80 HC	BTC	0	5073
Production	8.75	5.5	4.778	20#	P-110 HP	FHTQ	0	19569

Trajectory Information

Point	MD	TVD
Start Tangent	1800	1800
Start Drop	6145	6096
End Drop	6752	6700
Kick-Off Point	8219	8167
Landing Point	9344	8883
Start Turn	12789	8881
End Turn	15248	8878
Total Depth	19569	8875
Curve BUR	8	
TL Inclination	90.04	
Turn Rate	-7.32	
Turn Length	2459	
Lateral Length	10225	

Mud Information

Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5073	Brine	9.7-10.4
Production	5073 - 19569	WBM	9.0-10.0

17.5" OH x 13.375"
Surface Casing @
1300'

12.25" OH x 9.625"
Intermediate
Casing @ 5073'

8.75" OH x 5.5" Production
Casing @ 19569'

8-Mile C 3J Wellbore Schematic

General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Jo Mill
Northing	-	TVD	8635
Easting	-	Lateral Length	10533
County	Midland	Total Depth	19605

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S 1 Lead	11.5	4630	0
Int. S 1 Tail	14.8	500	4630
Prod. Lead	14.2	17605	2000

Geology

Estimated Formation Tops	TVD
YATES	2741
SEVEN_RIVERS	2900
GRAYBURG	4162
SAN ANDRES	4494
GLORIETA	5121
CLEARFORK	6745
U SPRABERRY	7670
M SPRABERRY	7956
JO MILL	8518
L SPRABERRY	8692
DEAN	9020
WOLFCAMP A	9239
WOLFCAMP B	9479
WOLFCAMP C	9782
WOLFCAMP D	10218
STRAWN	10512
ATOKA	10889
BARNETT	11153
-	-
-	-
Landing TVD	8635
Landing MD	9072
Inclination	90.00

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
DV Tool	-	-	-	-	-	-	-	-
Intermediate	12.25	9.625	8.835	40#	L-80 HC	BTC	0	5130
Production	8.75	5.5	4.778	20#	P-110 HP	FHTQ	0	19605

Trajectory Information

Point	MD	TVD
Start Tangent	1200	1200
Start Drop	6058	6031
End Drop	6479	6450
Kick-Off Point	7947	7919
Landing Point	9072	8635
Start Turn	12656	8635
End Turn	15353	8635
Total Depth	19605	8635
Curve BUR	8	
TL Inclination	90	
Turn Rate	-6.67	
Turn Length	2697	
Lateral Length	10533	

Mud Information

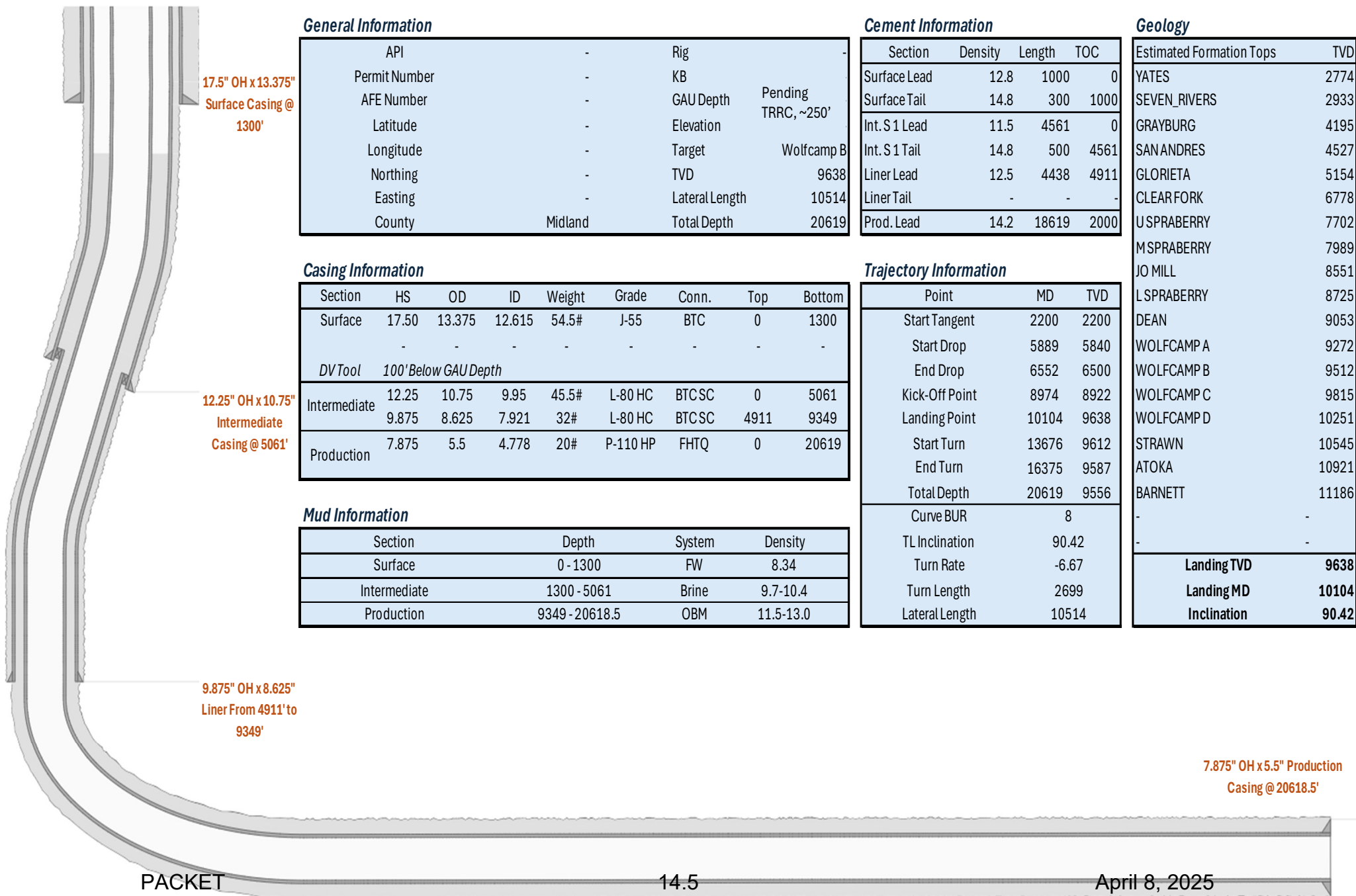
Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5130	Brine	9.7-10.4
Production	5130 - 19605	WBM	9.0-10.0

17.5" OH x 13.375"
Surface Casing @
1300'

12.25" OH x 9.625"
Intermediate
Casing @ 5130'

8.75" OH x 5.5" Production
Casing @ 19605'

8-Mile D 4B Wellbore Schematic



General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Wolfcamp B
Northing	-	TVD	9638
Easting	-	Lateral Length	10514
County	Midland	Total Depth	20619

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S1 Lead	11.5	4561	0
Int. S1 Tail	14.8	500	4561
Liner Lead	12.5	4438	4911
Liner Tail	-	-	-
Prod. Lead	14.2	18619	2000

Geology

Estimated Formation Tops	TVD
YATES	2774
SEVEN_RIVERS	2933
GRAYBURG	4195
SAN ANDRES	4527
GLORIETA	5154
CLEAR FORK	6778
USPRABERRY	7702
MSPRABERRY	7989
JO MILL	8551
LSPRABERRY	8725
DEAN	9053
WOLFCAMP A	9272
WOLFCAMP B	9512
WOLFCAMP C	9815
WOLFCAMP D	10251
STRAWN	10545
ATOKA	10921
BARNETT	11186
-	-
-	-
Landing TVD	9638
Landing MD	10104
Inclination	90.42

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
	-	-	-	-	-	-	-	-
DV Tool	100' Below GAU Depth							
Intermediate	12.25	10.75	9.95	45.5#	L-80 HC	BTCSC	0	5061
	9.875	8.625	7.921	32#	L-80 HC	BTCSC	4911	9349
Production	7.875	5.5	4.778	20#	P-110 HP	FHTQ	0	20619

Trajectory Information

Point	MD	TVD
Start Tangent	2200	2200
Start Drop	5889	5840
End Drop	6552	6500
Kick-Off Point	8974	8922
Landing Point	10104	9638
Start Turn	13676	9612
End Turn	16375	9587
Total Depth	20619	9556
Curve BUR	8	
TL Inclination	90.42	
Turn Rate	-6.67	
Turn Length	2699	
Lateral Length	10514	

Mud Information

Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5061	Brine	9.7-10.4
Production	9349 - 20618.5	OBM	11.5-13.0

8-Mile F 6J Wellbore Schematic

General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Jo Mill
Northing	-	TVD	8640
Easting	-	Lateral Length	11110
County	Midland	Total Depth	20201

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S 1 Lead	11.5	4555	0
Int. S 1 Tail	14.8	500	4555
Prod. Lead	14.2	18201	2000

Geology

Estimated Formation Tops	TVD
YATES	2770
SEVEN_RIVERS	2928
GRAYBURG	4191
SAN ANDRES	4523
GLORIETA	5150
CLEARFORK	6774
U SPRABERRY	7698
M SPRABERRY	7984
JO MILL	8546
L SPRABERRY	8720
DEAN	9049
WOLFCAMP A	9267
WOLFCAMP B	9508
WOLFCAMP C	9811
WOLFCAMP D	10247
STRAWN	10540
ATOKA	10917
BARNETT	11181
-	-
-	-
Landing TVD	8640
Landing MD	9090
Inclination	90.21

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
	-	-	-	-	-	-	-	-
DV Tool	100' Below GAU Depth							
Intermediate	12.25	9.625	8.835	40#	L-80 HC	BTC	0	5055
	-	-	-	-	-	-	-	-
Production	8.75	5.5	4.778	20#	P-110 HP	FHTQ	0	20201

Trajectory Information

Point	MD	TVD
Start Tangent	1500	1500
Start Drop	6204	6167
End Drop	6704	6665
Kick-Off Point	7963	7924
Landing Point	9090	8640
Start Turn	12234	8629
End Turn	16288	8610
Total Depth	20201	8595
Curve BUR	8	
TL Inclination	90.21	
Turn Rate	-4.44	
Turn Length	4054	
Lateral Length	11110	

Mud Information

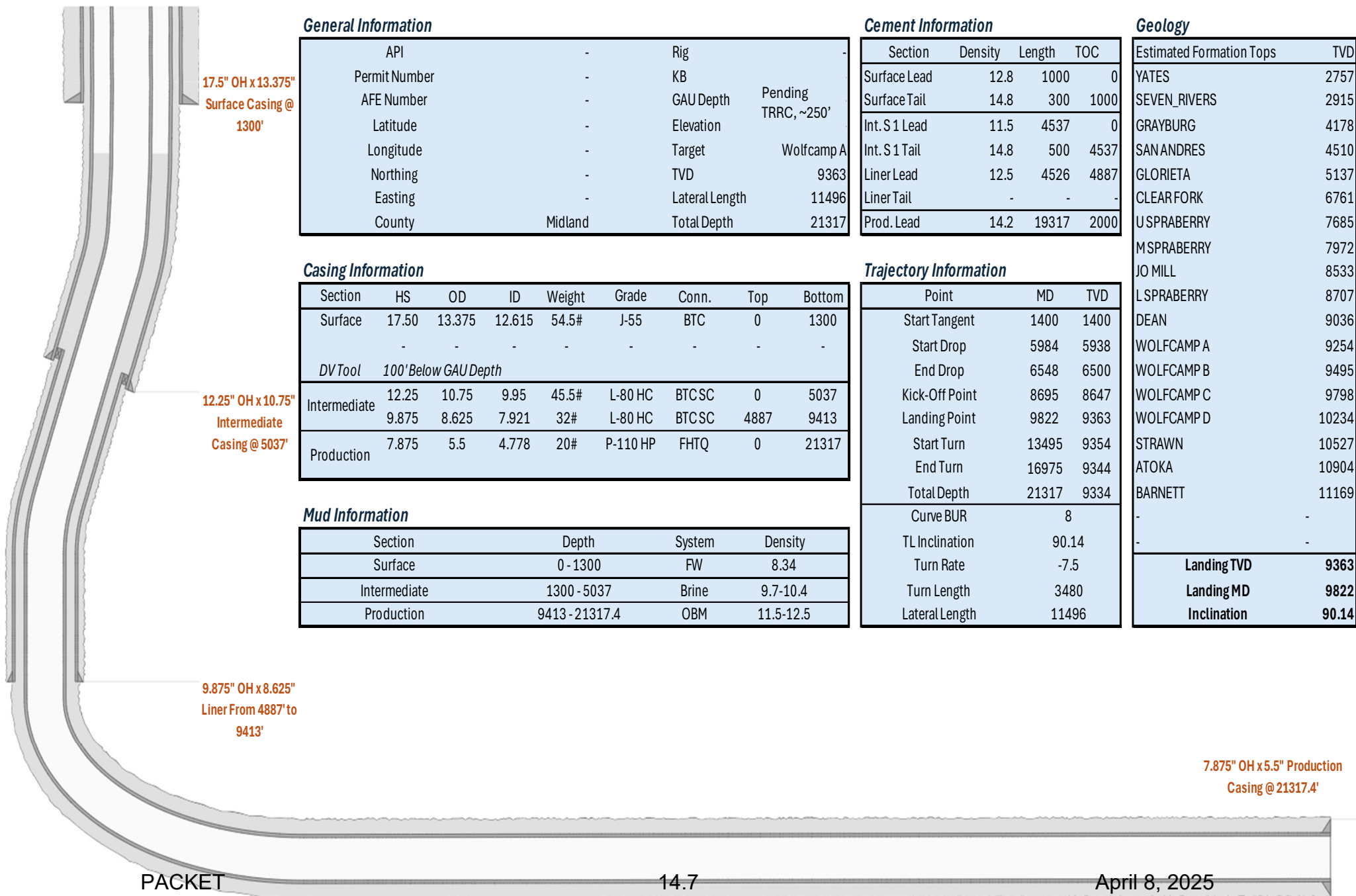
Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5055	Brine	9.7-10.4
Production	5055 - 20200.6	WBM	9.0-10.0

17.5" OH x 13.375"
Surface Casing @
1300'

12.25" OH x 9.625"
Intermediate
Casing @ 5055'

8.75" OH x 5.5" Production
Casing @ 20200.6'

8-Mile H 8A Wellbore Schematic



General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Wolfcamp A
Northing	-	TVD	9363
Easting	-	Lateral Length	11496
County	Midland	Total Depth	21317

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S1 Lead	11.5	4537	0
Int. S1 Tail	14.8	500	4537
Liner Lead	12.5	4526	4887
Liner Tail	-	-	-
Prod. Lead	14.2	19317	2000

Geology

Estimated Formation Tops	TVD
YATES	2757
SEVEN_RIVERS	2915
GRAYBURG	4178
SAN ANDRES	4510
GLORIETA	5137
CLEAR FORK	6761
USPRABERRY	7685
MSPRABERRY	7972
JO MILL	8533
LSPRABERRY	8707
DEAN	9036
WOLFCAMP A	9254
WOLFCAMP B	9495
WOLFCAMP C	9798
WOLFCAMP D	10234
STRAWN	10527
ATOKA	10904
BARNETT	11169
-	-
-	-
Landing TVD	9363
Landing MD	9822
Inclination	90.14

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
	-	-	-	-	-	-	-	-
DV Tool	100' Below GAU Depth							
Intermediate	12.25	10.75	9.95	45.5#	L-80 HC	BTCSC	0	5037
	9.875	8.625	7.921	32#	L-80 HC	BTCSC	4887	9413
Production	7.875	5.5	4.778	20#	P-110 HP	FHTQ	0	21317

Trajectory Information

Point	MD	TVD
Start Tangent	1400	1400
Start Drop	5984	5938
End Drop	6548	6500
Kick-Off Point	8695	8647
Landing Point	9822	9363
Start Turn	13495	9354
End Turn	16975	9344
Total Depth	21317	9334
Curve BUR	8	
TL Inclination	90.14	
Turn Rate	-7.5	
Turn Length	3480	
Lateral Length	11496	

Mud Information

Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5037	Brine	9.7-10.4
Production	9413 - 21317.4	OBM	11.5-12.5

8-Mile J 9S Wellbore Schematic

General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Middle Spraberry
Northing	-	TVD	8092
Easting	-	Lateral Length	10696
County	Midland	Total Depth	19260

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S 1 Lead	11.5	4578	0
Int. S 1 Tail	14.8	500	4578
Prod. Lead	14.2	17260	2000

Geology

Estimated Formation Tops	TVD
YATES	2751
SEVEN_RIVERS	2920
GRAYBURG	4103
SAN ANDRES	4460
GLORIETA	5158
CLEARFORK	6771
U SPRABERRY	7700
M SPRABERRY	7981
JO MILL	8544
L SPRABERRY	8717
DEAN	9049
WOLFCAMP A	9260
WOLFCAMP B	9506
WOLFCAMP C	9801
WOLFCAMP D	10235
STRAWN	10507
ATOKA	10932
BARNETT	11234
-	-
-	-
Landing TVD	8092
Landing MD	8565
Inclination	90.21

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
DV Tool	-	-	-	-	-	-	-	-
Intermediate	12.25	9.625	8.835	40#	L-80 HC	BTC	0	5078
Production	8.75	5.5	4.778	20#	P-110 HP	FHTQ	0	19260

Trajectory Information

Point	MD	TVD
Start Tangent	1200	1200
Start Drop	6147	6089
End Drop	6761	6700
Kick-Off Point	7437	7376
Landing Point	8565	8092
Start Turn	12047	8079
End Turn	15109	8065
Total Depth	19260	8050
Curve BUR	8	
TL Inclination	90.21	
Turn Rate	-6	
Turn Length	3062	
Lateral Length	10696	

Mud Information

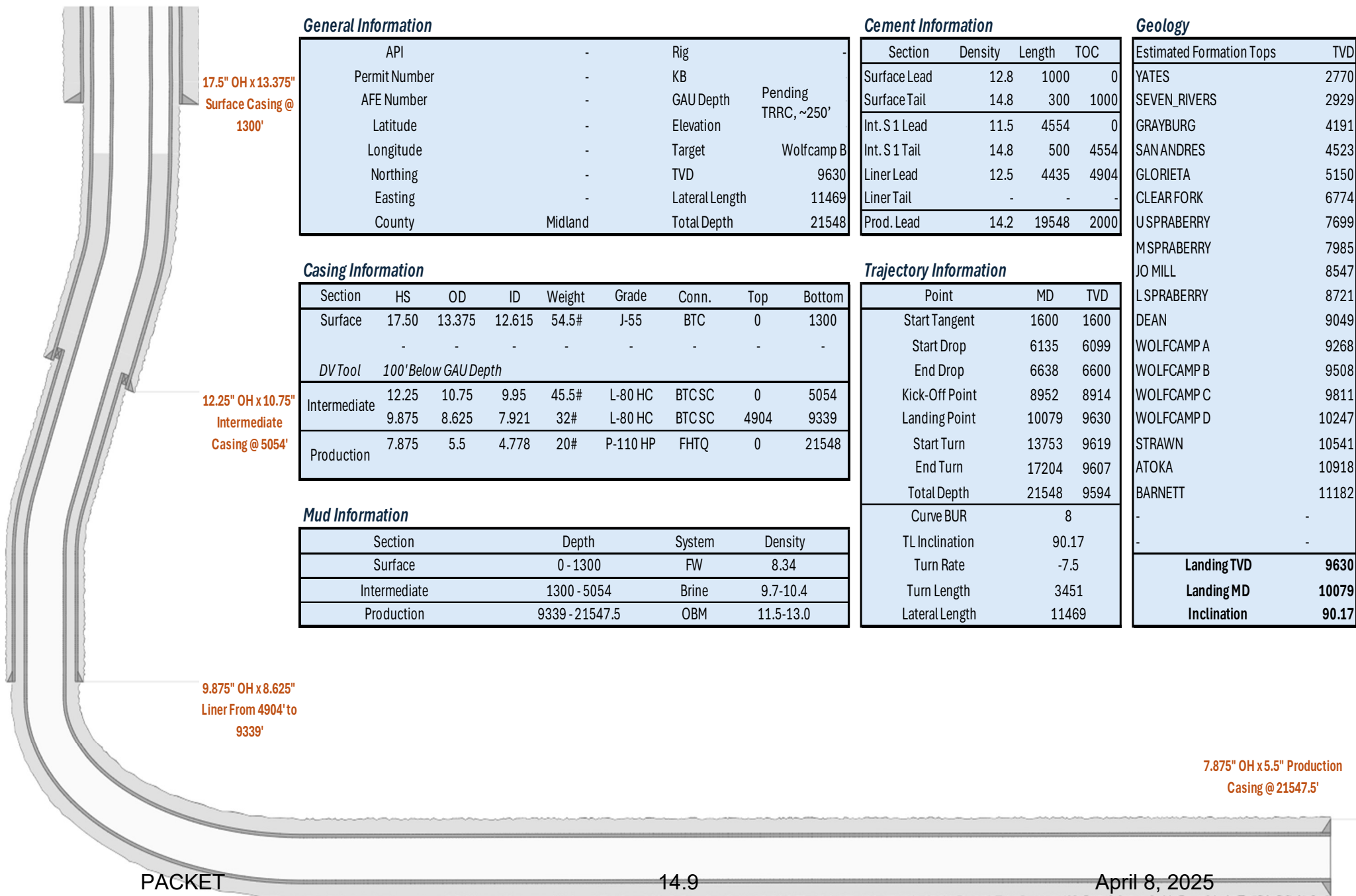
Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5078	Brine	9.7-10.4
Production	5078 - 19260.3	WBM	9.0-10.0

17.5" OH x 13.375"
Surface Casing @
1300'

12.25" OH x 9.625"
Intermediate
Casing @ 5078'

8.75" OH x 5.5" Production
Casing @ 19260.3'

8-Mile G 7B Wellbore Schematic



General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Wolfcamp B
Northing	-	TVD	9630
Easting	-	Lateral Length	11469
County	Midland	Total Depth	21548

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S1 Lead	11.5	4554	0
Int. S1 Tail	14.8	500	4554
Liner Lead	12.5	4435	4904
Liner Tail	-	-	-
Prod. Lead	14.2	19548	2000

Geology

Estimated Formation Tops	TVD
YATES	2770
SEVEN_RIVERS	2929
GRAYBURG	4191
SAN ANDRES	4523
GLORIETA	5150
CLEAR FORK	6774
USPRABERRY	7699
MSPRABERRY	7985
JO MILL	8547
LSPRABERRY	8721
DEAN	9049
WOLFCAMP A	9268
WOLFCAMP B	9508
WOLFCAMP C	9811
WOLFCAMP D	10247
STRAWN	10541
ATOKA	10918
BARNETT	11182
-	-
-	-
Landing TVD	9630
Landing MD	10079
Inclination	90.17

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
DV Tool	-	-	-	-	-	-	-	-
Intermediate	12.25	10.75	9.95	45.5#	L-80 HC	BTCSC	0	5054
Production	9.875	8.625	7.921	32#	L-80 HC	BTCSC	4904	9339
Production	7.875	5.5	4.778	20#	P-110 HP	FHTQ	0	21548

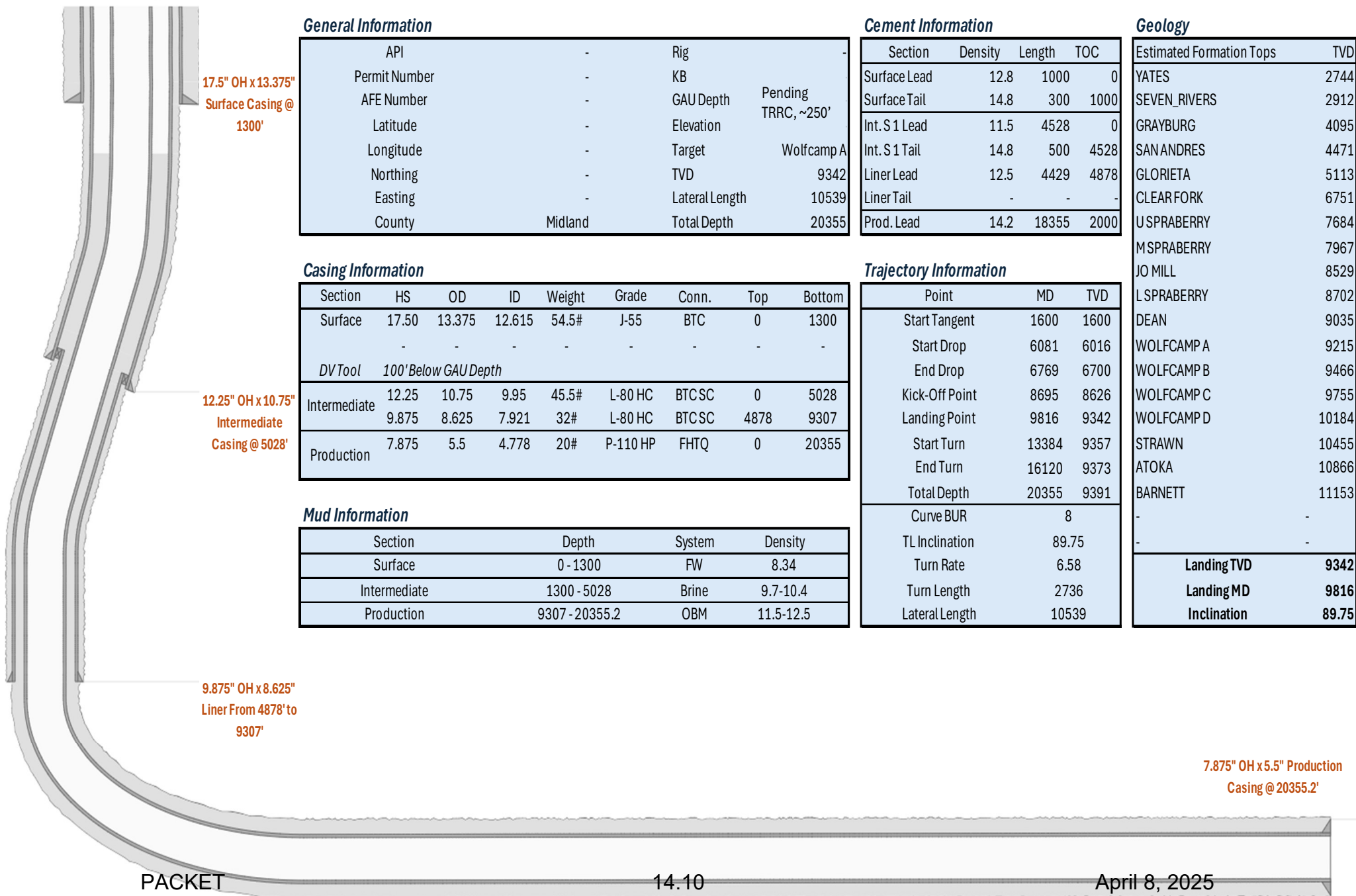
Mud Information

Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5054	Brine	9.7-10.4
Production	9339 - 21547.5	OBM	11.5-13.0

Trajectory Information

Point	MD	TVD
Start Tangent	1600	1600
Start Drop	6135	6099
End Drop	6638	6600
Kick-Off Point	8952	8914
Landing Point	10079	9630
Start Turn	13753	9619
End Turn	17204	9607
Total Depth	21548	9594
Curve BUR	8	
TL Inclination	90.17	
Turn Rate	-7.5	
Turn Length	3451	
Lateral Length	11469	

8-Mile E 5A Wellbore Schematic



8-Mile K 10J Wellbore Schematic

General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Jo Mill
Northing	-	TVD	9599
Easting	-	Lateral Length	10529
County	Midland	Total Depth	20558

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S 1 Lead	11.5	4506	0
Int. S 1 Tail	14.8	500	4506
Prod. Lead	14.2	18558	2000

Geology

Estimated Formation Tops	TVD
YATES	2742
SEVEN_RIVERS	2909
GRAYBURG	4098
SAN ANDRES	4474
GLORIETA	5106
CLEARFORK	6745
U SPRABERRY	7678
M SPRABERRY	7958
JO MILL	8514
L SPRABERRY	8681
DEAN	9012
WOLFCAMP A	9204
WOLFCAMP B	9440
WOLFCAMP C	9734
WOLFCAMP D	10164
STRAWN	10436
ATOKA	10836
BARNETT	11121
-	-
-	-
Landing TVD	9599
Landing MD	10029
Inclination	90.21

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
DV Tool	-	-	-	-	-	-	-	-
Intermediate	12.25	9.625	8.835	40#	L-80 HC	BTC	0	5006
Production	8.75	5.5	4.778	20#	P-110 HP	FHTQ	0	20558

Trajectory Information

Point	MD	TVD
Start Tangent	1400	1400
Start Drop	4820	4802
End Drop	5223	5205
Kick-Off Point	8901	8883
Landing Point	10029	9599
Start Turn	13613	9586
End Turn	16307	9573
Total Depth	20558	9558
Curve BUR	8	
TL Inclination	90.21	
Turn Rate	-6.68	
Turn Length	2694	
Lateral Length	10529	

Mud Information

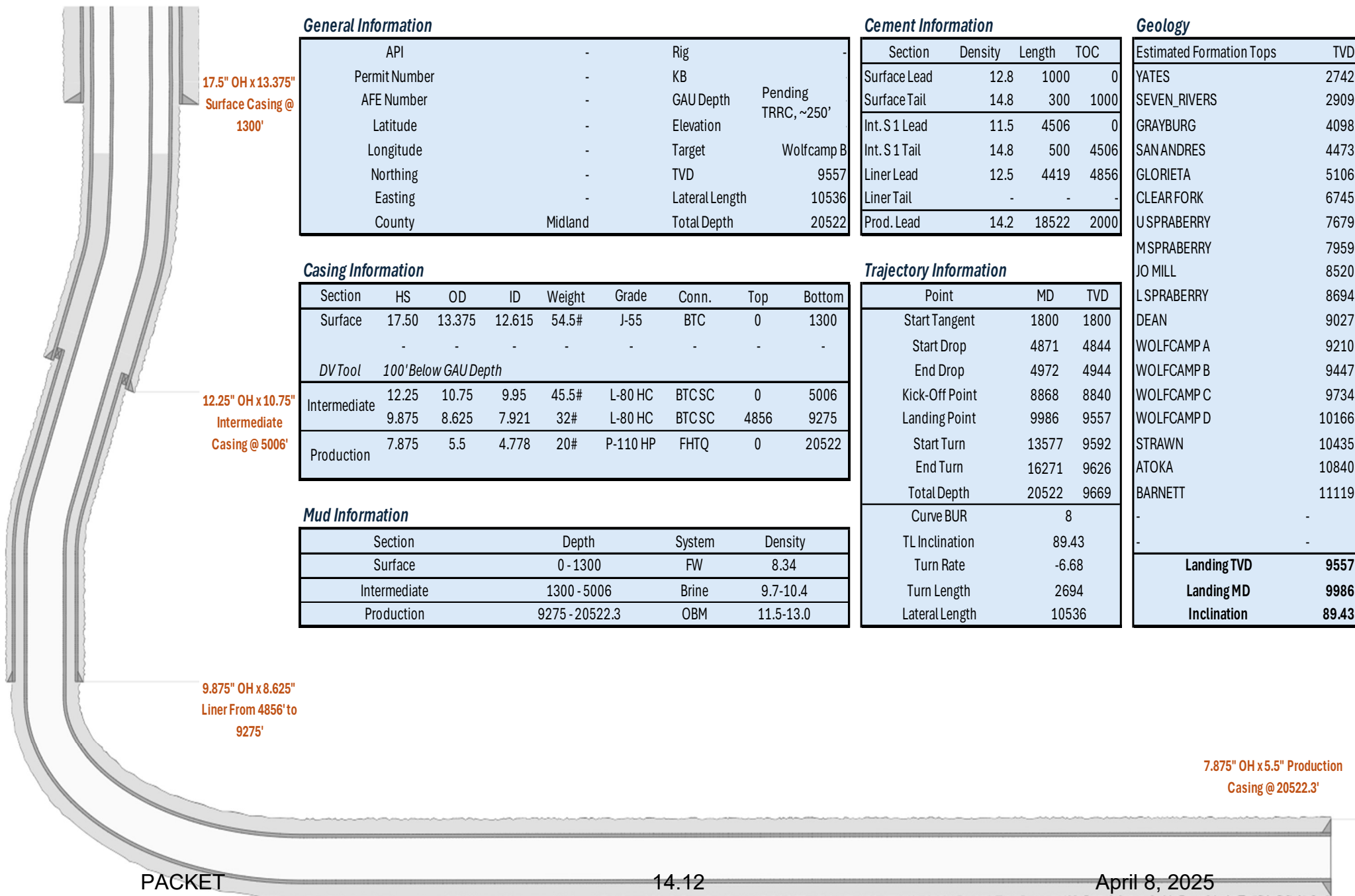
Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5006	Brine	9.7-10.4
Production	5006 - 20558.1	WBM	9.0-10.0

17.5" OH x 13.375"
Surface Casing @
1300'

12.25" OH x 9.625"
Intermediate
Casing @ 5006'

8.75" OH x 5.5" Production
Casing @ 20558.1'

8-Mile L 11B Wellbore Schematic



8-Mile M 12A Wellbore Schematic



General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Wolfcamp A
Northing	-	TVD	9329
Easting	-	Lateral Length	10544
County	Midland	Total Depth	20314

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S1 Lead	11.5	4565	0
Int. S1 Tail	14.8	500	4565
Liner Lead	12.5	4469	4915
Liner Tail	-	-	-
Prod. Lead	14.2	18314	2000

Geology

Estimated Formation Tops	TVD
YATES	2704
SEVEN_RIVERS	2862
GRAYBURG	4125
SAN ANDRES	4456
GLORIETA	5084
CLEAR FORK	6707
USPRABERRY	7632
MSPRABERRY	7918
JO MILL	8480
LSPRABERRY	8654
DEAN	8982
WOLFCAMP A	9201
WOLFCAMP B	9441
WOLFCAMP C	9744
WOLFCAMP D	10180
STRAWN	10474
ATOKA	10851
BARNETT	11115
-	-
-	-
Landing TVD	9329
Landing MD	9770
Inclination	89.86

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
DV Tool	-	-	-	-	-	-	-	-
Intermediate	12.25	10.75	9.95	45.5#	L-80 HC	BTCSC	0	5065
Production	9.875	8.625	7.921	32#	L-80 HC	BTCSC	4915	9384
Production	7.875	5.5	4.778	20#	P-110 HP	FHTQ	0	20314

Mud Information

Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5065	Brine	9.7-10.4
Production	9384 - 20314.1	OBM	11.5-12.5

Trajectory Information

Point	MD	TVD
Start Tangent	2000	2000
Start Drop	4930	4898
End Drop	5534	5500
Kick-Off Point	8647	8612
Landing Point	9770	9329
Start Turn	13342	9338
End Turn	16077	9346
Total Depth	20314	9356
Curve BUR	8	
TL Inclination	89.86	
Turn Rate	-6.58	
Turn Length	2735	
Lateral Length	10544	

8-Mile N 13S Wellbore Schematic

General Information

API	-	Rig	-
Permit Number	-	KB	-
AFE Number	-	GAU Depth	Pending TRRC, ~250'
Latitude	-	Elevation	-
Longitude	-	Target	Lower Spraberry
Northing	-	TVD	8327
Easting	-	Lateral Length	10432
County	Midland	Total Depth	19217

Cement Information

Section	Density	Length	TOC
Surface Lead	12.8	1000	0
Surface Tail	14.8	300	1000
Int. S 1 Lead	11.5	4504	0
Int. S 1 Tail	14.8	500	4504
Prod. Lead	14.2	17217	2000

Geology

Estimated Formation Tops	TVD
YATES	2742
SEVEN_RIVERS	2908
GRAYBURG	4097
SAN ANDRES	4471
GLORIETA	5100
CLEARFORK	6742
U SPRABERRY	7676
M SPRABERRY	7955
JO MILL	8516
L SPRABERRY	8690
DEAN	9020
WOLFCAMP A	9214
WOLFCAMP B	9448
WOLFCAMP C	9742
WOLFCAMP D	10172
STRAWN	10442
ATOKA	10838
BARNETT	11120
-	-
-	-
Landing TVD	8327
Landing MD	8786
Inclination	90.83

Casing Information

Section	HS	OD	ID	Weight	Grade	Conn.	Top	Bottom
Surface	17.50	13.375	12.615	54.5#	J-55	BTC	0	1300
DV Tool	-	-	-	-	-	-	-	-
Intermediate	12.25	9.625	8.835	40#	L-80 HC	BTC	0	5004
Production	8.75	5.5	4.778	20#	P-110 HP	FHTQ	0	19217

Trajectory Information

Point	MD	TVD
Start Tangent	2200	2200
Start Drop	6191	6154
End Drop	6739	6700
Kick-Off Point	7650	7611
Landing Point	8786	8327
Start Turn	12437	8274
End Turn	14888	8229
Total Depth	19217	8167
Curve BUR	8	
TL Inclination	90.83	
Turn Rate	-7.34	
Turn Length	2452	
Lateral Length	10432	

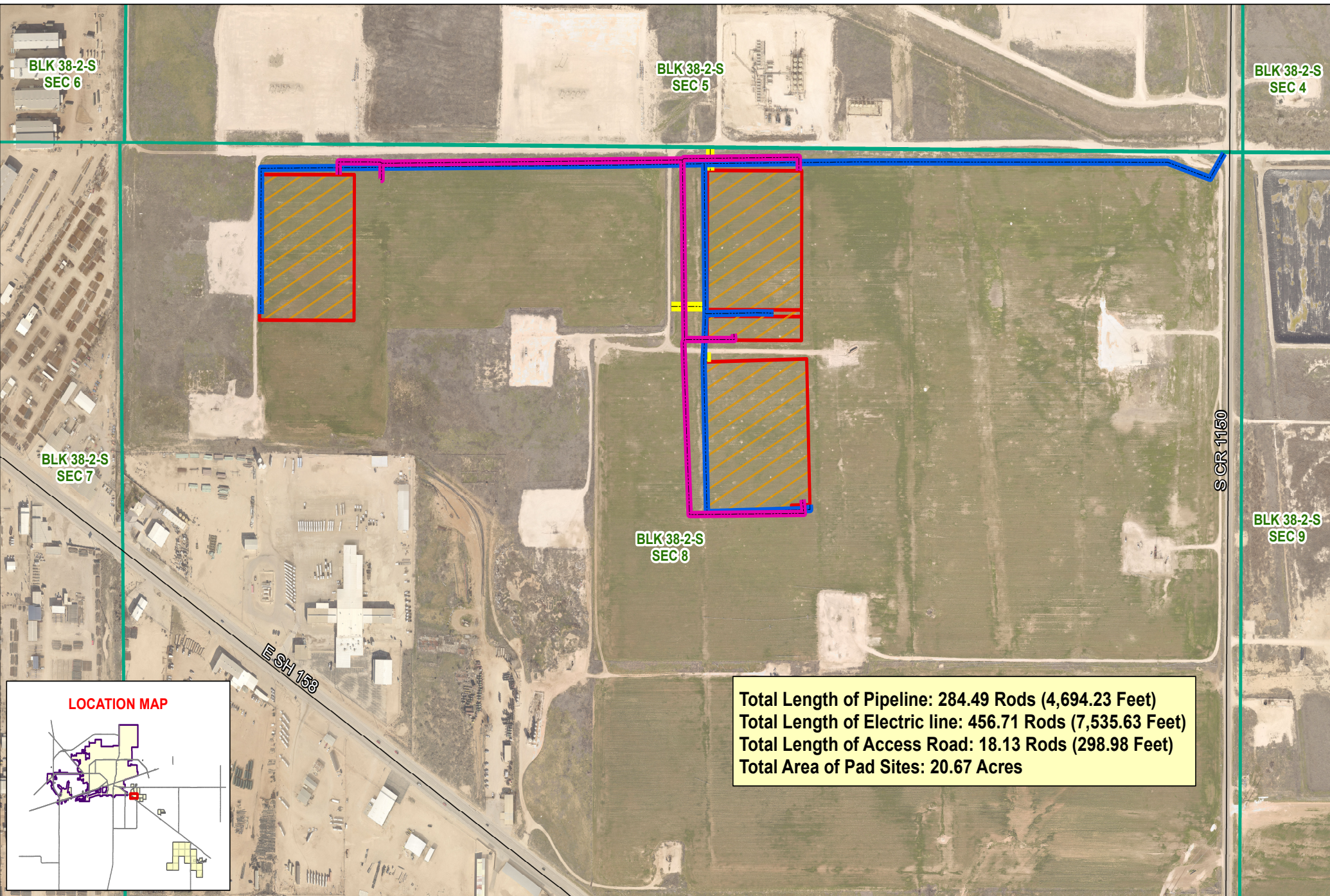
Mud Information

Section	Depth	System	Density
Surface	0 - 1300	FW	8.34
Intermediate	1300 - 5004	Brine	9.7-10.4
Production	5004 - 19217.3	WBM	9.0-10.0

17.5" OH x 13.375"
Surface Casing @
1300'

12.25" OH x 9.625"
Intermediate
Casing @ 5004'

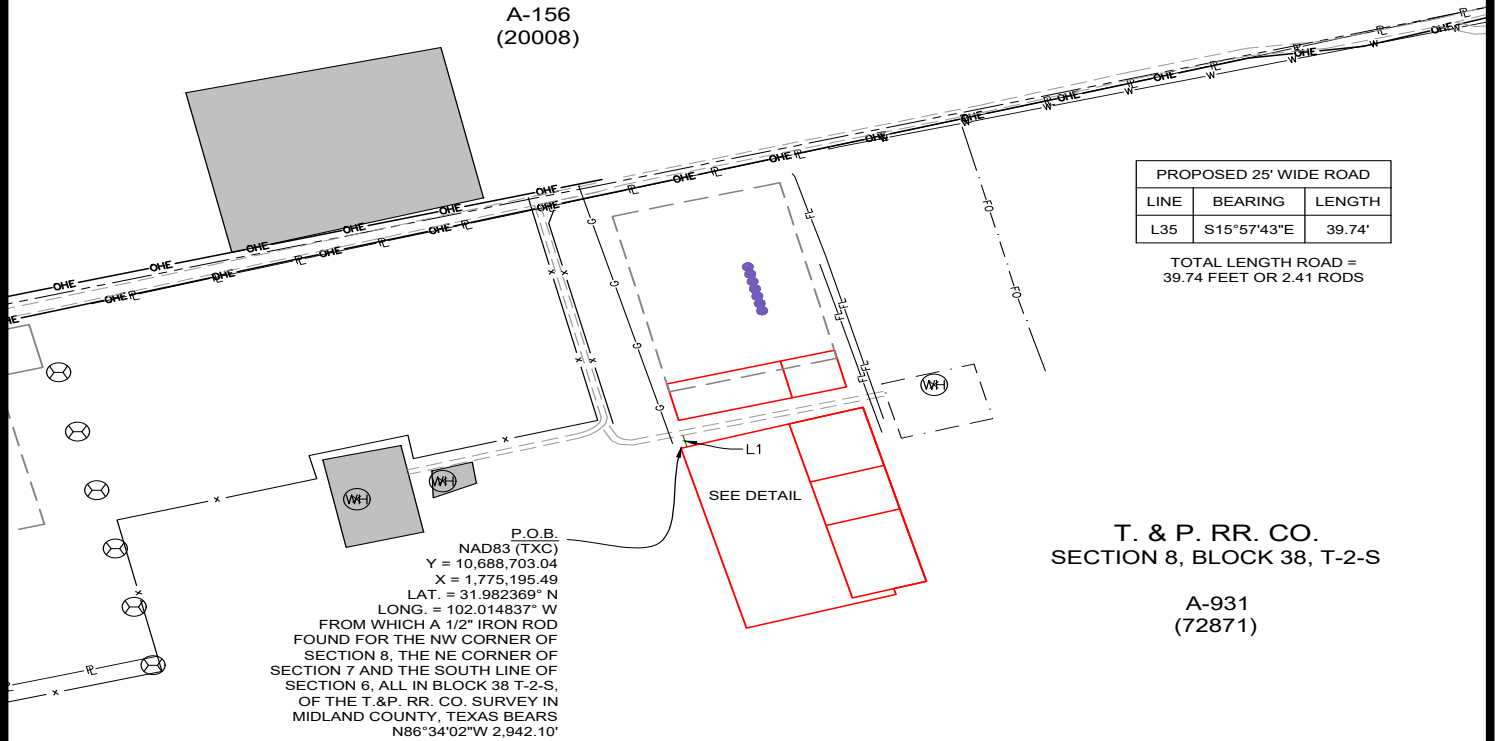
8.75" OH x 5.5" Production
Casing @ 19217.3'



Total Length of Pipeline: 284.49 Rods (4,694.23 Feet)
Total Length of Electric line: 456.71 Rods (7,535.63 Feet)
Total Length of Access Road: 18.13 Rods (298.98 Feet)
Total Area of Pad Sites: 20.67 Acres

T. & P. RR. CO.
SECTION 5, BLOCK 38, T-2-S

A-156
(20008)

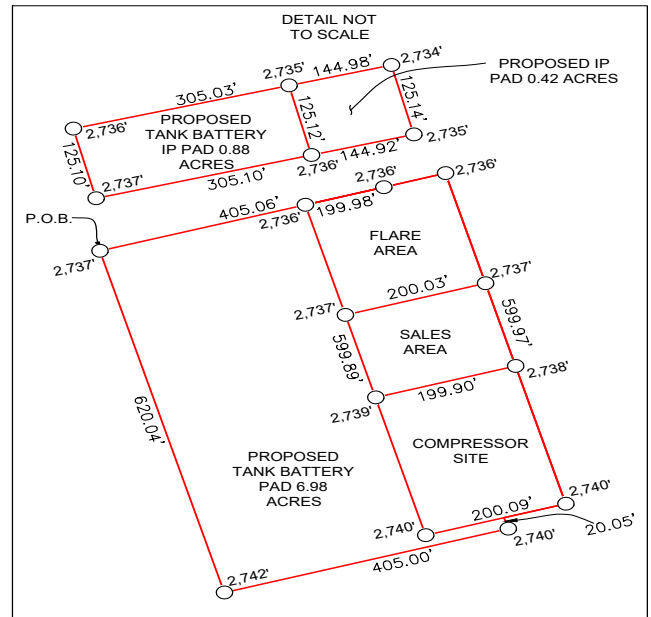


LEGEND

	SECTION LINE
	PROPOSED TANK BATTERY PAD
	PROPOSED ROAD
	EXISTING PAD
	EXISTING ROAD
	EXISTING OVERHEAD ELECTRIC
	EXISTING PIPELINE
	EXISTING GAS LINE
	EXISTING FLOWLINE
	EXISTING WATER LINE
	EXISTING FIBER OPTIC LINE
	RECLAIMED PAD
	EXISTING FENCE
	PROPOSED WELL LOCATION
	EXISTING WELL HEAD
	EXISTING WATER WELL HEAD
A-#	ABSTRACT NUMBER
(#)	GLO FILE NUMBER
P.O.B.	POINT OF BEGINNING

GENERAL NOTES

- ALL BEARINGS AND DISTANCES REFER TO THE TEXAS STATE PLANE COORDINATE SYSTEM OF 1983 (HARN), CENTRAL ZONE 4203.
- AREA, DISTANCE, AND COORDINATES ARE "GRID."
- UNITS ARE UNITED STATES SURVEY FOOT.
- ELEVATIONS ARE BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD 88).
- LEASE INFORMATION WAS PREPARED FROM RECORD DATA FURNISHED BY THE CLIENT AND WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT. SURVEY HAS MADE NO INVESTIGATION OR SEARCH FOR EASEMENTS OR OTHER MATTERS OF RECORD THAT A TITLE REPORT WOULD DISCLOSE.
- CALL BEFORE YOU DIG - TEXAS811.ORG.



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I, ALLEN W. PELOQUIN, DO HEREBY STATE THAT THE ABOVE FOREGOING EXHIBIT WAS PREPARED UNDER MY DIRECTION AND SUPERVISION IN MARCH, 2025.

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT

ALLEN W. PELOQUIN
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 5998



505 Pecan Street, Suite 201, Fort Worth, TX 76102
ph: 817.350.1500 | info@manhard.com
Texas Board of Professional Engineers &
Land Surveyors Reg. No. F-10194754 (Surv), F-22053 (Eng)

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A PROPOSED TANK BATTERY PAD
EXHIBIT FOR:

8 MILE

SITUATED IN SECTION 8, BLOCK 38, T-2-S, OF THE T. & P.
RR. CO. SURVEY IN MIDLAND COUNTY, TEXAS

CHECKED BY:	DN	DATE:	3/3/2025
DRAWN BY:	JP	FIELD CREW:	BP



521 EAST 2ND STREET, SUITE 1000, OKLAHOMA 74120

SCALE:	1" = 500'	PROJECT NO.:	618.012053.00
REVISION NO.:	0	SHEET:	1 OF 1

T. & P. RR. CO.
SECTION 5, BLOCK 38, T-2-S

A-156
(20008)

P.O.B. "B"
NAD83 (TXC)
Y = 10,689,495.04
X = 1,774,994.73
LAT. = 31.984537° N
LONG. = 102.015523° W
FROM WHICH A 1/2" IRON ROD FOUND
FOR THE NW CORNER OF SECTION 8,
THE NE CORNER OF SECTION 7 AND
THE SOUTH LINE OF SECTION 6, ALL IN
BLOCK 38 T-2-S, OF THE T.&P. RR. CO.
SURVEY IN MIDLAND COUNTY, TEXAS
BEARS S77°18'55"W 2,804.51'

P.O.B. "A"
AT EXISTING OVERHEAD ELECTRIC
NAD83 (TXC)
Y = 10,690,157.41
X = 1,777,385.40
LAT. = 31.986457° N
LONG. = 102.007846° W
FROM WHICH A NAIL IN THE CENTER OF
CR 130 FOUND FOR THE SW CORNER OF
SECTION 13, THE SE CORNER OF SECTION
14, AND IN THE NORTH LINE OF SECTION
16, ALL IN BLOCK 38 T-2-S, OF THE T.&P.
RR. CO. SURVEY IN MIDLAND COUNTY,
TEXAS BEARS S11°42'53"W 11,773.54'

P.O.T. "C"
NAD83 (TXC)
Y = 10,688,981.93
X = 1,775,468.69
LAT. = 31.983147° N
LONG. = 102.013969° W
FROM WHICH A NAIL IN THE CENTER
OF CR 130 FOUND FOR THE SW
CORNER OF SECTION 13, THE SE
CORNER OF SECTION 14, AND IN THE
NORTH LINE OF SECTION 16, ALL IN
BLOCK 38 T-2-S, OF THE T.&P. RR. CO.
SURVEY IN MIDLAND COUNTY, TEXAS
BEARS S02°37'13"W 10,363.66'

P.O.T. "A"
NAD83 (TXC)
Y = 10,688,365.19
X = 1,773,101.30
LAT. = 31.981353° N
LONG. = 102.021573° W
FROM WHICH A 1/2" IRON ROD FOUND
FOR THE NW CORNER OF SECTION 8,
THE NE CORNER OF SECTION 7 AND
THE SOUTH LINE OF SECTION 6, ALL
IN BLOCK 38 T-2-S, OF THE T.&P. RR.
CO. SURVEY IN MIDLAND COUNTY,
TEXAS BEARS N58°36'57"W 987.04'

P.O.B. "C"
NAD83 (TXC)
Y = 10,688,898.23
X = 1,775,155.47
LAT. = 31.982904° N
LONG. = 102.014975° W
FROM WHICH A 1/2" IRON ROD
FOUND FOR THE NW CORNER OF
SECTION 8, THE NE CORNER OF
SECTION 7 AND THE SOUTH LINE OF
SECTION 6, ALL IN BLOCK 38 T-2-S,
OF THE T.&P. RR. CO. SURVEY IN
MIDLAND COUNTY, TEXAS BEARS
S89°37'26"W 2,896.86'

T. & P. RR. CO.
SECTION 8, BLOCK 38, T-2-S

A-931
(72871)

LEGEND

---	SECTION LINE
---	PROPOSED OVERHEAD ELECTRIC
---	PROPOSED PAD
---	PROPOSED FACILITY PAD
---	EXISTING PAD
---	EXISTING ROAD
---	EXISTING OVERHEAD ELECTRIC
---	EXISTING PIPELINE
---	EXISTING GAS LINE
---	EXISTING FLOWLINE
---	EXISTING WATER LINE
---	EXISTING FIBER OPTIC LINE
---	RECLAIMED PAD
---	EXISTING FENCE
●	PROPOSED WELL LOCATION
(WH)	EXISTING WELL HEAD
⊗	EXISTING WATER WELL HEAD
A-#	ABSTRACT NUMBER
(#)	GLO FILE NUMBER
P.O.B.	POINT OF BEGINNING
P.O.T.	POINT OF TERMINUS

GENERAL NOTES

- ALL BEARINGS AND DISTANCES REFER TO THE TEXAS STATE PLANE COORDINATE SYSTEM OF 1983 (HARN), CENTRAL ZONE 4203.
- AREA, DISTANCE, AND COORDINATES ARE "GRID."
- UNITS ARE UNITED STATES SURVEY FOOT.
- ELEVATIONS ARE BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD 88).
- LEASE INFORMATION WAS PREPARED FROM RECORD DATA FURNISHED BY THE CLIENT AND WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT. SURVEY HAS MADE NO INVESTIGATION OR SEARCH FOR EASEMENTS OR OTHER MATTERS OF RECORD THAT A TITLE REPORT WOULD DISCLOSE.
- CALL BEFORE YOU DIG - TEXAS811.ORG.

PROPOSED OVERHEAD ELECTRIC "A"		
LINE	BEARING	LENGTH
L1	S18°32'51"W	123.12'
L2	N86°18'25"W	212.17'
L3	S75°33'22"W	1469.33'
L4	S74°56'49"W	742.37'
L5	S74°35'15"W	364.51'
L6	S75°02'52"W	499.98'
L7	S75°03'35"W	1250.05'
L8	S14°21'01"E	600.43'

TOTAL LENGTH LINE "A" =
5,261.96 FEET OR 318.91 RODS

TOTAL LENGTH =
7,535.63 FEET OR 456.71 RODS

PROPOSED OVERHEAD ELECTRIC "B"		
LINE	BEARING	LENGTH
L9	S15°04'24"E	618.08'
L10	S11°52'59"E	199.05'
L11	S15°58'28"E	620.17'
L12	N74°01'58"E	492.07'
L13	N15°59'43"W	20.05'

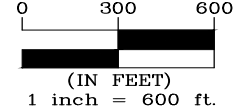
TOTAL LENGTH LINE "B" =
1,949.42 FEET OR 118.15 RODS

PROPOSED OVERHEAD ELECTRIC "C"		
LINE	BEARING	LENGTH
L14	N74°49'05"E	118.95'
L15	N74°19'18"E	119.86'
L16	N76°21'07"E	85.44'

TOTAL LENGTH LINE "C"
324.25 FEET OR 19.65 RODS



GRAPHIC SCALE



THIS SURVEY EXHIBIT WAS PREPARED FROM RECORD DATA FURNISHED BY THE CLIENT AND WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT. SURVEYOR HAS MADE NO INVESTIGATION OR SEARCH FOR EASEMENTS OR OTHER MATTERS OF RECORD THAT A TITLE REPORT WOULD DISCLOSE AND THIS SURVEY DOES NOT REPRESENT WARRANTY OF TITLE OR A GUARANTEE OF OWNERSHIP.
I, ALLEN W. PELOQUIN, DO HEREBY STATE THAT THE ABOVE FOREGOING EXHIBIT WAS PREPARED UNDER MY DIRECTION AND SUPERVISION IN FEBRUARY, 2025.

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT

ALLEN W. PELOQUIN
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 5998



505 Pecan Street, Suite 201, Fort Worth, TX 76102
ph: 817.336.1111 manhard.com
Texas Board of Professional Engineers &
Land Surveyors Reg. No. F-10194754 (Surv), F-22055 (Eng)

A PROPOSED OVERHEAD
ELECTRIC EXHIBIT FOR:

8 MILE

SITUATED IN SECTION 8, BLOCK 38, T-2-S, OF THE T. & P.
RR. CO. SURVEY IN MIDLAND COUNTY, TEXAS

CHECKED BY:	DN	DATE:	2/28/2025
DRAWN BY:	JP	FIELD CREW:	BP

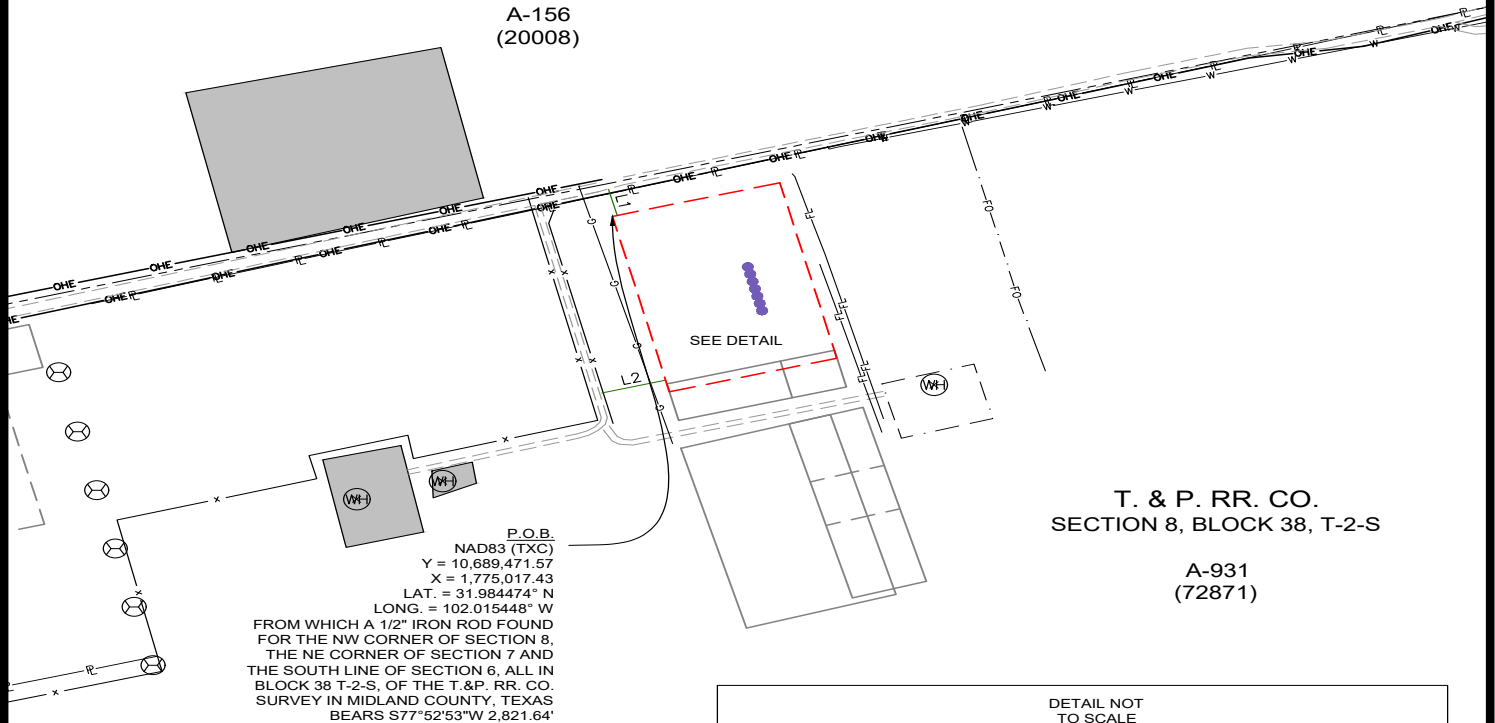


521 EAST 2ND ST, SUITE 100, OKLAHOMA 74120

SCALE:	1" = 600'	PROJECT NO.:	618.012053.00
REVISION NO.:	0	SHEET:	1 OF 1

T. & P. RR. CO.
SECTION 5, BLOCK 38, T-2-S

A-156
(20008)



T. & P. RR. CO.
SECTION 8, BLOCK 38, T-2-S

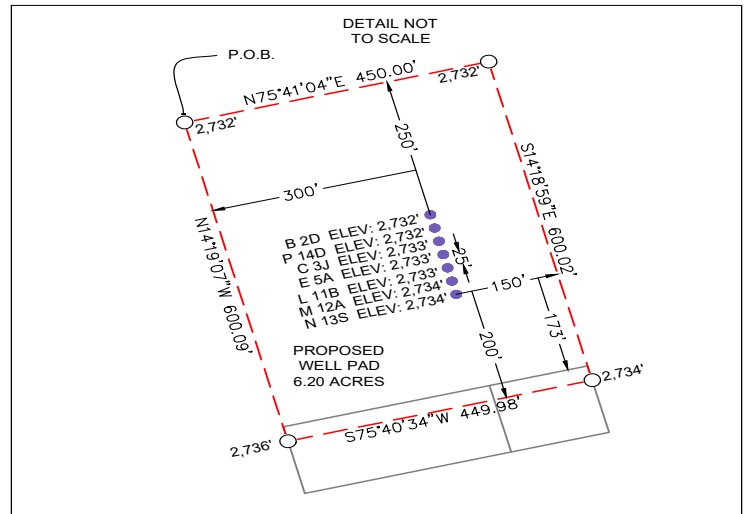
A-931
(72871)

LEGEND

	SECTION LINE
	PROPOSED WELL PAD
	PROPOSED TANK BATTERY PAD
	PROPOSED ROAD
	EXISTING PAD
	EXISTING ROAD
	EXISTING OVERHEAD ELECTRIC
	EXISTING PIPELINE
	EXISTING GAS LINE
	EXISTING FLOWLINE
	EXISTING WATER LINE
	EXISTING FIBER OPTIC LINE
	RECLAIMED PAD
	EXISTING FENCE
	PROPOSED WELL LOCATION
	EXISTING WELL HEAD
	EXISTING WATER WELL HEAD
	ABSTRACT NUMBER
	GLO FILE NUMBER
	POINT OF BEGINNING

GENERAL NOTES

- ALL BEARINGS AND DISTANCES REFER TO THE TEXAS STATE PLANE COORDINATE SYSTEM OF 1983 (HARN), CENTRAL ZONE 4203.
- AREA, DISTANCE, AND COORDINATES ARE "GRID."
- UNITS ARE UNITED STATES SURVEY FOOT.
- ELEVATIONS ARE BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD 88).
- LEASE INFORMATION WAS PREPARED FROM RECORD DATA FURNISHED BY THE CLIENT AND WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT. SURVEY HAS MADE NO INVESTIGATION OR SEARCH FOR EASEMENTS OR OTHER MATTERS OF RECORD THAT A TITLE REPORT WOULD DISCLOSE.
- CALL BEFORE YOU DIG - TEXAS811.ORG.



PROPOSED 25' WIDE ROAD "A"		
LINE	BEARING	LENGTH
L1	S75°47'35"W	171.19'

TOTAL LENGTH ROAD "A" =
171.19 FEET OR 10.38 RODS

PROPOSED 25' WIDE ROAD "B"		
LINE	BEARING	LENGTH
L2	N14°19'54"W	88.05'

TOTAL LENGTH ROAD "B" =
88.05 FEET OR 5.34 RODS

THIS SURVEY EXHIBIT WAS PREPARED FROM RECORD DATA FURNISHED BY THE CLIENT AND WAS DONE WITHOUT THE BENEFIT OF A TITLE REPORT. SURVEYOR HAS MADE NO INVESTIGATION OR SEARCH FOR EASEMENTS OR OTHER MATTERS OF RECORD THAT A TITLE REPORT WOULD DISCLOSE AND THIS SURVEY DOES NOT REPRESENT WARRANTY OF TITLE OR A GUARANTEE OF OWNERSHIP.

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT

ALLEN W. PELOQUIN
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 5998



505 Pecan Street, Suite 201, Fort Worth, TX 76102
ph: 817.350.1500 manhard.com
Texas Board of Professional Engineers &
Land Surveyors Reg. No. F-10194754 (Surv), F-22053 (Eng)

A PROPOSED WELL PAD
EXHIBIT FOR:
8 MILE

SITUATED IN SECTION 8, BLOCK 38, T-2-S, OF THE T. & P.
RR. CO. SURVEY IN MIDLAND COUNTY, TEXAS

CHECKED BY:	DN	DATE:	3/3/2025
DRAWN BY:	JP	FIELD CREW:	BP



521 EAST 2ND STREET, SUITE 1000, OKLAHOMA 74120

SCALE:	1" = 500'	PROJECT NO.:	618.012053.00
REVISION NO.:	0	SHEET:	1 OF 1

Dwg Name: P:\618.012 Loredo Petroleum\053 8-Mile\00\DWG\Exhibits\WEST PAD EXHIBIT.dwg Updated By: J.Pounds

11:28

6

T. & P. RR. CO.
SECTION 5, BLOCK 38, T-2-S

A-156
(20008)

P.O.B.
NAD83 (TXC)
Y = 10,688,921.35
X = 1,772,953.88
LAT. = 31.982876° N
LONG. = 102.022075° W

1/2" IRON ROD

S86°31'53"W 696.49'

SEE DETAIL

T. & P. RR. CO.
SECTION 8, BLOCK 38, T-2-S

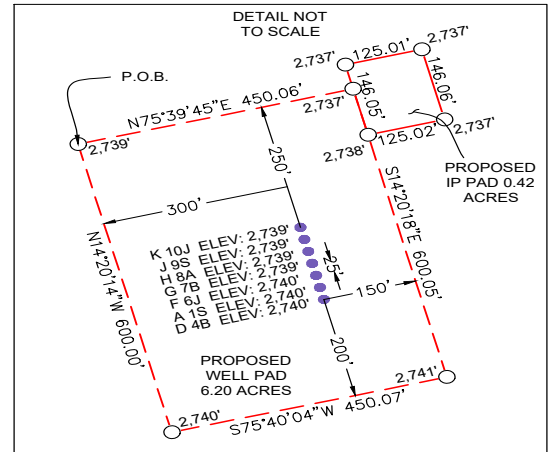
A-931
(72871)

LEGEND

	SECTION LINE
	PROPOSED WELL PAD
	PROPOSED IP PAD
	EXISTING PAD
	EXISTING ROAD
	EXISTING OVERHEAD ELECTRIC
	EXISTING PIPELINE
	EXISTING FENCE
	PROPOSED WELL LOCATION
	EXISTING WELL HEAD
	EXISTING WATER WELL HEAD
	ABSTRACT NUMBER
(#)	GLO FILE NUMBER
P.O.B.	POINT OF BEGINNING

GENERAL NOTES

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I, ALLEN W. PELOQUIN, DO HEREBY STATE THAT THE ABOVE FOREGOING EXHIBIT WAS PREPARED UNDER MY DIRECTION AND SUPERVISION IN FEBRUARY, 2025.

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT

ALLEN W. PELOQUIN
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 5998



505 Pecan Street, Suite 201, Fort Worth, TX 76102
Phone: 817.350.1500 manhard.com

Texas Board of Professional Engineers &
Land Surveyors Reg. No. F-10194754 (Surv), F-22053 (Eng)

A PROPOSED WELL PAD
EXHIBIT FOR:

8 MILE

SITUATED IN SECTION 8, BLOCK 38, T-2-S, OF THE T. & P.
RR. CO. SURVEY IN MIDLAND COUNTY, TEXAS

CHECKED BY:
DN

DRAWN BY:
JP

DATE:

2/28/2025

FIELD CREW:

BP



521 EAST 2ND STREET, SUITE 1000 OKLAHOMA 74120

SCALE: 1" = 500'

REVISION NO.:
0

PROJECT NO.:
618.012053.00

SHEET:
1 OF 1

SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT (this “Agreement”) is made and entered into effective as of the ____ day of _____, 2025 (the “Effective Date”), by and between the **CITY OF MIDLAND, TEXAS**, a home rule municipal corporation, whose address is 300 N. Loraine, Midland, Texas, 79701 (“Surface Owner”), and **VITAL ENERGY, INC.**, a Delaware Corporation, whose address is 521 East 2nd Street, Suite 1000, Tulsa, Oklahoma 74120 (“Operator”).

WHEREAS, Surface Owner owns an undivided interest in the surface of property located in Midland County, Texas, being **365.58 acres, more or less, in Section 8, Block 38, T2S, A-931** (hereafter collectively referred to as the “Surface Premises”); and

WHEREAS, Operator currently is a party to those certain Oil, Gas and/or Mineral Leases described in **Exhibit A** attached hereto and made a part hereof for all purposes and subsequent to the Effective Date may be, a party to Oil, Gas and/or Mineral Leases (all such Oil, Gas and/or Mineral Leases referenced in this recital, collectively, the “Leases”, and individually a “Lease”), in each case which cover, among other lands, the mineral rights underlying **Section 8, Block 38, T2S, A-931, Midland County, Texas** (such specifically described lands being hereafter collectively referred to as the “Leased Premises”); and

WHEREAS, Surface Owner and Operator desire to enter into an agreement regarding Operator’s use of the Surface Premises for its oil and gas operations thereon for the purpose of providing for the protection of the surface estate and water resources of the Surface Premises in connection with oil and gas exploration, development, and production under the Leases;

NOW, THEREFORE, in consideration of the premises and the covenants set forth below, Surface Owner and Operator agree as follows:

1. GRANT OF RIGHT TO USE SURFACE PREMISES:

(a) Surface Owner hereby grants to Operator the non-exclusive right of use to the Surface Premises to drill, complete, construct, install, operate, produce, repair, maintain, replace, abandon and/or remove, all in accordance with the terms of this Agreement, those certain wells, equipment, fixtures, structures, improvements, roads, pipelines, electric lines and/or other facilities enumerated, described and located as specifically set forth in **Exhibit B** attached hereto and made a part hereof for all purposes upon the Surface Premises for the purposes of drilling for, equipping, operating and producing oil, gas and other minerals from the Leased Premises (the “Well Plans”). Notwithstanding anything to the contrary contained in this Agreement, this Agreement is not a waiver for, nor does it grant permission for any future development not included in the Well Plans.

(b) Unless otherwise agreed to in writing by Surface Owner, except as specifically provided in the Well Plans, no other wells, equipment, fixtures, structures, improvements, roads, pipelines, electric lines or other facilities, including, without limitation, tank batteries, heater treaters, dehydrators, compressors, or gas treatment facilities, shall be located on the Surface Premises.

(c) After the completion of any well under the terms of this Agreement, Operator agrees to notify in writing within thirty (30) days after such completion, Surface Owner and all applicable taxing authorities of the location of such well and to provide any and all information requested by such taxing authorities as to any taxes applicable to or to be assessed with respect to such well and/or the lands from which such well is producing.

(d) Surface Owner expressly reserves the full right to grant other licenses, easements and/or rights-of-way in, upon and across the Surface Premises. Surface Owner expressly reserves the right to use and to grant to third parties the right to use the Surface Premises and the subsurface below and airspace above the Surface Premises for any purpose, provided, however, no such use or grant shall unreasonably interfere with the rights granted herein to Operator. Without limiting the foregoing, (i) Operator shall not interfere with any activities of Surface Owner deemed by Surface Owner to be for legitimate public purposes on the Surface Premises, and (ii) Surface Owner expressly reserves the right to install in or on the Surface Premises any streets or alleys and all ancillary public uses usual and customary in connection with streets and alleys, expressly including but not limited to, drainage facilities and structures and public utilities, provided, however, such do not unreasonably interfere with or constitute a hazard to Operator's rights hereunder. Any and all utilities and appurtenances shall include, without limitation, pipelines, conduits, and pole lines, which may be installed on, above or below ground by Surface Owner to the extent such do not unreasonably interfere with or constitute a hazard to Operator's rights hereunder.

(e) Without limiting the provisions of subparagraph (a) above, Operator agrees that it shall not be entitled to use any more of the surface of the Surface Premises than is reasonably necessary and that all surface installations shall be kept to a reasonable minimum consistent with good operating practices. Additionally, Operator hereby acknowledges and agrees that notwithstanding any implied right of use under the laws of the State of Texas that might otherwise apply relating to exploitation of the mineral estate under the Surface Premises or the Leased Premises, all operations on the Surface Premises will be conducted in compliance with the terms of this Agreement.

2. TERM AND TERMINATION:

(a) This Agreement shall be for a term of fifteen (15) years (the "Initial Term"), commencing on the Effective Date of this Agreement, unless terminated earlier as provided hereafter. This Agreement shall renew at the end of the Initial Term for one (1) additional term of five (5) years (the "Extended Term"), upon the written request of Operator to the City Manager of the City of Midland, Texas ("City Manager") received not more than one (1) year and not less than ninety (90) days prior to the expiration of the Initial Term and subject to the express written consent of the City Manager. The granting of consent for the Extended Term is in the sole discretion of the City Manager, subject to any approval of the City Council of the City of Midland, Texas or other applicable governmental approval which may be required.

(b) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, subparagraph (a) above, in the event there exists a time in which all Leases in which Operator owned an interest aggregately have terminated or expired as to all of the

Leased Premises underlying the Surface Premises prior to the expiration or termination of the Initial Term or the Extended Term (if the Extended Term is in effect pursuant to subparagraph (a) above), this Agreement shall automatically terminate.

(c) Surface Owner may terminate this Agreement if Operator fails to pay, when due, any amount owing under this Agreement and that failure continues for thirty (30) days after Surface Owner delivers notice of such delinquency to Operator. Surface Owner may also terminate this Agreement if Operator commits any material breach or material default in performance of any obligation, prohibition, restriction, provision or covenant contained in this Agreement, and the breach or default continues for a period of thirty (30) days after Surface Owner delivers notice to Operator reasonably detailing the breach or default.

(d) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, subparagraph (a) above, it is specifically provided that as an express condition of this Agreement, and not as a mere covenant, if the Surface Premises cease to be used by Operator for the purposes enumerated herein for any period of six (6) consecutive months or longer, then and in that event, this Agreement shall terminate at Surface Owner's option, as evidenced by Surface Owner's written notice to Operator of such termination.

(e) Notwithstanding anything to the contrary contained in this Agreement, upon expiration or termination of this Agreement, at its option, Surface Owner may either: (i) allow or require all portions (specified by Surface Owner) of the equipment, fixtures, structures, improvements, roads, pipelines, electric lines and/or other facilities on the Surface Premises that were used or constructed by Operator to remain; or (ii) require Operator to comply with the applicable provisions of subparagraphs (f) and (g) below and Paragraphs 5(c), 5(d), 6(g), 7(b), 8(c), 9(b) and 24.

(f) If, upon expiration or termination of this Agreement, Surface Owner elects to allow or require all or portions (specified by Surface Owner) of the equipment, fixtures, structures, improvements, roads, pipelines, electric lines and/or other facilities on the Surface Premises that were used or constructed by Operator to remain, said equipment, fixtures, structures, improvements, roads, pipelines, electric lines and/or other facilities, or portions thereof specified by Surface Owner, shall be and become the property of Surface Owner, its successors and assigns, and Operator shall surrender and assign, or shall cause all such appropriate parties to surrender and assign, to Surface Owner, its successors and assigns, said equipment, fixtures, structures, improvements, roads, pipelines, electric lines and/or other facilities, or portions thereof specified by Surface Owner, by such instruments in form and substance reasonably required by Surface Owner and Surface Owner shall assume all obligations and liabilities associated therewith, in each case arising and accruing only as to all time periods from and after the date of such assignment.

(g) Upon expiration or termination of this Agreement, as to all or any portions of the equipment, fixtures, structures, improvements, roads, pipelines, electric lines and/or other facilities on the Surface Premises that were used or constructed by Operator which Surface Owner elects not to allow or require to remain, then Operator shall comply with the applicable provisions of Paragraphs 5(c), 5(d), 6(g), 7(b), 8(c), 9(b) and 24. Except as specifically provided in such Paragraphs, Operator shall, at its sole cost and expense, restore the Surface Premises to its original

condition as nearly as reasonably practicable, and shall plant the disturbed area with the type and quantity of grass or other reasonable landscaping designated by Surface Owner. For purposes of this Agreement, "original condition" means the condition as existed immediately prior to the construction or installation of any oil and gas equipment, fixtures, structures, improvements, roads, pipelines, electric lines and/or other facilities on the Surface Premises. If Operator fails to take such removal and restoration actions, Surface Owner may do so at the sole expense of Operator. Without limiting the foregoing, said work shall meet minimum requirements under all applicable local, state or federal laws, rules or regulations, and shall be subject to the approval of the City Manager. All of said work shall be completed within ninety (90) days after the effective date of expiration or termination of this Agreement.

(h) All of the terms, provisions and requirements of subparagraphs (e), (f) and (g) immediately above and this subparagraph (h) shall survive the termination or expiration of this Agreement.

3. FINANCIAL CONSIDERATIONS:

As compensation for the surface use and operations of Operator during the term of this Agreement, Operator agrees to pay Surface Owner the following fees:

(a) **Initial Fee and Renewal Fee.** For the Initial Term, an initial fee (the "Initial Fee") in the amount of **ONE THOUSAND and No/100 DOLLARS (\$1,000.00)** shall be due and payable on or prior to the Effective Date of this Agreement. At the end of the Initial Term of this Agreement, for any Extended Term consented to by the City Manager, a renewal fee (the "Renewal Fee") shall be payable by Operator to Surface Owner in such amount as may be agreed to between the parties, provided that the amount of such Renewal Fee shall not be more than twenty-five percent (25%) more than the Initial Fee paid for the Initial Term. The amount of such Renewal Fee shall be determined by Surface Owner if the parties are unable to agree on the amount of such Renewal Fee.

(b) **Surface Damage and Location Fee.** Operator shall pay to Surface Owner a one-time surface damage and location fee of **THREE HUNDRED SIXTY-ONE THOUSAND THREE HUNDRED TWENTY AND 48/100 DOLLARS (\$361,320.48)** calculated using the surface damage and location fee rates set by The University of Texas System, University Lands and as provided in Paragraph 23 below. The fee shall be due and payable on or prior to the Effective Date of this Agreement.

(c) **Annual Fee.** During the Initial Term, Operator shall pay to Surface Owner an annual fee (the "Annual Fee") in the amount of **TEN THOUSAND and No/100 DOLLARS (\$10,000.00)**, which shall be payable each year on or before the anniversary of the Effective Date of this Agreement. During any Extended Term consented to by the City Manager, Operator shall pay to Surface Owner each year on or before the anniversary of the Effective Date of this Agreement an Annual Fee in such amount as may be agreed to between the parties, provided that the Annual Fee payable during the Extended Term shall not be more than twenty-five percent (25%) more than the Annual Fee paid during the Initial Term. The amount of the Annual Fee payable during any Extended Term shall be determined by Surface Owner if the parties are unable to agree on such

amount. Operator's failure to make the Annual Fee payment within thirty (30) days after the Annual Fee is due shall constitute a late payment and Operator shall pay Surface Owner interest thereon in the amount of (i) eighteen percent (18%) per annum from the date the Annual Fee is due, or (ii) the maximum amount of interest allowable by law, whichever is less.

(d) **Application Fee.** At the same time the Initial Fee is due, Operator shall pay a non-refundable one-time fee of One Thousand and No/100 Dollars (\$1,000.00) to Surface Owner. The fee shall be used to process the application for this Agreement.

All payments due to Surface Owner under this Agreement shall be made to Surface Owner at the office of the City of Midland Right-of-Way Manager, P.O. Box 1152, Midland, Texas, 79702. Unless provided otherwise under this Agreement, all surface damages shall be due and payable to Surface Owner within thirty (30) days after the installation or construction of the applicable well, equipment, fixture, structure, improvement, road, pipeline, electric line or other facility.

The payments required as part of this Agreement shall be exclusive of and in addition to all general municipal taxes of whatever nature, including but not limited to ad valorem taxes and special taxes and assessments for public improvements.

4. NOTICE BETWEEN SURFACE OWNER AND OPERATOR:

(a) Prior to commencing any road, pipeline, electric line or other construction on the Surface Premises, Operator shall notify Surface Owner in writing of the specific activity that is to be conducted and the approximate date and location of such activity, such notice to be given no later than ten (10) days prior to the commencement of construction. Except as provided in Paragraph 6(c), Operator will provide to Surface Owner at least three (3) days' written notice prior to the arrival of any drilling equipment on the Surface Premises, except in an emergency situation in which case Operator will provide written notice as soon as reasonably available. Notice under this subparagraph (a) shall be provided as specified in subparagraph (d) below, and to the City of Midland's Utilities Director at the contact information provided to Operator by Surface Owner.

(b) Operator shall provide to Surface Owner within ten (10) days after such filing is made or such document is prepared, as applicable, unless a different time period is specified below, copies of the following:

- (i) Groundwater Protection Determination Letter provided to the Railroad Commission of Texas ("RRC").
- (ii) Email notification of Form W-1, Applications to Drill, at the time the application is filed with the RRC.
- (iii) Email notification of Form W-1, Approved Permit to Drill.
- (iv) Wellbore schematic through the freshwater zones.

(v) Copy of the Spill Prevention Control and Countermeasure (“SPCC”) Plan, including phone numbers of company personnel.

(vi) Any other documents filed with the RRC regarding the Surface Premises or the Leased Premises.

(c) Operator agrees to designate in writing the name of the person or persons with whom Surface Owner may communicate about the activities being conducted on the surface and with whom Surface Owner may resolve issues that arise.

(d) Except as otherwise provided in this Agreement, all communications by Operator to Surface Owner shall be directed to:

Name: John Simmons, Right-of-Way Manager
Address: P.O. Box 1152
Midland, Texas 79702
Phone: 432-685-7200
Email: jsimmons@midlandtexas.gov

5. ROADS, GATES, AND FENCES:

(a) Operator agrees to use existing gates and roadways where available, to enter, leave and cross the Surface Premises; provided that Operator shall not use any road marked “Closed to Oilfield Traffic.” Operator and all persons entering or leaving the Surface Premises in connection with Operator’s operations hereunder shall keep all outside and interior gates securely closed except during drilling and completion operations, plus a period of thirty (30) days after completion of such operations. Operator shall keep all outside gates, and all other gates designated by Surface Owner, securely locked except during drilling and completion operations, plus a period of thirty (30) days after completion of such operations. At any gate that is to be locked, Surface Owner may install its own lock in addition to Operator’s lock.

(b) The location of all new roads installed by Operator shall be at mutually agreeable locations between Operator and Surface Owner. Except as to any new roads included in the Well Plans, Operator shall not commence to construct any new roads upon the Surface Premises without the prior written consent of Surface Owner. Once the road location is determined, all mesquite and cactus along the road location shall first be dozed or grubbed and piled in intervals along the route and then promptly removed from the Surface Premises. Roads shall not exceed twenty-five (25) feet in width unless otherwise specified by Surface Owner. All roads used or constructed by Operator shall be topped and crowned with a minimum of nine (9) inches of caliche. All large rocks (having a diameter greater than three (3) inches) remaining from road construction shall be removed from the Surface Premises. While under construction, roads will be kept wet down to avoid excessive dust. Notwithstanding that Surface Owner may use all roads used by Operator for any and all purposes, Operator shall maintain all roads used by Operator in good repair, and all roads shall be maintained as all-weather caliche roads at all times. All holes and ruts in roads used by Operator shall be filled as soon as practical by Operator. Operator shall install adequate culverts wherever any road constructed or used by Operator crosses a natural drainage,

and except as provided below all roads and any pipelines laid by Operator shall be so constructed and laid as not to interfere with the natural flow of surface waters or with drainage. Operator shall place water diversions along any road constructed or used by Operator as necessary to prevent excessive washing out of the road. All material for such diversions will be constructed using materials purchased from Surface Owner and Operator shall not use materials pushed up from the roadside, unless Surface Owner agrees otherwise. The maximum twenty-five (25) foot width of each road is to be measured from edge to edge of the caliche road surface, and shall be exclusive of any area adjacent to the roadway surface utilized as (i) ditches or other reasonable water diversions, or (ii) brush clearance along the roadway. Unless otherwise agreed by Surface Owner, such adjacent area shall not exceed a width of five (5) feet on each side of the roadway surface.

(c) Unless otherwise requested in writing by Surface Owner, within ninety (90) days of the cessation of use of any road upon the Surface Premises by Operator or the expiration or termination of this Agreement, whichever is earlier, Operator shall, at its sole cost and expense, restore the surface to its original condition as nearly as reasonably practicable, and shall plant the disturbed area with the type and quantity of grass or other reasonable landscaping designated by Surface Owner. If Operator fails to take such removal and restoration action, Surface Owner may do so at the sole expense of Operator. The terms, provisions and requirements of this subparagraph (c) shall survive the termination or expiration of this Agreement.

(d) Operator agrees that Operator shall not cut or go over any fence at any time or in connection with any operations on the Surface Premises without first obtaining Surface Owner's express consent thereto in writing. All gates or openings in fences shall be at mutually agreeable location(s) between Operator and Surface Owner and shall be constructed as reasonably required by Surface Owner. Upon the expiration or termination of this Agreement, at Surface Owner's election, gates in fences shall be left in place and shall thereafter be owned by Surface Owner or Operator shall remove such gates and restore the fence to its original condition as nearly as reasonably practicable. The terms, provisions and requirements of this subparagraph (d) shall survive the termination or expiration of this Agreement.

6. DRILL SITE LOCATIONS; FACILITIES; WELLBORES:

(a) All drill site locations and pads upon the Surface Premises shall be at such locations, of such maximum sizes and in accordance with such specifications, in each case as are included in the Well Plans. In the event Operator desires to drill a well on the Surface Premises which is not included in the Well Plans, Operator must obtain the prior written consent of Surface Owner for such well, including, without limitation, as to the location, size and specifications therefor, which consent shall not be unreasonably withheld by the Surface Owner. In construction of such sites Operator agrees to first doze or grub all mesquite, brush and cactus and push such material to one side of the pad. All such mesquite, brush and cactus shall then be removed from the Surface Premises. Operator shall then remove and stack to the other side of the location, the first eight (8) inches of top soil, or if there is less than eight (8) inches of top soil at such location, such lesser depth of top soil, from the location.

(b) All casing, pipe and other materials used by Operator in the wells drilled in, on or under the Surface Premises (the "Subject Wells") shall be of a type and quality meeting Railroad

Commission of Texas standards. In addition, the wellbores of the Subject Wells shall be constructed in accordance with the specifications set forth on Exhibit C attached hereto and such that no fresh water source will be contaminated. When total depth is reached in each Subject Well, Operator shall provide Surface Owner with bond logs promptly upon Operator's receipt of same showing that the Subject Well has been satisfactorily cemented in compliance with the terms of this Agreement and applicable governmental laws, rules and regulations.

(c) Operator shall provide to Surface Owner at least twenty-one (21) days' advance written notice of the scheduled drilling date of each Subject Well. In the event such scheduled drilling date changes, Operator shall provide notice of the rescheduled drilling date to Surface Owner as soon as possible.

(d) The locations and specifications for any and all fixtures, structures, improvements and/or other facilities, including, without limitation, tank batteries (collectively, "Facilities"), shall be included in the Well Plans. In the event Operator desires to construct or install any Facilities which are not included in the Well Plans, Operator must obtain the prior written consent of Surface Owner for such Facilities, including, without limitation, as to the location, size and specifications therefor, which consent shall not be unreasonably withheld by Surface Owner. Without limiting the foregoing, any tank battery or batteries to be installed on the Surface Premises shall include (i) for fiberglass tanks, lightning protection using a static dissipation system reasonably acceptable to Surface Owner, (ii) gas control with Enardo Vent valves, (iii) a concrete or steel lined containment structure around the storage tanks, of a size sufficient to comply with RRC and Environmental Protection Agency ("EPA") requirements, (iv) SCADA electronic monitoring system, and (v) such other safeguards required by the RRC, EPA or Texas Commission on Environmental Quality ("TCEQ") and/or as reasonably requested by Surface Owner. Operator shall at all times maintain all equipment and permitted Facilities located on the Surface Premises in good repair and condition, in a properly painted condition through use of paint color(s) approved by Surface Owner, and kept free of rust, stains, weeds and trash. All firewalls and retaining walls will be kept reasonably free of weeds and brush.

(e) In construction of any Facility location, Operator agrees to first doze or grub all mesquite, brush and cactus and push such material to one side of the location. All such mesquite, brush and cactus shall then be removed from the Surface Premises. Operator shall then remove and stack to the other side of the location, the first eight (8) inches of top soil, or if there is less than eight (8) inches of top soil at such location, such lesser depth of top soil, from the location. Within sixty (60) calendar days after construction of any Facilities, Operator will clean up the area surrounding such Facilities and remove any and all spills, junk materials, concrete platforms, pieces of iron, pipes, steel and other debris and foreign materials and will level all mounds, fill all temporary pits and other excavations (in accordance with any requirements set forth herein) and will remove all deleterious materials and substances that might cause injury to person, wildlife, or livestock. All such materials, trash, junk, etc. shall not be burned or buried on the Surface Premises or any other portion of Surface Owner's lands, but shall be removed therefrom.

(f) Operator shall provide trash trailers at drilling sites while drilling, completion and workover operations are in progress.

(g) Unless otherwise requested in writing by Surface Owner and subject to Paragraph 24, within ninety (90) days after abandonment of any well drilled on the Surface Premises, abandonment of any Facility, or the expiration or termination of this Agreement, whichever is earlier, Operator shall, at its sole cost and expense, (i) remove all caliche from the applicable drill site(s) and/or Facility location(s), (ii) level the applicable drill site(s) and/or Facility location(s), (iii) spread uniformly over the drill site location(s) and/or Facility location(s) the top soil which was previously removed and stacked, (iv) plant the disturbed area with the type and quantity of grass or other reasonable landscaping designated by Surface Owner, and (v) clean the drill site(s) and/or Facility location(s) and remove all oil and/or gas waste materials, junk, pieces or iron, pipes and other debris. The terms, provisions and requirements of this subparagraph (g) shall survive the termination or expiration of this Agreement.

(h) All producing well locations and pits will be fenced with reasonable fencing as required by Surface Owner. Permanent internal combustion engines on pumping units (artificial lift equipment) are expressly prohibited from use on the Surface Premises, and Operator shall install an electric motor to operate any pumping unit placed by Operator on the Surface Premises to produce any well; provided, however, that an internal combustion engine on a pumping unit (artificial lift equipment) may be used for a period not exceeding one hundred twenty (120) consecutive days, such period being measured from the date such engine is placed on the Surface Premises through the date it is removed from the Surface Premises.

(i) Drilling rigs and pulling unit rigs shall not be painted, steam cleaned or cleaned with solvents while on the Surface Premises unless provisions have been made to collect the effluent(s) of the operation for disposal off the Surface Premises. All rig waste shall be removed from the Surface Premises. Demobilization operations shall commence promptly for any drilling rig or workover rig (in no event later than fourteen (14) days after the drilling or workover operations have been completed, except in the event of a heavy rain event that prevents the removal of said rig) unless the rig is to be used to drill or workover another well located on the Surface Premises within thirty (30) days following the completion of its use on a prior operation.

7. RESERVE PITS AND DISPOSAL OF DRILLING FLUIDS AND MUD:

(a) Each reserve pit, mud circulation pit, completion pit, workover pit, or other pit shall be at such locations, of such maximum sizes and in accordance with such specifications, in each case as are included in the Well Plans, and, without limiting the foregoing, shall be lined with a non-permeable liner prior to use. In the event Operator desires to construct a pit which is not included in the Well Plans, Operator must obtain the prior written consent of Surface Owner for such pit, including, without limitation, as to the location, size and specifications therefor, which consent shall not be unreasonably withheld.

(b) Within sixty (60) days of cessation of the use of any such pit, the liquids shall be removed and disposed of off the Surface Premises by Operator, and the pit allowed to dry. Within ninety (90) days of cessation of the use of such pit, weather permitting, Operator shall, at its sole cost and expense, (i) comply with all applicable RRC requirements with respect to the liner and the remaining dried solid wastes, (ii) backfill, compact and level the pit, and the top soil, which was previously removed and stacked, shall be spread uniformly over the pit location, and (iii) plant

the disturbed area with the type and quantity of grass or other reasonable landscaping designated by Surface Owner. The terms, provisions and requirements of this subparagraph (b) shall survive the termination or expiration of this Agreement.

(c) Unless otherwise required by Surface Owner, the only wastes authorized to be stored in the pits are (i) drilling fluids, (ii) drill cuttings, sands, and silts separated from the circulating drilling fluids, (iii) wash water used for cleaning drill pipe and other equipment at the well site, (iv) drill stem test fluids, and (v) blowout preventer test fluids.

(d) Except as authorized by this Agreement, there shall be no landfarming or disposal of drilling fluids or muds or other wastes from oil and gas operations on the Surface Premises or into any wellbore located on the Surface Premises without prior written consent of Surface Owner, which consent shall be in the sole discretion of Surface Owner.

8. PIPELINES:

(a) All pipelines and flowlines on the Surface Premises shall be at such locations, of such maximum diameters and in accordance with such specifications, in each case as are included in the Well Plans. All pipelines and flowlines on the Surface Premises shall be constructed and installed in accordance with the highest industry standards, and within twenty (20) days of the completion of installation of any pipeline or flowline on the Surface Premises Operator (i) shall furnish to Surface Owner, in accordance with Paragraph 4(d), such records of such installation as may be acceptable to Surface Owner in its sole discretion, including, without limitation, as-built plats of such pipelines and plats of such flowlines, with the locations of all such pipelines and flowlines clearly marked on such plats, and (ii) shall report the locations of all such pipelines and underground flowlines to Texas 811. In the event Operator desires to construct or install any pipeline or flowline which is not included in the Well Plans, Operator must obtain the prior written consent of Surface Owner as to the location, size and specifications therefor, which consent shall be in the sole discretion of Surface Owner. All pipelines and flowlines on the Surface Premises shall be buried at least forty-eight (48) inches below the surface (measured from the surface to the top of such pipeline or flowline) unless otherwise agreed in writing by Surface Owner and the location of such lines shall be properly marked by Operator with signage approved by Surface Owner. Any and all pipelines and flowlines on the Surface Premises shall be encased in accordance with the highest industry standards at any and all road crossings. Once the route for any pipeline or flowline has been determined, Operator shall doze or grub and pile all mesquite, brush and cactus along the route. All mesquite, brush and cactus shall then be removed from the Surface Premises. All trash and debris from construction of pipelines and flowlines shall be removed from the Surface Premises.

(b) During any construction, repair, removal or other operations, all ditching or trenching shall be done in such a manner so that the top soil will be separated from the balance of the dirt removed in making the ditch or trench. In backfilling after any such operation, the top soil first removed shall be used as cover soil in such a manner as to result in it being returned to the top of the ditch as top soil. The top soil which was previously removed and stacked shall be spread uniformly over the pipeline location, then leveled and Operator shall plant the disturbed area with the type and quantity of grass or other reasonable landscaping designated by Surface Owner so that the disturbed area shall be generally restored to its original condition. All large rocks (any rock over three (3) inches

in diameter) removed from any ditch or trench by Operator shall be buried in such ditch or trench or otherwise removed from the Surface Premises. The pipeline or flowline located on the Surface Premises shall be adequately marked at all times by Operator at all road or fence crossings and as required by applicable laws.

(c) Except with respect to temporary water lines used in the drilling and completion of any oil and/or gas wells on the Surface Premises, if Operator constructs any pipeline or flowline on the Surface Premises, Operator agrees that before the abandonment or removal of any such pipeline or flowline, or upon the expiration or termination of this Agreement, whichever occurs first, it will offer the same to Surface Owner, without compensation. If Surface Owner elects to accept such pipeline or flowline, said pipeline or flowline shall be and become the property of Surface Owner, its successors and assigns, and Operator shall surrender and assign, or shall cause all such appropriate parties to surrender and assign, to Surface Owner, its successors and assigns, said pipeline or flowline by such instruments in form and substance reasonably required by Surface Owner and Surface Owner shall assume all obligations and liabilities associated therewith, in each case arising and accruing only as to all time periods from and after the date of such surrender and assignment. If Surface Owner elects not to accept any such pipeline or flowline, then Operator shall, at its sole cost and expense, remove such pipeline or flowline promptly following abandonment in accordance with the applicable provisions of subparagraph (b) immediately above. A pipeline or flowline shall be deemed to be abandoned for purposes of this Agreement if it has not been used to transport products for a period of six (6) consecutive months. If Operator fails to remove any pipeline or flowline within ninety (90) days of the first to occur of abandonment of such pipeline or flowline or upon the expiration or termination of this Agreement, Surface Owner may do so at the sole expense of Operator. Notwithstanding anything to the contrary contained herein, Operator shall remove any and all temporary water lines utilized in the drilling and/or completion of any oil and/or gas wells on the Surface Premises within sixty (60) days after completion of the applicable well(s), and if Operator fails to remove any such temporary water line, Surface Owner may do so at the sole expense of Operator. The terms, provisions and requirements of this subparagraph (c) shall survive the termination or expiration of this Agreement.

(d) Unless otherwise agreed to in writing by Surface Owner, all pipelines and flowlines constructed or installed hereunder on the Surface Premises shall transport only (i) oil, gas, water or other substances produced from the Leased Premises, or (ii) oil, gas, water or other substances used for drilling or other operations on the Leased Premises.

(e) Notwithstanding anything to the contrary in this Agreement, Surface Owner hereby grants Operator a temporary easement and right-of-way to lay temporary fresh water supply lines ("Fast Lines"), at the Operator's sole expense, across the Surface Premises, provided that: (a) Operator has received prior written consent from Surface Owner for the routes of such Fast Lines, which consent shall not be unreasonably withheld; (b) Operator has paid Surface Owner a sum equal to a multiple of two (2) times the then-applicable per-rod charge for temporary surface lines under the Rate and Damage Schedule set forth by The University of Texas System, University Lands for the length of each Fast Line; and (c) no Fast Line shall remain in place for more than one hundred eighty (180) days.

(f) In connection with the construction and installation of pipelines and flowlines

on the Surface Premises Operator shall install at its cost and expense such flow and pressure surveillance devices as are reasonably acceptable to Surface Owner in its sole discretion to constantly monitor any pressure and/or volume changes within the pipelines and flowlines on a real-time basis. Without limiting the foregoing, (i) any pressure and/or volume changes within the pipelines and flowlines shall be monitored by a SCADA electronic monitoring system using high resolution data with readings taken no less frequently than once per minute; (ii) pressure transmitters shall be installed by Operator at least every mile, provided that each pipeline and flowline shall be monitored by a pressure transmitter regardless of the length of such pipeline or flowline; (iii) Operator shall install meters at each entrance and exit point to Operator's pipeline and flowline system located on the Surface Premises, including, without limitation, at each point that a pipeline or flowline enters or exits the Surface Premises; (iv) Operator shall furnish to Surface Owner, in accordance with Paragraph 4(d), at least weekly and more frequently if requested by Surface Owner, a summary of the monitoring results of such pipeline and flowline system, such summary to be in form and substance as may be acceptable to Surface Owner in its sole discretion, together with any data and/or records concerning such monitoring as may be requested by Surface Owner in its sole discretion; (v) in connection with such monitoring Operator shall immediately notify Surface Owner at the phone number and email address set forth in Paragraph 4(d) of any readings indicating low pressure and/or sudden changes in pressure or volume within the pipeline and flowline system; (vi) Operator shall perform liquid balances real-time; (vii) at least once per calendar quarter Operator shall conduct thermal imaging surveys of all of Operator's pipelines and flowlines on the Surface Premises to detect anomalously small or otherwise undetectable leaks and shall furnish to Surface Owner, in accordance with Paragraph 4(d), within ten (10) days of the completion of each such survey, a summary of the results of such survey, such summary to be in form and substance as may be acceptable to Surface Owner in its sole discretion, together with any data and/or records concerning such survey(s) as may be requested by Surface Owner in its sole discretion; (viii) Operator shall install cathodic protection in accordance with the highest industry standards on all of Operator's oil pipelines and flowlines on the Surface Premises and shall inspect such cathodic protection at least once per calendar quarter to ensure that such pipeline and flowline system is fully operational and that such pipelines and flowlines are protected from external corrosion; and (ix) all oil pipelines and flowlines shall be designed to allow pigging to ensure that no internal corrosion is present, and Operator shall inspect all such pipelines and flowlines at least once per calendar quarter to ensure that no internal corrosion is present in such pipeline and flowline system.

9. ELECTRIC LINES:

(a) All electric lines on the Surface Premises shall be at such locations and in accordance with such specifications, in each case as are included in the Well Plans. In the event Operator desires to construct or install any electric line which is not included in the Well Plans, Operator must obtain the prior written consent of Surface Owner for such electric line, including, without limitation, as to the location and specifications therefor, which consent shall not be unreasonably withheld by Surface Owner. Once any electric line route has been determined, Operator shall doze or grub and pile all mesquite and cactus along the route. All mesquite, brush and cactus shall then be removed from the Surface Premises.

(b) If Operator constructs any electric line on the Surface Premises, Operator agrees that before abandonment or removal of any such electric line or upon the expiration or termination of this Agreement, whichever occurs first, it will offer the same to Surface Owner, without

compensation. If Surface Owner elects to accept such electric line, said electric line shall be and become the property of Surface Owner, its successors and assigns, and Operator shall surrender and assign or shall cause all such appropriate parties to surrender and assign to Surface Owner, its successors and assigns, said electric line by such instruments in form and substance reasonably required by Surface Owner and Surface Owner shall assume all obligations and liabilities associated therewith, in each case arising and accruing only as to all time periods from and after the date of such assignment. If Surface Owner elects not to accept such electric line, then Operator shall, at its sole cost and expense, remove such electric line and plant the disturbed area with the type and quantity of grass or other reasonable landscaping designated by Surface Owner. An electric line shall be deemed to be abandoned for purposes of this Agreement if it has not been used to deliver electricity for a period of six (6) consecutive months. If Operator fails to remove any electric line within ninety (90) days of the first to occur of abandonment of such electric line or upon the expiration or termination of this Agreement, Surface Owner may do so at the sole expense of Operator. The terms, provisions and requirements of this subparagraph (b) shall survive the termination or expiration of this Agreement.

(c) Unless otherwise agreed to in writing by Surface Owner, electric lines may only be constructed hereunder for the purpose of providing electricity to Operator's wells, permitted Facilities and equipment located on the Surface Premises.

10. STORAGE OF MACHINERY AND EQUIPMENT:

Operator shall not use any part of the Surface Premises to store any machinery, rigs, equipment, pipe, tanks or other property of Operator, or for any other purpose not expressly contemplated by this Agreement.

11. HOUSING OF EMPLOYEES:

Operator shall not use any part of the Surface Premises to house employees or other personnel except temporarily at well sites during drilling or completion operations.

12. USE OF WATER:

Unless otherwise agreed to in writing by Surface Owner, (i) Operator may not use water located on or under the Surface Premises, including, without limitation, in any existing wells or tanks located on the Surface Premises, and (ii) Operator shall not drill water wells on the Surface Premises. In the event Surface Owner consents to Operator's use of water located on the Surface Premises and/or to Operator's drilling of water wells on the Surface Premises, which consent shall be in the sole discretion of Surface Owner, (x) any and all fresh water wells that may be drilled by Operator on the Surface Premises shall be at mutually agreeable locations between Operator and Surface Owner, shall be cased, gravel packed and left intact for Surface Owner's use when such is not being used by Operator in drilling, completing or reworking wells drilled under the provisions of the Leases, and shall be drilled in compliance with such specifications required by Surface Owner in its sole discretion, and (y) whether Operator utilizes an existing well of Surface Owner or drills a water well, Operator shall meter at the water well all such water used and shall pay to Surface Owner the reasonable going rate in the area (but in no event less than the rate set forth in the then applicable Rate

and Damage Schedule set forth by The University of Texas System, University Lands) for any such water so used.

13. DISPOSAL OF SALT WATER:

Operator shall not dispose of salt water or other produced substances on or into the Surface Premises without the prior written consent of Surface Owner. In the event Operator seeks to complete a salt water disposal well or wells on the Surface Premises, Surface Owner may consent in its sole discretion; provided, that if Surface Owner does consent, such consent shall be subject to Surface Owner and Operator entering into a mutually agreed upon form of Produced Water Disposal Site Lease Agreement, or similar agreement.

14. TRASH:

Operator will keep the Surface Premises free of trash and debris at all times. Under no circumstances will Operator be allowed to bury any trash, debris or foreign material of any kind on or under the Surface Premises. Surface Owner shall have the right to expel and permanently ban from the Surface Premises any person observed disposing of trash on the Surface Premises. Upon the completion of any operation, all ribbons, flags, stakes and similar items shall be promptly removed from the Surface Premises.

15. CALICHE:

Operator shall not mine any sand, gravel, caliche or similar material in or on the Surface Premises without the express prior written consent of Surface Owner. In the event Surface Owner so consents, which consent shall be in Surface Owner's sole discretion, Operator shall pay Surface Owner for such materials based on the rate set forth in the then applicable Rate and Damage Schedule set forth by The University of Texas System, University Lands. All caliche shall be taken from a location or locations designated by Surface Owner. Operator shall properly dress all caliche excavation sites used by Operator on the Surface Premises.

16. HUNTING, FISHING AND ALCOHOL PROHIBITED:

No agent, employee, representative, contractor or subcontractor of Operator or any other person allowed to enter the Surface Premises by Operator shall be permitted to hunt, fish, trap, camp, picnic, ride motorcycles or four-wheelers or otherwise conduct any social gathering on the Surface Premises, nor shall any such persons be permitted to bring firearms, archery equipment, dogs, alcoholic beverages or illegal drugs on the Surface Premises at any time. Surface Owner shall have the right to expel and permanently ban from the Surface Premises any person observed on the Surface Premises in violation of this provision.

17. SEISMIC OPERATIONS:

Operator may conduct seismic operations on the Surface Premises only with the prior written consent of Surface Owner, which consent shall not be unreasonably withheld by Surface Owner. Any such permitted seismic operations shall be conducted by Operator at date(s) and

time(s) mutually agreeable between Operator and Surface Owner. In conducting seismic operations there shall be no holes drilled in the ground and there shall be no explosive charges. No seismic operations shall be conducted during wet conditions. In conducting seismic operations Operator will not use or allow the use of a dozer, grader or similar equipment without express written permission from Surface Owner, and then only to the extent of such approval. If Operator encounters a fence while conducting any seismic operations, it shall pass through the nearest gate to resume its operations. Fracking operations shall not be considered a "seismic operation" as it relates to the provisions of this paragraph.

18. LOCATION AND CONDUCT OF OPERATIONS:

Notwithstanding anything herein to the contrary, Operator and Surface Owner acknowledge and agree that:

(a) Without express written permission from Surface Owner, no well location, new road, pipeline, electric line, or permitted Facility shall be located, nor shall any operation of any kind be conducted, within five hundred (500) feet of any facility or structure owned by Surface Owner located on the Surface Premises at the time of such operation; and

(b) Operator shall comply in all its operations with all applicable ordinances, laws, rules and regulations of each governmental, municipal and/or regulatory authority having jurisdiction over such operations.

19. NOXIOUS VEGETATION:

Operator shall take all reasonable precautions to keep the Surface Premises free of bitterweed, African rue, tumbleweeds, cockleburrs and other noxious vegetation (being native and non-native toxic plants). In the event any such noxious vegetation is encountered around any of Operator's equipment or permitted Facilities, Operator agrees to promptly spray herbicide to eliminate such vegetation. If Operator fails to take such action, Surface Owner may have such vegetation sprayed at the sole expense of Operator. At the request of Surface Owner, Operator shall weedwash all vehicles and equipment entering upon the Surface Premises at the entrance to the Surface Premises prior to their entry thereon.

20. SPEED LIMIT:

Except as to roads upon which a speed limit has been posted by the applicable governmental authorities, a speed limit of twenty-five (25) miles per hour on the Surface Premises will be observed by Operator and its agents, employees, representatives, contractors, subcontractors and invitees. At the request of Surface Owner, Operator shall place speed limit signs approved by Surface Owner at entrances onto the Surface Premises. Surface Owner shall have the right to expel and permanently ban from the Surface Premises any person observed exceeding any applicable speed limit.

21. PORTABLE TOILET FACILITIES:

Operator or its contractors shall provide its employees with portable toilet facilities during drilling, completion, reworking, pipeline construction, seismic survey operations and any other similar or related operations.

22. LANDSCAPING AND IRRIGATION:

At the election of Surface Owner, prior to the commencement of any operations on the Surface Premises, Operator and Surface Owner shall develop and mutually agree upon an ongoing plan for reasonable and appropriate landscaping and irrigation of the Surface Premises in order to minimize the impact of Operator's operations upon the appearance of the Surface Premises and upon the flow and drainage of water across the Surface Premises in order to maintain the Surface Premises to as close to as reasonably possible its original condition. Without limiting the foregoing, Surface Owner shall reasonably approve such plan for landscaping and irrigation of the Surface Premises if it provides for landscaping and irrigation of the Surface Premises generally consistent with that of the immediately surrounding area. All costs of the installation and maintenance of such landscaping and irrigation shall be paid by Operator, and unless otherwise agreed by Surface Owner, Operator shall be responsible for the installation and maintenance of all such landscaping and irrigation in accordance with such plan until the expiration or termination of this Agreement.

23. DAMAGE TO PROPERTY IN GENERAL AND DAMAGE SCHEDULE:

Operator agrees to pay for actual damages resulting to the Surface Premises, improvements thereon and to personal property thereon caused by Operator's operations. To the extent such damages are of a type covered by the then applicable Rate and Damage Schedule set forth by The University of Texas System, University Lands, compensation for such damages to property shall be calculated and paid in an amount equal to a multiple of two (2) times the applicable amount included in the then applicable Rate and Damage Schedule set forth by The University of Texas System, University Lands, including, without limitation, in connection with the following items:

- Well location (new location and re-entry)
- Caliche sales
- Geophysical permits
- Roads
- Pipelines
- Utility line easements
- Fresh water frac pit site
- Temporary fresh water lines

Solely for purposes of calculating damages under the then applicable Rate and Damage Schedule set forth by The University of Texas System, University Lands, (i) the Leased Premises and the Surface Premises shall be classified as "University Lands" under such Schedule, (ii) any road, pipeline, or utility line used or constructed by Operator on the Surface Premises shall be classified under such Schedule as requiring a "new" easement, and (iii) any flowlines (other than and excluding temporary surface pipelines) installed by Operator on the Surface Premises after the effective date of this Agreement shall be classified as "pipelines" under such Schedule.

Compensation for all other damages to property shall be based on the prevailing market rates for similar damages in the area at the time the damage occurs.

24. ABANDONMENT OF WELLS:

As to any oil and/or gas well drilled by Operator on the Surface Premises, Operator agrees that before the abandonment or removal of any such wellbore, or upon the expiration or termination of this Agreement, whichever occurs first, it will offer such wellbore to Surface Owner, without compensation. If Surface Owner elects to accept such well, it shall be and become the property of Surface Owner, its successors and assigns, and Operator shall surrender and assign or shall cause all such appropriate parties to surrender and assign to Surface Owner, its successors and assigns, said wellbore, by such instruments in form and substance reasonably required by Surface Owner, and Surface Owner shall assume any and all plugging liability in connection with such wellbore and shall further assume all obligations and liabilities associated therewith, in each case arising and accruing only as to all time periods from and after the date of such assignment.

If, however, Surface Owner elects not to accept such wellbore, then Operator, at its sole expense, may draw and remove all casing and shall plug such well within ninety (90) days after such election by Surface Owner in accordance with all requirements of the Railroad Commission of Texas and Operator shall, at its sole cost and expense, restore the Surface Premises surrounding such wellbore to its original condition as nearly as reasonably practicable. Operator agrees to plant the disturbed area with the type and quantity of grass or other reasonable landscaping designated by Surface Owner. If Operator fails to take such removal, plugging and restoration actions, Surface Owner may do so at the sole expense of Operator. Without limiting the foregoing, said work shall meet minimum requirements under all applicable local, state or federal laws, rules or regulations, and shall be subject to the approval the City Manager. The terms, provisions and requirements of this Paragraph 24 shall survive the termination or expiration of this Agreement.

25. INDEMNIFICATION AND ENVIRONMENTAL PROTECTION:

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, OPERATOR, ITS SUCCESSORS AND ASSIGNS, AGREE TO INDEMNIFY, PROTECT, DEFEND AND HOLD HARMLESS SURFACE OWNER AND SURFACE OWNER'S REPRESENTATIVES, AGENTS, ATTORNEYS, EMPLOYEES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, "INDEMNITEES") FOR, FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES, LIENS, FINES, PENALTIES, CAUSES OF ACTION, SUITS, CHARGES, JUDGMENTS, ADMINISTRATIVE ORDERS, REMEDIATION REQUIREMENTS, ENFORCEMENT ACTIONS OF ANY KIND, PERSONAL INJURIES, PROPERTY DAMAGE, AND ALL COSTS AND EXPENSES INCURRED IN CONNECTION THEREWITH (INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND EXPENSES, INCLUDING, WITHOUT LIMITATION, ALL ATTORNEYS' FEES AND EXPENSES INCURRED IN ENFORCING THIS INDEMNITY) OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY, DIRECTLY OR INDIRECTLY ARISING OUT OF, CAUSED BY OR RESULTING FROM (IN WHOLE OR IN PART) THIS AGREEMENT,

OPERATOR'S USE OF OR ACTIVITIES ON THE SURFACE PREMISES, OR ANY ACT OR OMISSION OF OPERATOR, ANY CONTRACTOR, SUBCONTRACTOR, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM, OR ANYONE THAT THEY CONTROL OR EXERCISE CONTROL OVER (COLLECTIVELY, "LIABILITIES"). OPERATOR SHALL PROMPTLY ADVISE SURFACE OWNER OF ANY ACTION, ADMINISTRATIVE OR LEGAL PROCEEDING OR INVESTIGATION TO WHICH THIS INDEMNIFICATION MAY APPLY, AND OF WHICH OPERATOR HAS RECEIVED NOTICE, AND OPERATOR, AT OPERATOR'S EXPENSE, SHALL ASSUME ON BEHALF OF SURFACE OWNER (AND THE OTHER INDEMNITEES) AND CONDUCT WITH DUE DILIGENCE AND IN GOOD FAITH THE DEFENSE THEREOF WITH COUNSEL REASONABLY SATISFACTORY TO SURFACE OWNER; PROVIDED, HOWEVER, THAT ANY INDEMNITEE SHALL HAVE THE RIGHT, AT ITS OPTION, TO BE REPRESENTED THEREIN BY COUNSEL OF ITS OWN SELECTION AND AT ITS OWN EXPENSE. IN THE EVENT OF FAILURE BY OPERATOR TO ASSUME THE DEFENSE OF SURFACE OWNER IN ACCORDANCE WITH THIS INDEMNIFICATION, SURFACE OWNER, AT ITS OPTION, AND WITHOUT RELIEVING OPERATOR OF ITS OBLIGATION HEREUNDER, MAY ASSUME SUCH DEFENSE, AFTER WRITTEN NOTICE THEREOF TO OPERATOR AND OPERATOR'S FAILURE TO RESPOND THERETO WITHIN TEN (10) DAYS AFTER RECEIPT OF SUCH NOTICE (SAID TEN (10) DAY PERIOD SHALL NOT APPLY IN ANY CASE WHERE IMMEDIATE ANSWERS, RESPONSES, OR OTHER AFFIRMATIVE ACTION IS REQUIRED TO PRESERVE THE RIGHTS OF SURFACE OWNER) BUT ALL REASONABLE COSTS AND EXPENSES SO INCURRED BY SURFACE OWNER IN THAT EVENT SHALL BE REIMBURSED BY OPERATOR TO SURFACE OWNER, TOGETHER WITH INTEREST ON THE SAME FROM THE DATE ANY SUCH EXPENSE WAS PAID BY SURFACE OWNER UNTIL REIMBURSED BY OPERATOR, AT THE RATE OF INTEREST PROVIDED TO BE PAID ON JUDGMENTS, BY THE LAWS OF THE STATE OF TEXAS.

WITHOUT LIMITING THE ABOVE PARAGRAPH, OPERATOR, ITS SUCCESSORS AND ASSIGNS, SHALL INDEMNIFY, PROTECT, DEFEND AND HOLD INDEMNITEES HARMLESS FROM AND AGAINST ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES, LIENS, FINES, PENALTIES, CAUSES OF ACTION, SUITS, CHARGES, JUDGMENTS, ADMINISTRATIVE ORDERS, REMEDIATION REQUIREMENTS, ENFORCEMENT ACTIONS OF ANY KIND, PERSONAL INJURIES, PROPERTY DAMAGE, AND ALL COSTS AND EXPENSES INCURRED IN CONNECTION THEREWITH (INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND EXPENSES, INCLUDING, WITHOUT LIMITATION, ALL ATTORNEYS' FEES AND EXPENSES INCURRED IN ENFORCING THIS INDEMNITY) OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY, DIRECTLY OR INDIRECTLY ARISING OUT OF, CAUSED BY OR RESULTING FROM (IN WHOLE OR IN PART) (i) FAILURE OF OPERATOR, ANY CONTRACTOR, SUBCONTRACTOR, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM, OR ANYONE THAT THEY CONTROL OR EXERCISE CONTROL OVER (COLLECTIVELY, THE "INDEMNIFYING PARTIES"), TO COMPLY WITH ALL APPLICABLE LOCAL, FEDERAL AND/OR STATE ENVIRONMENTAL LAWS, INCLUDING BUT NOT LIMITED TO THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) AND

THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA) (AS THEY MAY BE REAUTHORIZED AND/OR AMENDED) AND ALL OTHER LOCAL, FEDERAL AND STATE LAWS, IN CONNECTION WITH OR RELATED TO ANY INDEMNIFYING PARTY'S OPERATIONS OR ACTIVITIES ON THE SURFACE PREMISES, OR (ii) ANY INDEMNIFYING PARTY'S HANDLING, STORING, RELEASING OR TRANSPORTING OR DISPOSING OF ALL SUBSTANCES, INCLUDING BUT NOT LIMITED TO HAZARDOUS SUBSTANCES AND HAZARDOUS WASTES, ON OR FROM THE SURFACE PREMISES OR ANY OTHER LANDS OF SURFACE OWNER.

THE TERMS, PROVISIONS, REQUIREMENTS AND OBLIGATIONS OF THIS PARAGRAPH 25 SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT, AND SHALL NOT BE LIMITED BY OR TO DAMAGES, COMPENSATION OR BENEFITS PAYABLE UNDER INSURANCE POLICIES, WORKER'S COMPENSATION ACTS, DISABILITY BENEFIT ACTS OR OTHER EMPLOYEES' BENEFIT ACTS.

26. INSURANCE:

At all times during the term of this Agreement and for two (2) years after the termination or expiration of this Agreement, Operator shall maintain adequate insurance to cover any and all damages arising in connection with its operations pursuant to the Leases and this Agreement, and Operator shall in any event maintain insurance meeting the following minimum requirements:

Comprehensive General Liability (including Contractual liability):

-Personal Injury:	\$1,000,000.00 per person \$1,000,000.00 per occurrence
-Property Damage:	\$100,000.00 per occurrence

<u>Business Automobile Liability:</u>	\$1,000,000.00 combined single limit - Personal Injury and Property Damage
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<u>Workers' Compensation:</u>	Statutory limits
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<u>Employers' Liability:</u>	\$1,000,000.00 per accident or occurrence
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<u>Umbrella Liability:</u>	\$10,000,000.00 each occurrence \$10,000,000.00 aggregate
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The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name Surface Owner as an additional insured and all insurance shall waive subrogation in favor of Surface Owner.

The Workers' Compensation coverage provided by Operator shall inure to the benefit of employees injured during the course and scope of their employment by Operator pursuant to this Agreement.

The Business Automobile Liability insurance provided by Operator shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-owner vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$1,000,000.00 covering any vehicle used for the execution of the work that is the subject of this Agreement.

All insurance required pursuant to this Agreement, except for Workers' Compensation Insurance, shall name Surface Owner as an additional insured. All insurance required pursuant to this Agreement, including Workers' Compensation Insurance, shall provide for a waiver of subrogation as to Surface Owner.

The parties agree that, prior to the execution of the Agreement, Operator shall provide one or more certificates of insurance showing that the requirements of this article have been met, and specifically containing, without limitations, the following endorsement:

“The City of Midland is included as an additional insured on all policies except for Workers’ Compensation. Operator and Insurer hereby waive all rights of subrogation with respect to claims against the City of Midland, its agents, employees and officers, on all policies of insurance.”

Operator shall cause its insurance provider(s) to provide written notice to Surface Owner not later than thirty (30) days prior to any reduction or termination of such coverage. Surface Owner shall not be required to provide any insurance whatsoever pursuant to this Agreement.

Operator shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Agreement to obtain insurance coverage that meets or exceeds the minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of Surface Owner and policies that name Surface Owner as an additional insured (except workers' compensation). Operator certifies that the one or more certificates of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. Operator shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of Operator.

27. WAIVER; GOVERNMENTAL IMMUNITY:

No waiver of any of the provisions of this Agreement shall be deemed or constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. Likewise, the failure of Surface Owner to enforce any provision of this Agreement shall not be deemed nor shall constitute a waiver of the right of Surface Owner to enforce such provision.

By executing this Agreement, Surface Owner is not waiving its right of governmental immunity. Surface Owner is retaining its immunity from suit. Surface Owner is not granting consent to be sued by legislative resolution or action. **THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.**

28. ENFORCEMENT:

Except as otherwise specifically provided for herein, in the event Operator fails to take the actions required under this Agreement, Surface Owner may notify Operator and Operator shall have thirty (30) days to remedy such failure. If Operator fails to remedy such failure and Surface Owner conducts the required action on behalf of Operator, Operator agrees to pay all reasonable costs incurred by Surface Owner related to such required action within thirty (30) days of receipt of an invoice for such action. Any amount not paid within said thirty (30) day period shall bear interest at a rate of eighteen (18) percent per annum or the highest interest rate allowed by law, whichever is less, from its due date until paid.

29. ATTORNEY'S FEES:

SHOULD SURFACE OWNER BE REQUIRED TO RESORT TO EMPLOYMENT OF ATTORNEYS TO ENFORCE THIS AGREEMENT, OR ANY OF ITS RIGHTS UNDER THIS AGREEMENT, SURFACE OWNER SHALL BE ENTITLED TO REIMBURSEMENT FROM OPERATOR FOR SURFACE OWNER'S ATTORNEYS' FEES. OPERATOR SHALL REIMBURSE SURFACE OWNER FOR SURFACE OWNER'S ATTORNEYS' FEES INCURRED IN CONNECTION WITH THE PREPARATION AND NEGOTIATION OF THIS AGREEMENT, SUCH FEES IN CONNECTION WITH THE PREPARATION AND NEGOTIATION OF THIS AGREEMENT NOT TO EXCEED \$10,000.

BY EXECUTING THIS AGREEMENT, OPERATOR AGREES TO WAIVE AND DOES HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST SURFACE OWNER REGARDING THE AWARD OF ATTORNEY'S FEES, WHICH ARE IN ANY WAY RELATED TO THIS AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT. WITHOUT LIMITING THE FOREGOING, OPERATOR SPECIFICALLY AGREES THAT IF OPERATOR BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS AGREEMENT OR TO THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, OPERATOR AGREES TO ABANDON, WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH OPERATOR MIGHT OTHERWISE BE ENTITLED.

OPERATOR AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT. OPERATOR ACKNOWLEDGES THAT IT UNDERSTANDS ALL TERMS AND CONDITIONS OF THIS AGREEMENT. OPERATOR FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN SURFACE OWNER AND OPERATOR. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF GOVERNMENTAL IMMUNITY.

OPERATOR AND SURFACE OWNER ARE RELYING ON THEIR OWN JUDGMENT. EACH PARTY HAD THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH LEGAL COUNSEL PRIOR TO ITS EXECUTION.

30. RELEASE:

NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT, OPERATOR HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES SURFACE OWNER AND SURFACE OWNER'S EMPLOYEES AND OFFICERS, FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER WHICH OPERATOR HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR SURFACE OWNER'S NEGLIGENCE.

31. NOTICE OF ALLEGED BREACH; STATUTORY PREREQUISITES:

Without limiting the provisions of Paragraph 30 of this Agreement, as a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Agreement, Operator or Operator's legal representative, shall give the City Manager, or any other reasonable official of Surface Owner, notice in writing (consisting of one original and seven copies of notice attached to a copy of this Agreement) of such damages, duly verified, within one hundred twenty (120) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which Operator will settle, the physical and mailing addresses of Operator at the time and date the claim was presented and the physical and mailing addresses of Operator for the six months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom Operator relies to establish its claim; and a failure to so notify the City Manager or other such official of Surface Owner within the time and manner provided herein shall exonerate, excuse and except Surface Owner from any liability whatsoever. Surface Owner is under no obligation to provide notice to Operator that Operator's notice is insufficient. Surface Owner reserves the right to request reasonable additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision, Operator's failure to comply with the requirements herein shall perpetually bar Operator's claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, regardless if Surface Owner has actual or constructive notice or knowledge of said claim or alleged damages. Operator agrees that the requirements of this entire Agreement are reasonable.

32. NO WAIVER OF GOVERNMENTAL IMMUNITY; CHAPTER 271, TEX. LOC. GOV'T CODE:

The parties hereto agree that this Agreement does not constitute a “Contract” for providing goods and/or services to Surface Owner as set forth in Subchapter I of Chapter 271 of the Texas Local Government Code, and Surface Owner does not waive, to the maximum extent allowed by law, any constitutional, statutory or common law right to sovereign immunity or governmental immunity from liability or suit. Surface Owner expressly does not consent to be sued or be liable. To the maximum extent allowed by law, nothing in this Agreement constitutes a waiver of Surface Owner’s governmental immunity and the parties hereto expressly agree that this Agreement shall not constitute, nor be interpreted as a waiver of Surface Owner’s governmental immunity under Subchapter I of Chapter 271 of the Texas Local Government Code, nor shall it constitute nor be interpreted as a waiver of Surface Owner’s governmental immunity for the benefit of any third party lacking privity to this Agreement.

This Agreement does not obligate Operator to use the Surface Premises to construct, repair, operate, replace, or maintain equipment, structures, improvements, and/or facilities associated with Operator’s activities described herein, rather, it merely prohibits Operator from using the Surface Premises for any other purpose. This Agreement restricts the use of the Surface Premises to a specific purpose but does not require the use of property for a specific purpose. Operator is not providing a service to Surface Owner. Any such provision shall be deemed to be a covenant against noncomplying use, not a covenant to use. Operator’s use of the Surface Premises in compliance with a restriction shall not constitute a service, and such complying use shall not operate to waive Surface Owner’s governmental immunity.

33. THIRD-PARTY BENEFICIARY:

Except as provided in Paragraph 25 with respect to Indemnitees, this Agreement is intended solely for the use and benefit of the parties hereto and shall not constitute or be construed as a contract for the benefit of any third party.

34. SUCCESSORS AND ASSIGNS:

The provisions of this Agreement shall inure to the benefit of and be binding upon Surface Owner and Operator, their respective heirs, successors, representatives and permitted assigns. Operator shall not have the right to assign any of its rights or obligations under this Agreement without the prior written consent of Surface Owner, which consent shall be in the sole discretion of Surface Owner. Any permitted assignee shall expressly assume all of Operator’s covenants, responsibilities and obligations under this Agreement in writing. Without limiting the foregoing, no permitted assignment of Operator’s interests in this Agreement shall be effective until Operator has notified Surface Owner of the assignment and identified the assignee’s name, address and contact information. Upon assignment hereof in whole or in part by Operator, Operator shall remain fully liable for any breach of any obligation hereunder accruing prior to such assignment. Surface Owner shall be furnished a true and correct copy of any permitted assignment within thirty (30) days after the execution thereof.

35. COVENANTS RUNNING WITH THE LAND:

The covenants and obligations of the parties under this Agreement shall be binding upon and shall run with the land and burden the Surface Premises.

36. COUNTERPART EXECUTION:

This Agreement may be executed in several counterparts, and any such agreement shall be deemed an original for all intents and purposes.

37. GOVERNING LAW AND VENUE:

This Agreement shall be governed by the laws of the State of Texas. All performance and payments made pursuant to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claims, suits or any other action arising from or connected in any way to this Agreement or the performance of this Agreement shall be in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas.

38. NO RELEASE OF LIABILITY:

Notwithstanding anything to the contrary contained in this Agreement, the termination or expiration of this Agreement shall not relieve Operator of any liability, duty or obligation under this Agreement, nor shall it preclude Surface Owner from asserting any right to specific performance, damages or any other rights or remedies to which Surface Owner may be entitled. Upon termination or expiration of this Agreement for any reason, Operator shall execute and deliver a recordable release of this Agreement to Surface Owner in form and substance satisfactory to Surface Owner.

39. TEXAS HISTORICAL COMMISSION SURVEY:

Operator agrees that it shall comply with Chapter 191 of the Texas Natural Resources Code. By executing this Agreement, Operator represents that it has contacted the Texas Historical Commission (the "Commission") for the purpose of determining whether the Commission will request that an archaeological survey be completed before Operator commences operations on the Surface Premises, as contemplated herein. Operator agrees that it shall complete or cause to be completed an archaeological survey before commencing any operations on the Surface Premises if the Commission so requests and deliver the same to Surface Owner. Notwithstanding any provision contained herein, in the event that any site, object, artifact, or other feature of archaeological, scientific, educational, cultural, or historical interest is encountered during the operations authorized by this Agreement, Operator will immediately notify Surface Owner and the Commission so that adequate measures may be undertaken to protect or recover such discoveries or findings, as deemed appropriate by Surface Owner or the Commission.

40. CONSIDERATION:

The terms of this Agreement are supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties.

41. MEMORANDUM OF SURFACE USE AGREEMENT:

Surface Owner and Operator have executed a Memorandum of Surface Use Agreement in the form attached hereto as **Exhibit D**, dated of even date herewith, for recording in the records of the County in which the Surface Premises are situated, to give record notice of this Surface Use Agreement. This Surface Use Agreement shall not be recorded except with the prior written consent of Surface Owner.

42. COMPLIANCE:

Operator agrees that it shall comply with Texas Government Code Section 2252.908, as amended, to the extent that this statute applies to this Agreement. Operator agrees that it shall comply with Texas Local Government Code Section 176.006, as amended, to the extent that this statute applies to this Agreement.

43. ENTIRE AGREEMENT:

This Agreement constitutes the entire agreement between Surface Owner and Operator concerning the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings related to the subject matter hereof. This Agreement may only be amended by written instrument executed by Surface Owner and Operator.

[Remainder of page intentionally left blank; signature pages follow.]

EXECUTED by each party hereto as of the date indicated underneath its respective signature, to be effective for all purposes as of the Effective Date.

SURFACE OWNER:

CITY OF MIDLAND, TEXAS

By: _____
Tommy Gonzalez, City Manager

Date: _____

ATTEST:

Marcia Bentley-German, City Secretary

[Signature Page Follows]

OPERATOR:

By: _____

Name: Daniel S. Temple

Title: VP - Land

Date: _____

STATE OF OKLAHOMA §

§

COUNTY OF TULSA §

This instrument was acknowledged before me this ____ day of _____, 2025, by Daniel S. Temple, VP - Land of Vital Energy, Inc., a Delaware corporation, on behalf of said corporation.

Notary Public – State of Oklahoma

EXHIBIT A

Attached to that certain Surface Use Agreement
between the City of Midland, Texas, as “Surface Owner”
and
Vital Energy, Inc. as “Operator”

Leases

October 13, 1971
Date: Lessor: Eugene F. Jones and wife, Doris L. Jones
Lessee: Filing Great Western Drilling Company
Date: Recorded: November 22, 1971
Volume 548, Page 85

October 16, 1979
Date: Lessor: Letha C. Sutton, a widow
Lessee: Filing Brazos Petroleum Company
Date: Recorded: November 9, 1979
Volume 669, Page 555

June 25, 1987
Date: Lessor: Letah C. Sutton
Lessee: Filing Meridian Oil, Inc.
Date: Recorded: June 29, 1987
Volume 932, Page 721

EXHIBIT B

Attached to that certain Surface Use Agreement
between the City of Midland, Texas, as “Surface Owner”
and
Vital Energy, Inc. as “Operator”

Well Plans

(see attached)

EXHIBIT C

Attached to that certain Surface Use Agreement
between the City of Midland, Texas, as “Surface Owner”
and
Vital Energy, Inc. as “Operator”

Wellbore Specifications

(see attached)

EXHIBIT D

Attached to that certain Surface Use Agreement
between the City of Midland, Texas, as “Surface Owner”
and
Vital Energy, Inc. as “Operator”

FORM OF MEMORANDUM OF SURFACE USE AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This Memorandum of Surface Use Agreement (this “Memorandum”) is made and entered into by and between the **CITY OF MIDLAND, TEXAS**, a home rule municipal corporation, whose address is 300 N. Loraine, Midland, Texas, 79701, Attention: Right of Way Manager (herein “Surface Owner”) and **VITAL ENERGY, INC.**, a Delaware corporation, whose address 521 East 2nd Street, Suite 1000, Tulsa, Oklahoma 74120 (herein “Operator”), covering the surface estate of **365.58 acres, more or less, in Section 8, Block 38, T2S, A-931, Midland County, Texas** (herein the “Surface Premises”).

WITNESSETH:

Surface Owner and Operator have entered into that certain Surface Use Agreement dated effective as of _____, 2025 (the “Surface Use Agreement”) which provides for protection of the surface estate and water resources of the Surface Premises in connection with oil and gas exploration, development and production of mineral rights underlying **Section 8, Block 38, T2S, A-931, Midland County, Texas** (the “Leased Premises”).

Surface Owner and Operator are executing this Memorandum for the purpose of placing the same of record in the above-referenced County, and in order to constitute constructive notice to all third parties dealing with Surface Owner and/or Operator of the existence of the Surface Use Agreement and of the rights and obligations contained therein. Surface Owner and Operator give notice that the Surface Use Agreement may be amended or supplemented from time to time in the future and any inquiry as to the contents thereof should also include an inquiry as to the contents of any and all such amendments and supplements. In the event of any conflict between the terms of this Memorandum and the Surface Use Agreement, the terms of the Surface Use Agreement shall control.

The Surface Use Agreement constitutes the entire agreement between Surface Owner and Operator concerning the subject matter thereof, superseding all negotiations, prior discussions and prior agreements and understandings related to the subject matter thereof.

This Memorandum shall be binding upon both parties signing a counterpart of this Memorandum, whether or not both parties sign the same counterpart hereof. To facilitate recordation, one or more executed counterparts of this Memorandum may be assembled into one

document for recording purposes and a single counterpart containing additional signature and acknowledgment pages from the other counterparts may be executed and recorded.

[Remainder of page intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, this Memorandum is executed as of the dates of the acknowledgments of the respective parties, but effective as of _____, 20__.

SURFACE OWNER:

CITY OF MIDLAND, TEXAS

By: _____
Tommy Gonzalez, City Manager

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this ____ day of _____, 20__, by Tommy Gonzalez, City Manager of the City of Midland, Texas, a home rule municipal corporation, on behalf of said entity.

Notary Public – State of Texas

OPERATOR:

By: _____
Name: Daniel S. Temple
Title: VP- Land

ACKNOWLEDGMENT

STATE OF OKLAHOMA §
 §
COUNTY OF TULSA §

This instrument was acknowledged before me this ____ day of _____, 2025, by Daniel S. Temple, VP - Land of Vital Energy, Inc., a Delaware corporation, on behalf of said corporation.

Notary Public – State of Oklahoma

MEMORANDUM OF SURFACE USE AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

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WITNESSETH:

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Surface Owner and Operator are executing this Memorandum for the purpose of placing the same of record in the above-referenced County, and in order to constitute constructive notice to all third parties dealing with Surface Owner and/or Operator of the existence of the Surface Use Agreement and of the rights and obligations contained therein. Surface Owner and Operator give notice that the Surface Use Agreement may be amended or supplemented from time to time in the future and any inquiry as to the contents thereof should also include an inquiry as to the contents of any and all such amendments and supplements. In the event of any conflict between the terms of this Memorandum and the Surface Use Agreement, the terms of the Surface Use Agreement shall control.

The Surface Use Agreement constitutes the entire agreement between Surface Owner and Operator concerning the subject matter thereof, superseding all negotiations, prior discussions and prior agreements and understandings related to the subject matter thereof.

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[Remainder of page intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, this Memorandum is executed as of the dates of the acknowledgments of the respective parties, but effective as of _____, 20__.

SURFACE OWNER:

CITY OF MIDLAND, TEXAS

By: _____
Tommy Gonzalez, City Manager

ACKNOWLEDGMENT

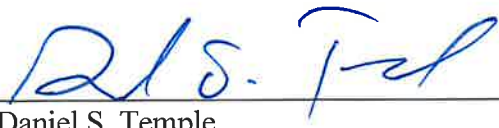
STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this ____ day of _____, 20__, by Tommy Gonzalez, City Manager of the City of Midland, Texas, a home rule municipal corporation, on behalf of said entity.

Notary Public – State of Texas

OPERATOR:

VITAL ENERGY, INC.

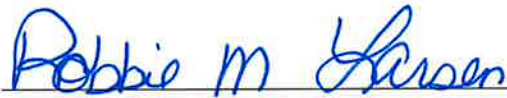
By: 
Name: Daniel S. Temple
Title: VP- Land

ACKNOWLEDGMENT

STATE OF OKLAHOMA §
 §
COUNTY OF TULSA §

This instrument was acknowledged before me this 31st day of March, 2025, by Daniel S. Temple, VP - Land of Vital Energy, Inc., a Delaware corporation, on behalf of said corporation.




Notary Public – State of Oklahoma

SCHEDULE 1

Attached to that certain Memorandum of Surface Use Agreement
between the City of Midland, Texas, as "Surface Owner"
and
CrownQuest Operating, LLC, as "Operator"

Existing Agreements

1. Surface Use Agreement by and between CrownQuest Operating, LLC, as Operator, and the City of Midland, Texas, as the City, dated effective July 26, 2017, covering Section 16, Block 37, T-3-S, T&P RR Co. Survey, Midland County, Texas, as amended by Amendment to the Surface Use Agreement by and between CrownQuest Operating, LLC, as the Company, and the City of Midland, Texas, as the City, dated effective February 28, 2018.
2. Right of Way License by and between the City of Midland, Texas, as Licensor, and CrownQuest Operating, LLC, as Licensee, dated effective June 24, 2015, covering Section 9, Block 37, T-3-S, T&P RR Co. Survey, Midland County, Texas.
3. Surface Use Agreement by and between CrownQuest Operating, LLC, as Operator, and the City of Midland, Texas, as the City, dated effective September 13, 2017, covering Section 9, Block 37, T-3-S, T&P RR Co. Survey, Midland County, Texas.
4. Right of Way License by and between the City of Midland, Texas, as Licensor, and CrownQuest Operating, LLC, as Licensee, dated effective December 16, 2015, covering Section 19, Block 36, T-3-S, T&P RR Co. Survey, Midland County, Texas.
5. Right of Way License by and between the City of Midland, Texas, as Licensor, and CrownQuest Operating, LLC, as Licensee, dated effective November 18, 2015, covering Section 30, Block 36, T-3-S, T&P RR Co. Survey, Midland County, Texas, as amended by Amendment to the Right of Way License by and between CrownQuest Operating, LLC, as the Company, and the City of Midland, Texas, as the City, dated effective June 15, 2016, and as further amended by Second Amendment to the Right of Way License by and between CrownQuest Operating, LLC, as the Company, and the City of Midland, Texas, as the City, dated effective June 28, 2017.
6. Right of Way License by and between the City of Midland, Texas, as Licensor, and CrownQuest Operating, LLC, as Licensee, dated effective October 12, 2016, covering Section 11, Block 37, T-3-S, T&P RR Co. Survey, Midland County, Texas, as amended by Amendment to the Right of Way License between CrownQuest Operating, LLC, and the City of Midland, Texas, dated effective June 14, 2017, which Amendment adds Section 14, Block 37, T-3-S, T&P RR Co. Survey, Midland County, Texas to the Right of Way License.



City Council Meeting

Item Number: 15

Meeting Date: March 18, 2025, April 8, 2025

To: City Council / City Manager

From: Alexis M. Martinez, Associate Planner

Subject: AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITH TERM FOR A 2,512-SQUARE FOOT PORTION OF LOT 5A, BLOCK 1, GATEWAY PLAZA ADDITION, SECTION 12, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED AT THE SOUTHEAST CORNER OF THE INTERSECTION OF SOUTH TRADEWINDS BOULEVARD AND STARBOARD DRIVE), WHICH IS PRESENTLY ZONED RR, REGIONAL RETAIL DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR THE SALE OF ALL ALCOHOLIC BEVERAGES IN A RESTAURANT FOR ON-PREMISES CONSUMPTION; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION (DISTRICT 4) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)

Purpose:

The applicant, Joseph Deleon, is requesting a Specific Use Designation (SUD) with Term for Alcoholic Beverages Sales for On-Premises Consumption in a restaurant on a property located at 5701 Starboard Drive.

Recommended City Council Action:

Approve

Fiscal Impact:

This proposal does not have a significant financial impact to the City.

Strategic Priority:

(Quality of Life & Place)

Current Zoning:

RR, Regional Retail

Surrounding Zoning and Land Use:

The property to the north is zoned PD, Planned Development District for Housing Development, O-2, Office District and the location of an apartment complex and a hotel, respectively. The property to the east is zoned PD, Planned Development District for a Shopping Center, and the location of a movie theater. Business the south and across Business Interstate-20 is located outside city limits and the location of industrial businesses. The property to the west is zoned PD, Planned Development District for a Shopping Center and the location of a motor sports store.

Analysis:

The property is zoned RR, Regional Retail District. RR zoning allows Alcoholic Beverages Sales for On-Premises Consumption in a restaurant with the approval of an SUD. The total area of the restaurant, Buffalo Jo's, is 2,512 square feet and the proposed alcohol serviceable area is 1,327 square-feet.

The proposed hours of operation:

Monday from 5:00 p.m. to 10:00 p.m.
Tuesday through Saturday from 11:00 a.m. to 10:00 p.m.
Sunday from 12:00 p.m. to 10:00 p.m.

The proposed hours of alcohol service:

Monday from 5:00 p.m. to 10:00 p.m.
Tuesday through Saturday from 11:00 a.m. to 10:00 p.m.
Sunday from 12:00 p.m. to 10:00 p.m.

Per Midland City Code, Section 5-4-4, Prohibited Places of Business:

The sale of any alcoholic beverage is hereby prohibited by any person, where the place of business of any such dealer is within 300 feet of any church, public-school, public-school ground, athletic stadium used by any public school or public hospital, the measurements to be along the property lines of the street fronts and from front door to front door and in a direct line across intersections where they occur.

There are no churches, private schools, public schools, public school grounds, athletic stadium,

public hospital within 300 feet measurement along the property lines of the street fronts, and from the front door in a direct line across intersection where they occur within this site.

The request is in compliance with the Tall City Tomorrow Comprehensive Plan, Chapter 6-Character Plan Goal 4, which is to “Encourage the development of places where Midland residents can gather and socialize to build connections.” Buffalo Jo’s is a destination where Midland residents will gather and socialize.

This project has been circulated to all City departments for review. Below are the department comments.

Fire: (Approved)

No comments

Engineering: (Approved)

No objection.

Transportation: (Approved)

No objection.

Building Code: (Approved)

The SUD for Buffalo Jo’s is acceptable. The property must adhere to the maximum occupant load of 88 persons for the alcohol serviceable area. Occupancy loads must be posted in accordance with section 1004.3 of the 2015 International Fire Code.

Planning: (Approved with Conditions)

This request meets all requirements; therefore, staff recommends approval of the request of the Specific Use Designation with Term for the sale of all alcoholic beverages, for on-premises consumption, in a lounge, subject to Condition A through G.

Conditions:

- A. That the serviceable area of the restaurant shall be limited to approximately 1,327 square feet as shown in Exhibits “A”, which is attached hereto and incorporated herein for all purposes.**
- B. That the days and hours of alcoholic beverages sales and consumption shall be limited to:**
 - Monday from 5:00 p.m. to 10:00 p.m.**
 - Tuesday through Saturday from 11:00 a.m. to 10:00 p.m.**
 - Sunday from 12:00 p.m. to 10:00 p.m.**

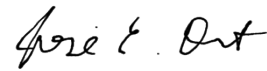
- C. That the occupancy of the establishment shall not exceed the maximum occupancy determined by the Building Code and Fire Code.
- D. That the establishment shall meet all requirements of the Fire Department and Code Administration.
- E. That the sale and on-premises consumption of alcoholic beverages shall conform to applicable state and local laws.
- F. That the operator of the Establishment shall obtain a Certificate of Occupancy prior to the commencement of the sale of alcoholic beverages for on-premises consumption to ensure that the conditions of this Specific Use Designation With Term are satisfied.
- G. That in accordance with Section 9.07.E. 3 of the City Code, the establishment shall receive a certificate of occupancy within 120 days from the final adoption date of this ordinance.

Letters of Objection:

As of February 28, 2025, staff has not received any letters of objection.

Attachments:

Application
Floor Plan (Exhibit A)
Site Plan
Maps
PowerPoint



City Manager's Office

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITH TERM FOR A 2,512-SQUARE FOOT PORTION OF LOT 5A, BLOCK 1, GATEWAY PLAZA ADDITION, SECTION 12, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED AT THE SOUTHEAST CORNER OF THE INTERSECTION OF SOUTH TRADEWINDS BOULEVARD AND STARBOARD DRIVE), WHICH IS PRESENTLY ZONED RR, REGIONAL RETAIL DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR THE SALE OF ALL ALCOHOLIC BEVERAGES IN A RESTAURANT FOR ON-PREMISES CONSUMPTION; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION

WHEREAS, the City Planning and Zoning Commission and the Governing Body of the City of Midland, Texas, in compliance with the City Charter, the City Code, and State law, have given the requisite notices by United States mail, publication and otherwise; and after holding due hearings affording a full and fair hearing to all of the property owners generally, and particularly to those interested persons situated in the affected area and in the vicinity thereof, the Governing Body of the City of Midland finds that the public convenience will be best served by granting a Specific Use Designation With Term for a 2,512-square foot portion of Lot 5A, Block 1, Gateway Plaza Addition, Section 12, City and County of Midland, Texas (the “Property”), as set out hereinafter;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That the Zoning District Map of the City of Midland, Texas, is hereby amended to grant the Property a Specific Use Designation With Term for the sale of all alcoholic beverages in a restaurant (the “Establishment”) for on-premises consumption, together with the uses permitted in the present RR, Regional Retail District.

SECTION TWO. That the Property shall be subject to the following conditions and restrictions:

- A. That the serviceable area of the Establishment shall be limited to approximately 1,327 square feet as shown in Exhibit "A", which is attached hereto and incorporated herein for all purposes.
- B. That the sale and on-premises consumption of alcoholic beverages shall conform to all applicable state and local laws.
- C. That the days and hours of alcoholic beverage sales and consumption shall be limited to the following:

Monday from 5:00 p.m. to 10:00 p.m.;
Tuesday through Saturday from 11:00 a.m. to 10:00 p.m.; and
Sunday from 12:00 p.m. (noon) to 10:00 p.m.
- D. That the occupancy of the Establishment shall not exceed the maximum occupancy determined by the Building Code and Fire Code.
- E. That the Establishment shall meet the requirements of the Fire Department and the Code Administration Division.
- F. That the operator of the Establishment shall obtain a Certificate of Occupancy prior to the commencement of the sale of alcoholic beverages for on-premises consumption to ensure that the conditions of this Specific Use Designation With Term are satisfied.
- G. That in accordance with Section 11-1-9.07.E.3 of the City Code, the Establishment shall be in operation within 120 days from the final adoption date of this ordinance.

SECTION THREE. The provisions of this ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances, inconsistent with or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FOUR. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The Council of the City of Midland hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FIVE. The penalty for violation of this ordinance shall be in accordance with the general penalty provisions contained in Section 1-3-1 of the City Code of Midland, Texas, which provides for a fine not exceeding two thousand dollars (\$2,000.00).

SECTION SIX. The City Secretary is hereby authorized and directed to publish the descriptive caption of this ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2025; and passed to second reading on motion of Council member _____, seconded by Council member _____, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, seconded by Council member _____, on the _____ day of _____, A.D., 2025, at a regular meeting of the City Council:

Council members voting "AYE":

Council members voting "NAY":

PASSED AND APPROVED THIS _____ day of _____, A.D., 2025.

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

PACKET

15.7

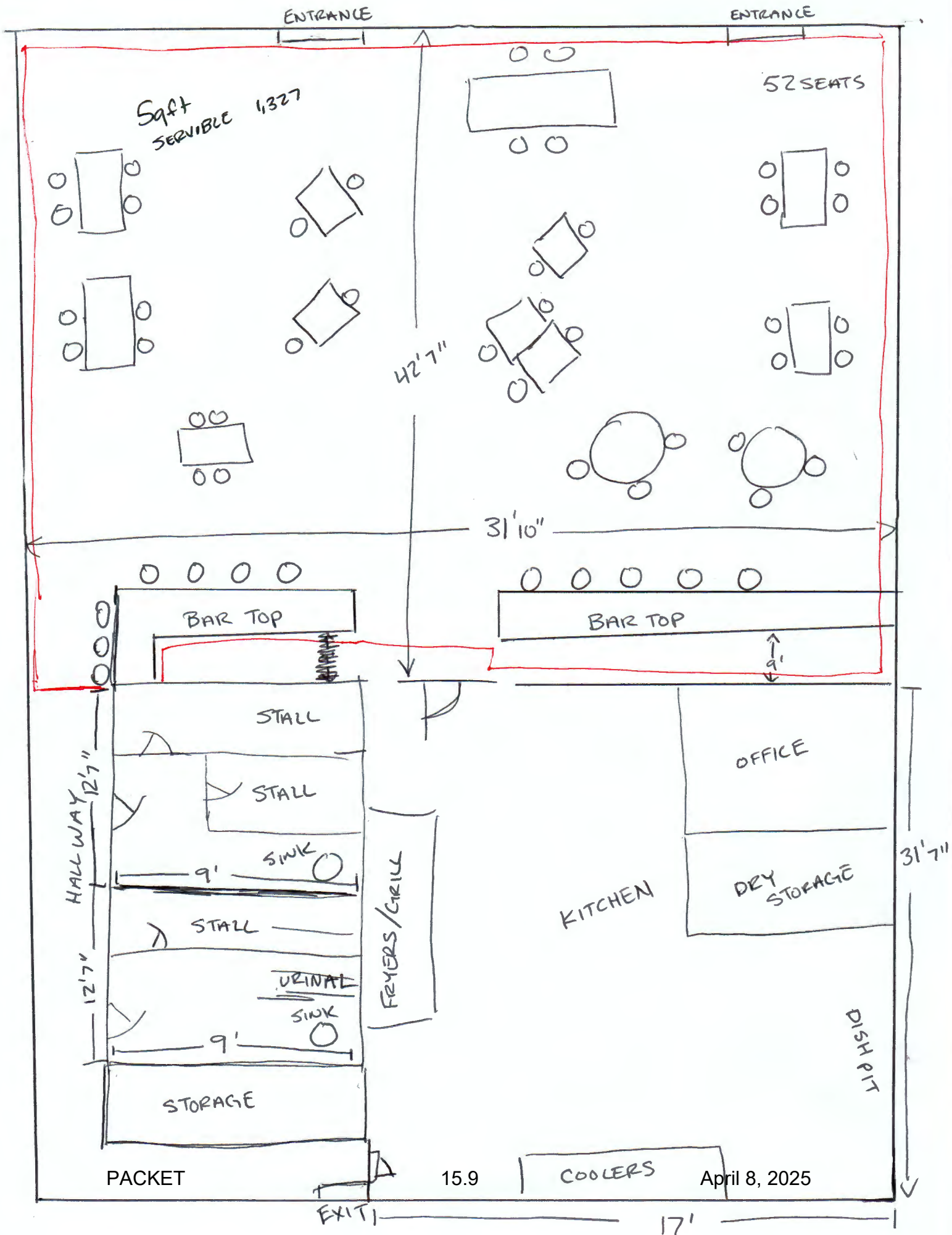
April 8, 2025

APPROVED AS TO CONTENT
AND COMPLETENESS:

Elizabeth Triggs, Planning and Development Officer

APPROVED ONLY AS TO FORM:

Nicholas Toulet, Interim City Attorney





**Specific Use Designation with
Term for the Sale of Alcoholic
Beverages for On-Premises
Consumption**

Project Number:

Case Number:

SUD-25-0192

Applicant (if acting as Agent, see affidavit on page 2)

Printed Name: JOSEPH A. DELEON

Phone (432) 238-6022

Email buffalojos.mtx@gmail.com

Address 1508 S. JEFFERSON ST.

City MIDLAND

State TX

Zip 79701

Property Owner

Printed Name: CRIMSON SKY CAPITAL, LTD

Phone (806) 797-3220

Email tmcsadden@arslubbock.com

Address U306 1019 Ste #200

City Lubbock

State TX

Zip 79423

Representative (if different from Applicant or Property Owner)

Firm: _____

Printed Name: _____

Phone ()

Email _____

Address _____

City _____

State _____

Zip _____

Street Address: 5701 STARBOARD DR. STE 9

Business Name: BUFFALO JO'S

Legal Description

Lot: _____

Block: _____

Subdivision: _____

Current Zoning: _____

Reason for Request: MB TRANSFER

Type of Business (restaurant, bar, lounge, nightclub, etc.):

Proposed/Current Days and Hours of Operation: MON-5pm-10pm / TUE-SAT-11am-10pm
SUN-12pm-10pm

Proposed Days and Hours of Alcohol Service: MON-5p-10pm / TU-SAT-11AM-10PM
SUN-12pm-10pm

Total Square Footage of Business: 2,512 sqft

Square Footage of Alcohol Serviceable Area: 1,305

Restroom Fixtures:

Men

Toilets/Urinals: 1 / 1 / 1

Bathroom Sinks: 1

Women

Toilets: 2

Bathroom Sinks: 1

5701 Starboard Dr., Ste. #9

Submittal and Fees

Items to be submitted with this application form:

- Application Fee – Payable to the 'City of Midland'
- Dimensioned Floor Plan showing:
 - Seating
 - Exits
 - Restrooms
 - Kitchen (if applicable)
 - Total Square Footage
 - Serviceable Square Footage
- Dimensioned Site Plan showing:
 - Parking
 - Business Footprint
- Digital Copies of Floor Plan & Site Plan (PDF/JPEG)

Signatures

Applicant (signature):

Date: 1-16-2025

Applicant (printed):

JOSEPH A. DELEON

Property Owner (signature):

Date: 1/6/25

Property Owner (printed):

Crimson Sky Capital, LTD

The Specific Use Designation with Term for the sale of all alcoholic beverages shall be considered officially received in the Planning office only when it has been submitted in full compliance with the provisions of Section 212 of the Texas Local Government Code and the Zoning Code of Ordinances of the City of Midland and when such required items for the application are also received.

All materials, including exhibits, submitted in support of an application, or displayed during a public hearing, shall remain the property of the City of Midland.

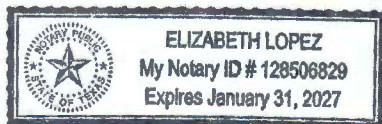
If an agent is authorized by the property owner to file and execute the application on behalf of the property owner, the agent must complete the affidavit below.

STATE OF TEXAS
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared Joseph A. DeLeon who, being by me duly sworn, upon oath says: That (s)he is authorized by CRIMSON SKY CAPITAL, the owner of the above described property, to fully represent him/her in this application and that (s)he had the legal right, power and authority to sign said owner's name hereto as his/her attorney in fact.

Authorized Agent (signature)

Subscribed and sworn to before me, this 16th day of January, 2025, to certify which witness my hand and seal of office.



NOTARY PUBLIC, MIDLAND COUNTY, TEXAS

****Application will not be considered for scheduling until reviewed by a planner.****

SUID Alcoholic Beverages Application

2

Revised 07/02/10

FOR OFFICE USE ONLY	
☒ Property Owner Authorization	☒ Dimensioned Floor Plan
☒ Application Fee	☒ Site Plan
Check # <u>invoiced</u>	☒ Plans in Digital Format (PDF/JPEG)
Received By: <u>[Signature]</u>	Date: <u>JAN 15 2025</u>

RECEIVED
 Initial: A.M.

****Application will not be considered for scheduling until reviewed by a planner.****

SUD Alcoholic Beverages Application

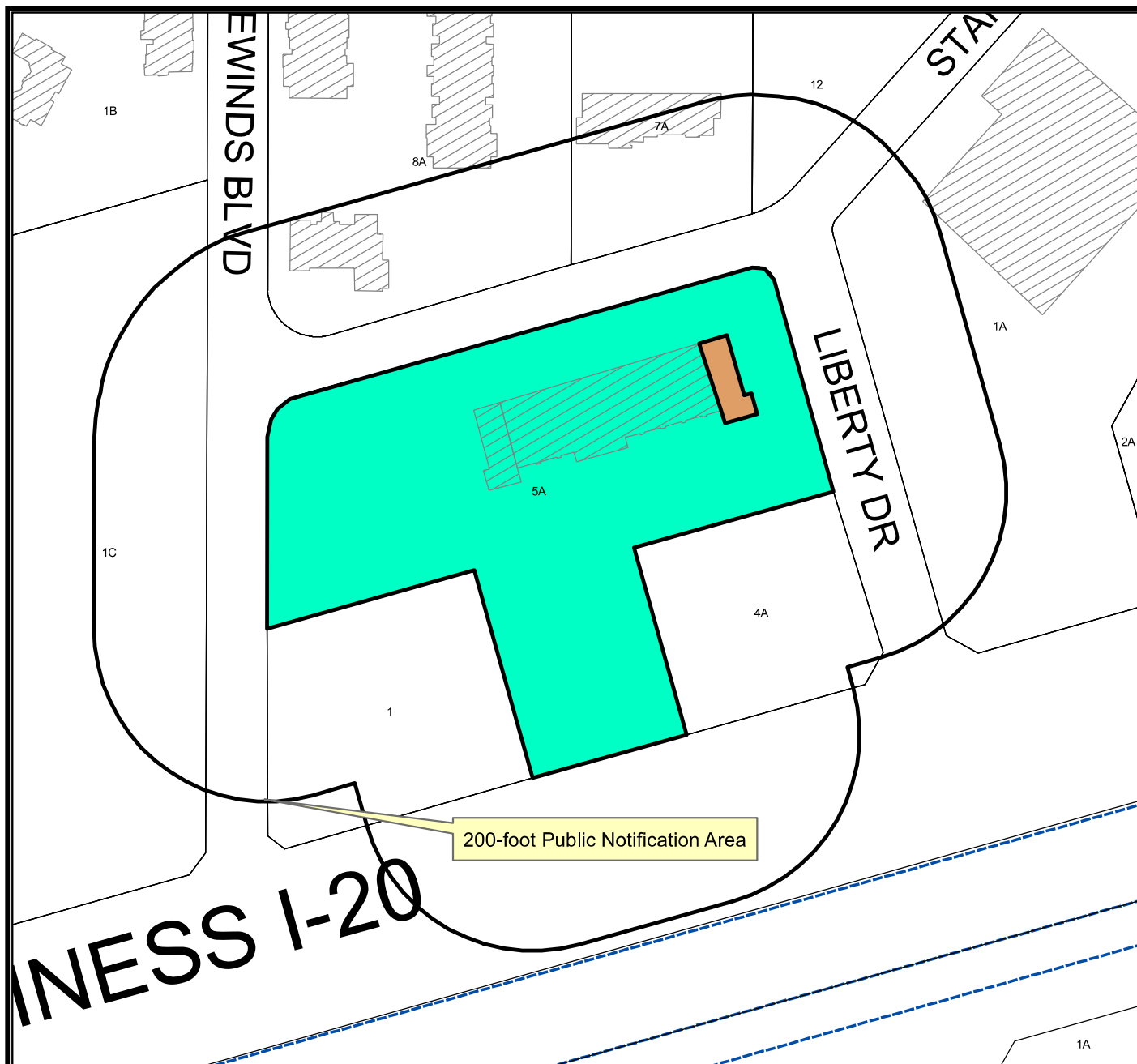
3

Revised 07/02/19

PACKET

15.12

April 8, 2025



Location Map

SUD-25-0192

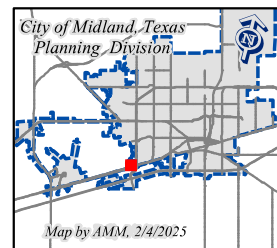
Scale: 1" = 600'

Consider a request by Joseph Deleon, for a Specific Use Designation with Term for the Sale of all Alcoholic Beverages for on premises consumption in a bar on a 2,512 square-foot portion of Lot 5A, Block 1, Gateway Plaza, Section 12, City and County of Midland, Texas.

Generally located at the southeast corner of the intersection of South Tradewinds Boulevard and Starboard Drive. (Council District 4)

LEGEND

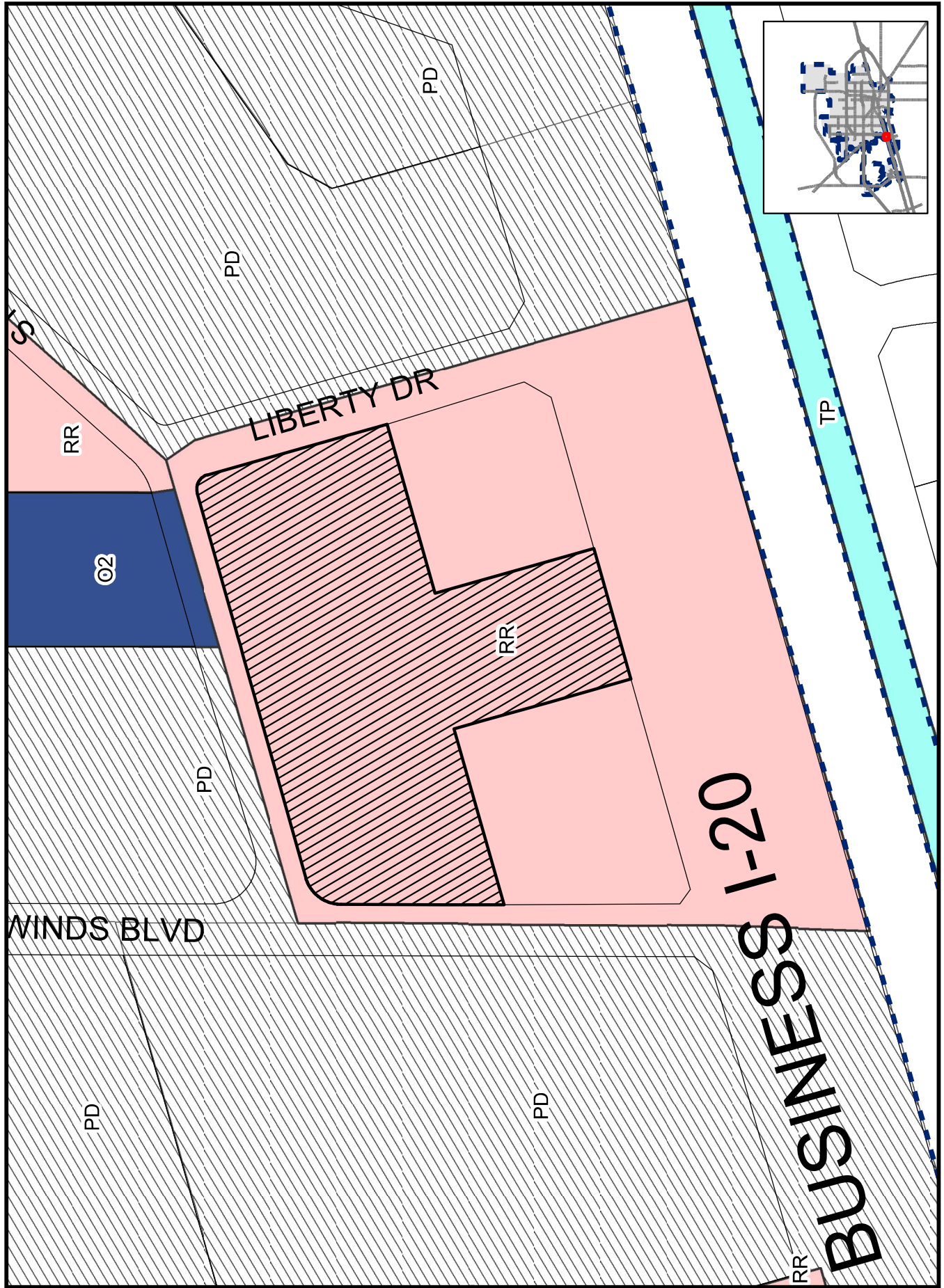
- CITY LIMITS
- PARCEL
- PRIVATE BLDGS



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THIS DATA IS NOT A SUBSTITUTION FOR A SURVEY PRODUCT NOR IS IT DESIGNED TO BE USED AS A PRIMARY TOOL IN PERMITTING OR OTHER DECISIONS BASED SOLELY ON THE INFORMATION CONTAINED HEREIN.

THE CITY OF MIDLAND SHALL NOT BE RESPONSIBLE FOR ANY DECISIONS BASED UPON THE USE OF THIS DATA.



ZONING MAP

Scale: 1" = 977'

SUD-25-0192

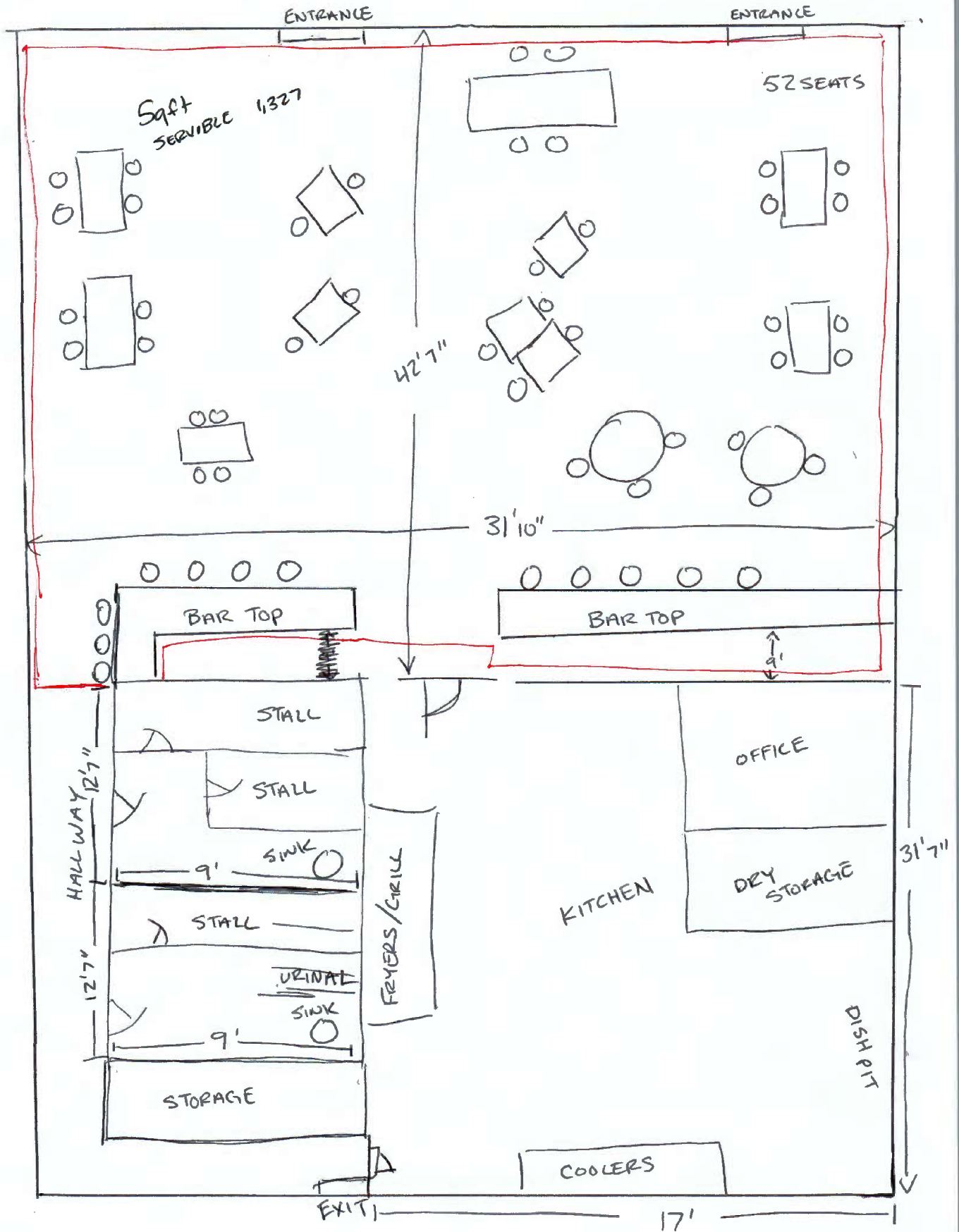
Map AMM, 1/27/2025

PACKET

15.14

April 8, 2025

5701 STARBOARD PR., STE 9

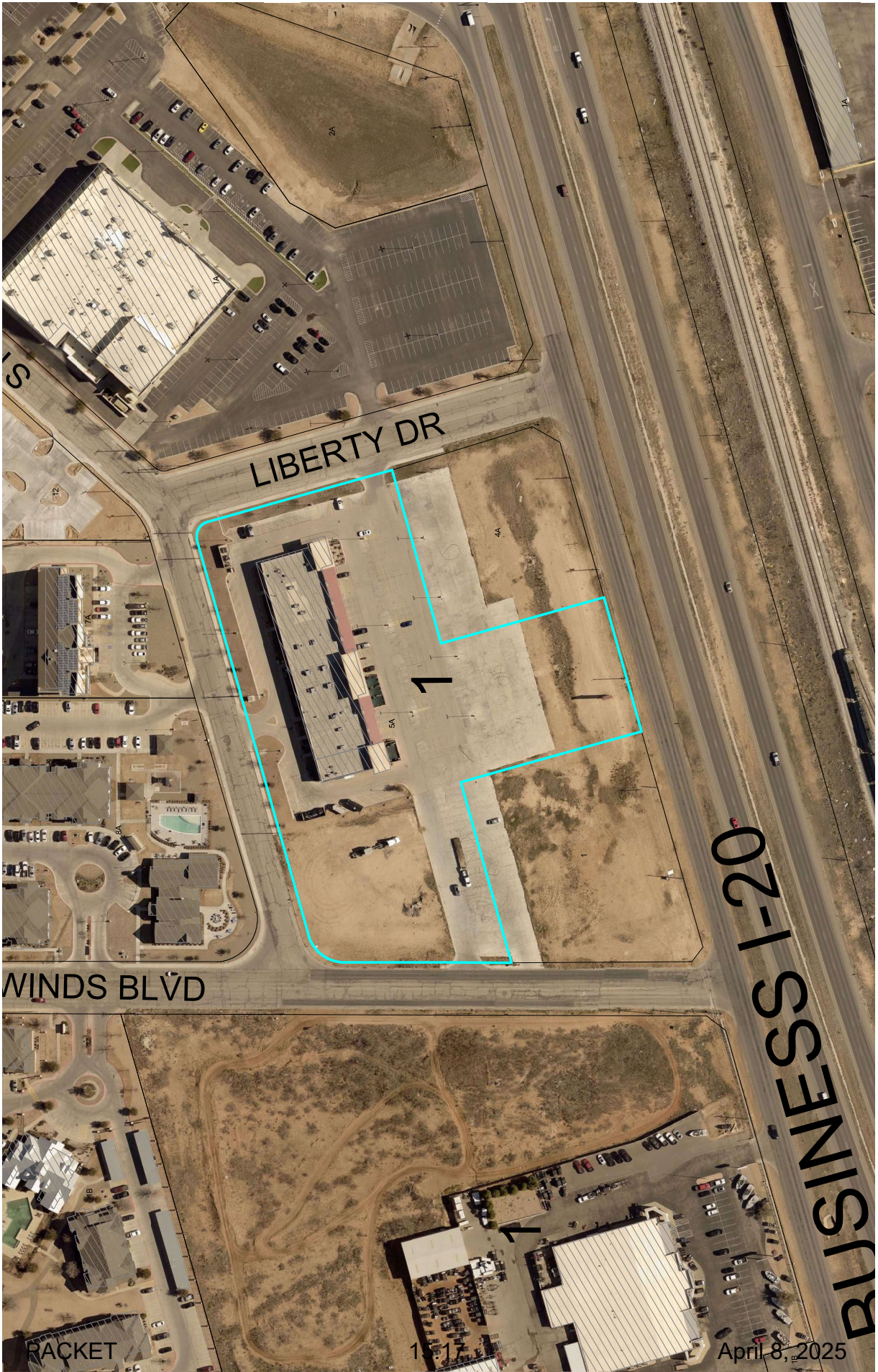


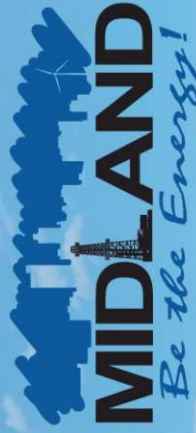


PACKET

15.16

April 8, 2025





BUFFALO JO'S SPECIFIC USE DESIGNATION WITH TERM ITEM

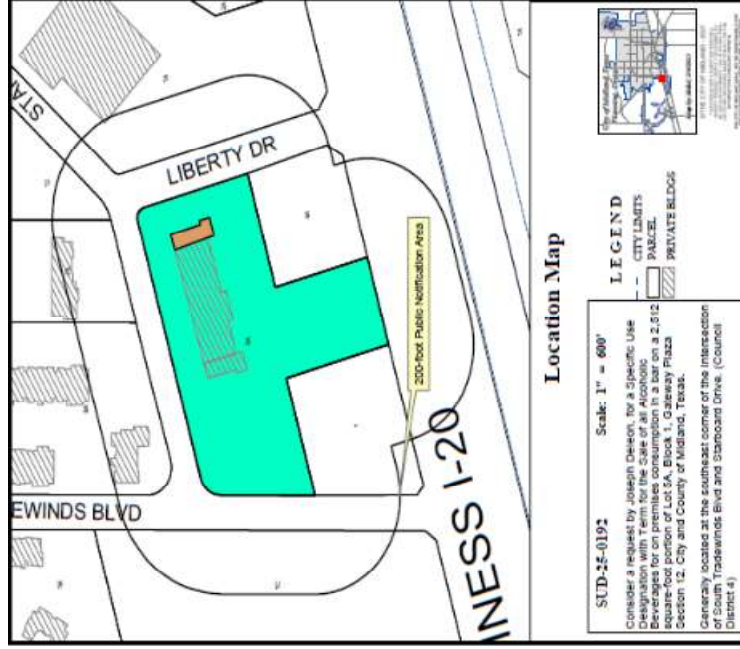


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MIDLANDTEXAS.GOV

APPLICATION SUMMARY

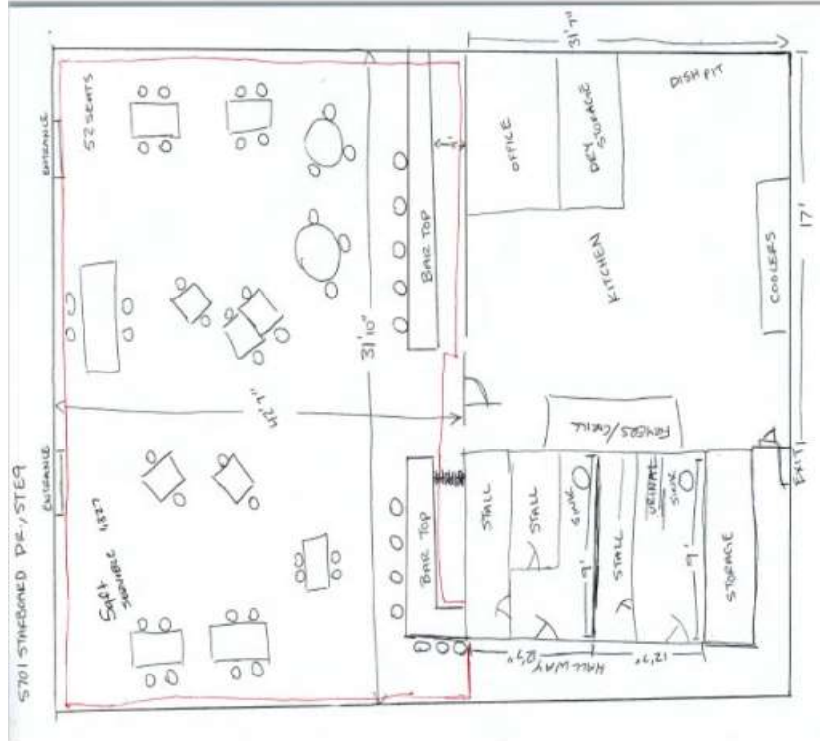
- **Property owner:** Crimson Sky Capital, LTD
- **Applicant:** Joseph A. Deleon
- **Application Type:** Specific Use Designation With Term
- **Address:** 5701 Starboard Drive. (District 4)



SUD DETAILS

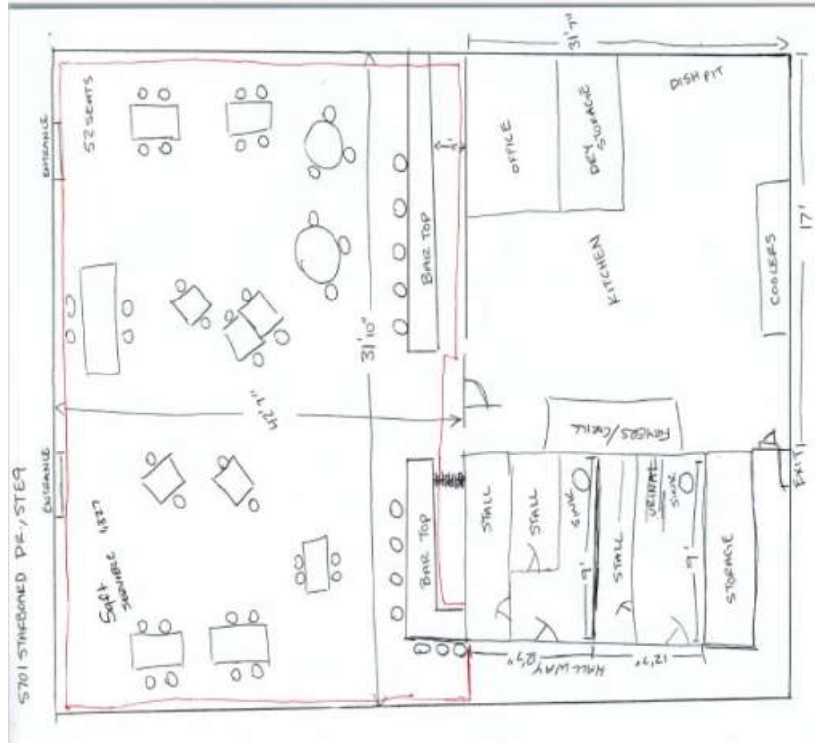
- Square Footage of SUD: 2,512 sq ft
- Alcohol Serviceable Area: 1,327 sq ft
- Proposed Days and Hours of Operation:
 - Monday from 5 p.m. to 10 p.m.
 - Tuesday through Saturday from 11 a.m. to 10 p.m.
 - Sunday from 12 p.m. to 10 p.m.

3



SUD DETAILS

- Proposed Days and Hours of SUD:
- Monday from 5 p.m. to 10 p.m.
- Tuesday through Saturday from 11 a.m. to 10 p.m.
- Sunday from 12 p.m. to 10 p.m.



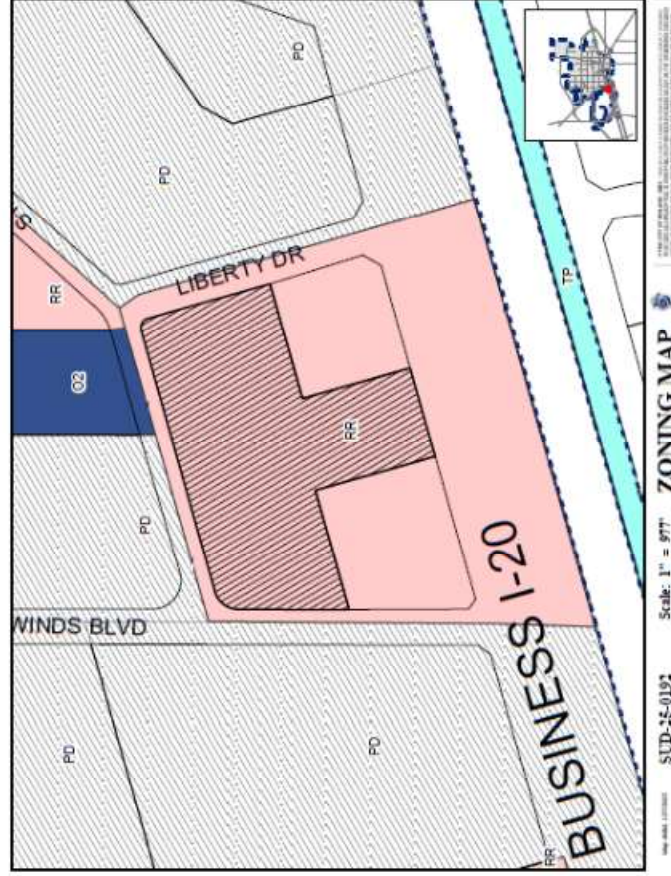
SUD DETAILS

Section 5-4-4 Compliance: There is no church, public school, public school ground, athletic stadium used by any public school, or public hospital within 300 ft of the building of the subject property.



ZONING

- **Current Zoning:** RR, Regional Retail District
- **Surrounding Zoning:**
 - **North:** MF-22, Multiple Family Dwelling District.
 - **East and West:** PD, Planned District for Shopping Centers.
 - **South:** Industrial Business



LAND USE

- **Current Use of the Property:**
Existing Restaurant: The use of Alcohol is allowed with a Specific Use Designation per the Use Chart in Section 11-14.03
- **Surrounding Uses:**
 - **North:** MF-22, Multiple Family Dwelling.
 - **South:** Industrial uses.
 - **East and West:** Commercial Uses, Theater and Motor sports store



SITE PHOTO

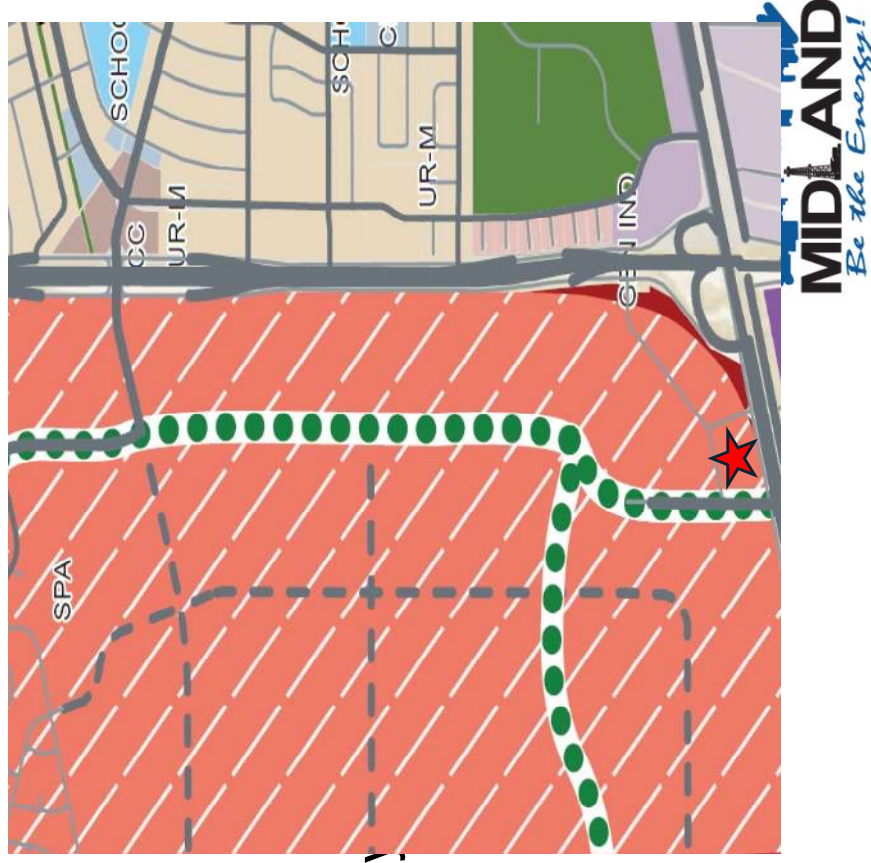


On I-20, looking North



COMPREHENSIVE PLAN ANALYSIS

- **TCT Land Use Designation:**
- **Special Study Area:**
 - TCT does not designate this area.
 - Request is compatible with the surrounding area and the Tall City Tomorrow Plan.



STAFF RECOMMENDATION

- No objections have been received.
- Staff recommends **APPROVAL** of this Specific Use Designation With Term for a restaurant subject to the following conditions:
 - A. That the serviceable area of the restaurant shall be limited to approximately 1,327 square feet as shown in Exhibits “A”, which is attached hereto and incorporated herein for all purposes.
 - B. That the sale and on-premises consumption of alcoholic beverages shall conform to applicable state and local laws.

STAFF RECOMMENDATION

- C. That the days and hours of alcoholic beverages sales and consumption shall be limited to:
 - i. Monday from 5:00 p.m. to 10:00 p.m.
 - ii. Tuesday through Saturday from 11:00 a.m. to 10:00 p.m.
 - iii. Sunday from 12:00 p.m. (noon) to 10:00 p.m.
- D. That the occupancy of the establishment shall not exceed the maximum occupancy determined by the Building Code and Fire Code.
- E. That the Establishment shall meet all requirements of the Fire Department and Code Administration

STAFF RECOMMENDATION

- F. That the operator of the Establishment shall obtain a Certificate of Occupancy prior to the commencement of the sale of alcoholic beverages for on-premises consumption to ensure that the conditions of this Specific Use Designation With Term are satisfied.
- G. That in accordance with Section 11-1-9.07.E.3 of the City Code, the Establishment shall be in operation within 120 days from the final adoption date of this ordinance.

MISSION

Deliver exceptional services and promote a high quality of life and place for ALL our citizens.



City Council Meeting

Item Number: 16
Meeting Date: March 18, 2025, April 8, 2025
To: City Council / City Manager
From: Jamie Barton,
Subject: AN ORDINANCE ADOPTING A FEE SCHEDULE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING AN APPEAL PROCESS; ESTABLISHING AN EFFECTIVE DATE OF APRIL 9, 2025; AND ORDERING PUBLICATION (DISTRICT: ALL) (FINANCE) (SET THE STANDARD FOR A SAFE AND SECURE CITY)

Purpose:

Revise an ordinance establishing regulatory and user fees collected by the City of Midland to adequately cover the costs and expenses incurred by the City in connection with providing the services associated with said fees.

Recommended City Council Action:

Approve

Fiscal Impact:

Regulatory and User Fees generate revenue designed to cover the cost of the service being provided by the City of Midland.

Strategic Priority:

(Set the Standard for a Safe and Secure City)

Discussion:

Updates were made to Recreation (Exhibit C), Golf (Exhibit F), Planning (Exhibit G), and Code Enforcement (Exhibit H). Fee Schedule is attached.

Morris Williams Jr.

City Manager's Office

ORDINANCE NO. _____

**AN ORDINANCE ADOPTING A FEE SCHEDULE;
CONTAINING A SAVINGS AND SEVERABILITY
CLAUSE; PROVIDING AN APPEAL PROCESS;
ESTABLISHING AN EFFECTIVE DATE OF APRIL 9,
2025; AND ORDERING PUBLICATION**

WHEREAS, the City Council finds it to be in the public interest to establish fees collected by the City of Midland in order to adequately cover the costs and expenses incurred by the City in connection with providing the services associated with said fees; and

WHEREAS, the City Manager's designees have prepared Exhibits A through P, which are attached hereto and incorporated herein for all purposes, identifying said fees (collectively, the "Fee Schedule"); and

WHEREAS, the City Council of the City of Midland, Texas, finds it to be in the public interest to adopt the Fee Schedule and to establish the fees identified therein as the fees to be collected by the City of Midland, said fees being reasonably related to the costs and expenses incurred by the City in connection with providing the services associated with said fees;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are adopted as part of this ordinance for all purposes.

SECTION TWO. That the Fee Schedule is hereby approved and adopted. The fees identified in the Fee Schedule are hereby established as the fees to be collected by the City of Midland except for the following types of fees: a fee charged to a requestor who submits a request for information under the Texas Public Information Act; a fee assessed by the Municipal Court that is not identified in the Fee Schedule; a fee established by a contract, to the extent that the fee established by the contract conflicts with or is not identified in the Fee Schedule; a drainage charge; an impact fee; a fee prescribed by a state law, rule, or regulation; or a fee for which a state law, rule, or regulation, or the City Charter requires a

procedure to be followed to establish the fee other than the procedure that was followed to adopt the Fee Schedule.

To the extent that a fee identified in the Fee Schedule conflicts with a fee that was previously established by ordinance (including an ordinance that has been codified in the City Code), resolution, or other City of Midland instrument, this ordinance shall supersede such previous ordinance, resolution, or other instrument, and the fee identified in the Fee Schedule shall be the applicable fee.

To the extent that a fee identified in the Fee Schedule conflicts with a fee prescribed by a state law, rule, or regulation, the fee prescribed by the state law, rule, or regulation shall be the applicable fee.

To the extent that a fee identified in the Fee Schedule is a fee for which a state law, rule, or regulation, or the City Charter requires a procedure to be followed to establish the fee other than the procedure that was followed to adopt the Fee Schedule, such fee that was previously established by following the applicable procedure shall be the applicable fee.

SECTION THREE. That any person wishing to appeal the payment of a fee identified in the Fee Schedule may do so in accordance with the law, rule, regulation, or ordinance that established the procedure for appealing such fee. To the extent that no such appeal procedure has been established for a fee identified in the Fee Schedule that is not a fee assessed by the Municipal Court, the following appeal procedure shall apply:

- A. Any person may appeal in writing to the City Manager, or the City Manager's designee, prior to paying the fee or after paying the fee. Any person may appeal in writing to the City Manager, or the City Manager's designee, if the person believes that he or she cannot afford the fee. The person may seek an exemption from all or part of the fee. The City Manager, or the City Manager's designee, shall make certain that the fee is not paid under duress. If a person wishes to appeal after payment of the fee, the person shall appeal in writing to the City Manager, or the City Manager's designee, within ten (10) calendar days of paying the fee.

- B. The City shall not file criminal charges against any person related to non-payment of the fee if the fee is not paid. The City shall not file criminal charges against a person in an attempt to collect the fee.
- C. The City Manager, or the City Manager's designee, shall provide a full and meaningful review process. The City Manager, or the City Manager's designee, shall provide a fair opportunity for a person to challenge the accuracy and legal validity of his or her fee obligation. The City Manager, or the City Manager's designee, shall also provide a clear and certain remedy for any erroneous or unlawful fee collection to ensure that the opportunity to contest the fee is a meaningful one. Options that the City Manager, or the City Manager's designee, shall consider in providing a clear and certain remedy are a refund of any excess fee paid, as well as other factors, such as ensuring that a person may continue the operation of his or her business.
- D. The City Manager, or the City Manager's designee, shall make his or her decision within ten (10) days of receiving the written notice of appeal. The City Manager, or the City Manager's designee, shall ensure that a person has all rights under any applicable law. A person shall incur no financial hardship by exercising his or her right to appeal.

SECTION FOUR. That the provisions of this ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FIVE. That if any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The Council of the City of Midland hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION SIX. That this ordinance shall become effective on April 9, 2025.

SECTION SEVEN. That the City Secretary is hereby authorized and directed to publish the descriptive caption of this ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2025; and passed to second reading on motion of Council member _____, seconded by Council member _____, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, seconded by Council member _____, on the _____ day of _____, A.D., 2025, at a regular meeting of the City Council:

Council members voting "AYE":

Council members voting "NAY":

PASSED AND APPROVED THIS _____ day of _____, A.D., 2025.

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

APPROVED AS TO CONTENT
AND COMPLETENESS:

Tommy Gonzalez, City Manager

APPROVED ONLY AS TO FORM:

Nicholas Toulet, Interim City Attorney

Exhibit A

City Secretary

	Fee
Business Regulations	
Junk and secondhand goods license-Original	\$25.00
Renewal of junk and secondhand good	\$10.00
Alcoholic Beverage License Fee	1/2 of State Fee
Taxicab annual operating fee (each)	\$200.00
Limo or Motorbus operating fee (each)	\$100.00

Exhibit B

Parks

	Fee
SHOWMOBILE	
Deposit	\$1,000.00
Rental Fee (minimum of 4 hours)	\$62.50/hour
Extensions	\$100.00
Show Lights	\$200.00
Deposit for Show Lights	\$500.00
PORTABLE BLEACHERS	
Deposit	\$100.00
Rental Fee (per day)	\$100.00
PORTABLE STAGE	
Deposit	\$100.00
Rental Fee	\$250.00
TRASH CANS	
Deposit	\$100.00
Rental Fee (minimum of 10 cans)	\$5.00/can/day
PARK PAVILION RENTAL	
Deposit	\$100.00
Rental Fee 9am-10pm	\$60.00
Rental Fee 9am-3pm	\$30.00
Rental Fee 4pm-10pm	\$40.00
BEAL RANCH HOUSE	
Deposit no Alcohol	\$300.00
Deposit w/Alcohol	\$500.00
Rental Fee Per Hour	\$50.00
GAZEBO RENTALS - WADLEY AND BEAL	
Deposit	\$100.00
Rental Fee 9 am- 3 pm	\$50.00
Rental Fee 4 pm-10 pm	\$50.00
Rental Fee 9 am-10 pm	\$100.00
BASEBALL/SOFTBALL FIELD RENTALS	
Artificial Turf Fields Rental Fee	\$65.00/hour
Deposit for Artificial Turf Field Rental	\$100.00
Natural Turf Field Rental Fee	\$25.00/hour
Lights	\$25.00/hour
Tournament Fee	\$25.00/team
Tournament Cleaning Fee	\$150/field
Tournament Deposit	\$100/field
Temporary fence set up on artificial turf field	\$200/field
Game Cleaning Fee	\$75/Field
FOOTBALL/SOCCER FIELD RENTALS	
Artificial Turf Fields Rental Fee	\$65.00/hour
Deposit for Artificial Turf Field Rental	\$100.00
Natural Turf Field Rental Fee	\$25.00/hour
Lights	\$25.00/hour
Tournament Fee	\$30/game

Tournament Cleaning Fee	\$150/field
Tournament Deposit	\$100/field
Game Cleaning Fee	\$75/Field

CONCESSION RENTALS

Concession Stand Deposit	\$100.00
Concession Stand Rental	\$25.00/hour

ULMER SAND VOLLEYBALL COURT

Deposit	\$25.00
Rental Fee	\$25.00/day

WHITEHOUSE RENTAL

Deposit	\$200.00
Rental Fee 10 am - 4 pm	\$200.00
Rental Fee 6 pm - 12 am	\$200.00
Rental Fee All Day	\$400.00

Exhibit C

Recreation

	Fee
CITY POOL RATES	
Entry Fee	\$5.00
Children under 2	Free
10 Punch Card	\$20.00
25 Punch Card	\$40.00
75 Punch Card	\$80.00
Personal Cooler Admission	\$10.00
Soda	\$3.00
Water	\$2.00
Snacks	\$2.00
Ice Cream	\$4.00
Swim lesson (1 week)	\$20.00
Life Jacket Rental	Free
PRIVATE RENTALS	
DEPOSIT	\$150.00
RENTAL FEE (2 hours)	\$850.00
POOL PAVILION RENTALS	
(Doug Russell Only)	
DEPOSIT	\$150.00
RENTAL FEE	\$100/session
MARTIN LUTHER KING RECREATION CENTER	
Activity Room	
During Operation	\$25.00
After Hours	\$35.00
Deposit	\$100.00
Activity Rm/with Gameroom	
	per hour
During Operation	\$50.00
After Hours	\$70.00
Deposit	\$300.00
Auditorium	
	per hour
During Operation	\$50.00
After Hours	\$75.00
Deposit No Alcohol	\$500.00
Deposit Alcohol	\$750.00
Gymnasium	
	per hour
During Operation	\$40.00
After Hours	\$60.00
Deposit	\$200.00
MLK Volleyball Net Setup Fee	\$15.00

Exhibit C

Recreation

	Fee
Training Room	per hour
Sporting Events ONLY	
During Operation	\$50.00
After Hours	\$75.00
Deposit	\$1,000.00
Daily Entrance Fee	\$1.00
Monthly Membership	\$15.00
MOVIE SCREEN	
Deposit	\$1,000.00
Fee (Maximum 4 hours)	\$500.00

Exhibit D

Health and Senior Services

	Fee
Environmental Section	
Mobile Food Vendor	
Mobile Food Vendor	\$175.00
Mobile Food (Seasonal)	\$105.00
Temporary Permit	\$70.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Food Services Establishments	
1 thru 5 employees	\$150.00
6 thru 10 employees	\$200.00
11 or more employees	\$250.00
Deli/Meat Market/Bakery	\$75.00
Farmers Market	\$50.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Retail Food Store	
1 thru 5 employees	\$150.00
6 thru 10 employees	\$200.00
11 or more employees	\$250.00
Temporary Permit	\$70.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Child Care Programs	
Day Care	\$100.00
Foster Care	\$50.00
Child Care Program for after School	\$50.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Swimming Pool, Spa, or Water Feature Permit	
Swimming Pool or Spa Permit	\$100.00
Water Feature Permit	\$100.00
Non-Profit Yearly	\$30.00
Non-Profit Temporary	\$30.00
Re-inspection (When Establishment is shut down)	\$75.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Septic System Inspections	
Septic System Residential	\$150.00
Septic System Commercial	\$210.00
Septic re-inspection (When fails initial inspection)	\$50.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Late Fee (When not paid by specified date)	25% of Permit Fee

Exhibit D

Health and Senior Services

Fee

Clinical Section

Health Department Services

Infanrix/Daptacel (DTaP)	\$45.00
Kinrix (DTaP & Polio)	\$60.00
Pentacel (DTaP & Polio & Flu Type B)	\$115.00
IPOL IPV (Polio)	\$45.00
Haverix Pedi HEP A	\$40.00
Engerix Pedi HEP B	\$35.00
Acthib/Hiberix - HIB (Flu Type B)	\$20.00
Vaxelis (DTaP, HIB, Polio & HEB B)	\$150.00
Rototeq/Rotarix (Rotavirus)	\$140.00
Proquad (MMR & Varicella)	\$270.00
Prevnar20/Vaxneuvance 15 (Pneumococcal Conjugate)	\$260.00
Pneumovax 23 (PPSV23-Pneumococcal Conjugate)	\$125.00
MMR II	\$95.00
Varivax (Varicella)	\$175.00
Tenivac (TD-Tetanus & Diptheria)	\$45.00
Boostrix/Adacel - TDAP (Tetanus Diptheria and Pertussis)	\$50.00
Gardasil (HPV 9)	\$280.00
Menquadfi/Menveo (Meningitis)	\$200.00
Trumenba (Meningococcal Group B)	\$190.00
Bexsero (Meningococcal Group B)	\$200.00
Havrix (Adult Hep A)	\$80.00
Energix (3-dose Adult Hep B)	\$65.00
Heplisav (2-dose Adult Hep B)	\$125.00
Abrysvo/Arexvy (Adult RSV)	\$295.00
Beyfortus (Infant RSV)	\$500.00
RabAvert (Rabies)	\$580.00
Imovax (Rabies)	\$400.00
Pfizer- Infant (COVID-19)	\$65.00
Pfizer- Adolescent (COVID-19)	\$90.00
Pfizer- Adult (COVID-19)	\$130.00
Moderna- Adult (COVID-19)	\$145.00
Shingrix (Shingles)	\$200.00
Infant flu	\$25.00
Flu	\$30.00
High Dose Flu	\$65.00
Flublok	\$65.00
Yellow Fever	\$130.00
TB Test	\$15.00
TB Clinic	\$15.00

Exhibit D

Health and Senior Services

	Fee
Pregnancy Test-Urine	\$15.00
Pregnancy Test - Blood	\$15.00
STD Testing	\$15.00
HIV Testing	\$15.00
STD Clinic Treatment	\$15.00
STD Clinic Retreatment	\$15.00
Prep Panel	\$70.00
Prep Office Visit	\$15.00
Rapid GC/CT	\$50.00
Rapid Trichomoniasis	\$10.00
Rapid Syphilis	\$20.00
Rapid HIV	\$25.00
Renal Panel	\$4.00
Lipid Panel	\$4.00
Comprehensive Metabolic Panel (CMP)	\$4.00
Complete Blood Count (CBC)	\$3.00
Hemoglobin A1c	\$6.00
PSA Total Screen	\$8.00
Hepatitis B Surface Ab	\$8.00
Hepatitis B Surface Ag	\$8.00
Hepatitis C Ag	\$9.00
Hepatitis C Ab	\$9.00
MMR/Varicella Panel	\$36.00
Administration Fees	
Insured	\$60.00
TVFC 1=\$10, 2=\$20, >or= 3 = \$30	
Fees In Red- Indicates the fee is not listed or different than stated in code.	
Refugee	\$0.00
Medicaid/CHIP	\$13.75
Medicare Flu or Pneumonia	\$60.00

Exhibit E

Animal Services

	Fee
Adoption Fees	
Adoption Fees (includes micro chipping)	\$50 for Cats; \$75 for Dogs
Ducks, Rabbits, Other	\$5.00
Vaccines and Medical Fees	
Rabies (\$10 special event and \$20 reg)	\$10.00 or \$20.00
Impoundment Fees	
Impoundment - 1st Offense (altered)	\$25.00
Impoundment - 1st Offense (unaltered)	\$100.00
Impoundment - 2nd Offense (altered)	\$50.00
Impoundment - 2nd Offense (unaltered)	\$150.00
Impoundment - 3rd+ Offense (altered)	\$75.00
Impoundment - 3rd+ Offense (unaltered)	\$100.00
Livestock Impoundment	\$150.00
Boarding & Quarantine	
Boarding (per day)	\$10.00
Quarantine Fees (minimum of 10 days)	\$10.00/day
Pick-up Fees	
Pickup Fee - Owner release	\$15.00
Pickup Fee -Owner release (additional animals)	\$5.00/each
Pickup Fee - Deceased	\$10.00
Pickup Fee - Dead Small Livestock	\$50.00
Pickup Fee- Deceased Livestock	\$150.00
Miscellaneous Fees	
Drop off Fee - Owner release	\$10.00
Rabies Specimen Shipping	\$100.00
Dangerous Dog Yearly Registration	\$50.00
Off Leash Training Permit	\$5.00
Microchipping	
Microchips	\$10.00
Pet Licenses	
Pet License (yearly)	\$10.00
Pet License (replacement)	\$1.00

Exhibit F

Golf Course

	Fee
Green Fee - Weekday	\$31.00
Green Fee - Weekend	\$36.00
Green Fee - after 4:00	\$21.00
Green Fee - Weekend AM - 9 Holes	\$18.00
Green Fee - Weekday Senior	\$20.00
Green Fee - Weekday Senior - 9 Holes	\$13.00
Green Fee - Junior/High School/College	\$9.50
Green Fee - Senior Annual Pass (Monday- Thursday)	\$500.00
Green Fee - Senior w/Annual Pass per round	\$5.00
Cart Fee - 18 holes per rider (w/tax)	\$18.00
Cart Fee - 9 holes per rider (w/tax)	\$9.00
Cart Fee - Tournament Spectator Cart (Full Cart)	\$36.00
Tournament Fee - Weekday per player	\$55.00
Tournament Fee - Weekend per player	\$65.00
Tournament Cooker Fee, per player (revenue to concessionaire)	\$5.00
Range Balls - Small Bucket (w/tax)	\$9.00
Range Balls - Medium Bucket (w/tax)	\$11.00
Range Balls - Large Bucket (w/tax)	\$16.00
Range Balls - Tournament Bucket (w/tax)	\$5.00
No Show Fee (per Reservation)	\$50.00
PFC Fee	\$0.00
Club Rental	\$40.00
Pull Cart Rental	\$5.00

Exhibit G

Planning

	Fee
Preliminary Plat Application	
Sketch Plan Application (1st review)	\$225.00
Sketch Plan Application (2nd review)	\$100.00
Preliminary Plat Application (up to 50 acres)	\$350.00
Preliminary Plat Application (over 50 acres)	\$500.00
Preliminary Plat Reinstatement	\$50.00
Final Plat Application	
Standard Plat or Residential Up to 50 acres (plus \$1 per page)	\$355.00
Standard Plat or Residential over 50 acres (plus \$1 per page)	\$505.00
Administrative Plat	\$250.00
Digital File Conversion Fee	\$50.00
Recording Fees- Plats up to 18"x24"	\$60.00
Recording Fees- Plats over 18"x24"	\$80.00
Related Documents	\$26.00
30-day Extension for Plat	\$50.00
Replat	
Replat with Public Hearing	\$250.00
Replat without Public Hearing	\$250.00
Annexation/Zone Change Application	
Standard Zone Change	\$500.00
Planned District Zone Change	\$650.00
Multiple PD Proposal Basic	\$550.00
Multiple PD Proposal Per Additional District	\$100.00
Additional PD Regulations	\$75.00
Site Plan in PDF Format for City Council	\$50.00
Application Fee	\$500.00
Zoning Board of Appeal Fee	\$600.00
Special Exception Application Fee	\$500.00
Zone Change in Council District 2 from MF-22, Multiple-Family Dwelling District or C, Commercial District to SF-1, Single-Family Dwelling District, SF-2, Single-Family Dwelling District, or SF-3, Single-Family Dwelling District	\$0.00
Zoning Verification Letter	\$25.00
Oil and Gas	
Application for Oil and Gas Permit	\$4,000.00
Application for Oil and Gas Variance	\$250.00
Credit Access Businesses	
Application Fee	\$50.00
Specific Use Permit (SUP) / Specific Use Designation (SUD)	
Application for SUP/SUD with Term for Alcoholic Beverage	\$300.00
Application for General SUP/SUD	\$400.00

Exhibit G

Planning

	Fee
Renewal SUP/SUD	\$75.00
Temporary Mobile Home	
Special Temporary Permit for Manufactured Home App (Based on Genuine Hardship Condition)	\$50.00
Special Temporary Permit for Manufactured Home App (For Occupancy by a Caretaker, Manager, or Guard)	\$100.00
Restricted Massage Establishment	
Restricted Massage Establishment License (2 year term)	\$540.00
Request Exemption from Restricted Massage Establishment License	\$120.00
Dedications	
Review Fee	\$400.00
Vacation	
Application Fee	\$400.00
Creation of a Building Site	
Application Fee	\$400.00
Master Sign Plan	
Application Fee	\$300.00
Traffic Impact	
Traffic Impact (Staff Study)	\$350.00
Traffic Impact (Review of Submittal)	\$600.00
Portable Storage Containers	
Freight or Portable storage cont.- permit fee	\$125.00
Each add'l on same property	\$25.00
90- day permit fee for storage container	\$150.00
Each add'l container	\$25.00
45- day permit fee for storage container	\$125.00
Each add'l container	\$25.00
30 day permit fee for storage container	\$75.00
Certificate of occupancy and compliance	
Certificate of occupancy and compliance	\$10.00

Exhibit H

Code Enforcement

	Fee
Building Permits	
Construction Permit Fee	31.5 cents per square foot
Sidewalk/ROW Residential (No building permit)	\$50.00
Sidewalk/ROW Commercial (No building permit)	\$200.00
Street Improvement Fee	23 cents per square foot
Fence Fee	\$50.00
Manufactured Home	\$200.00
Manufactured Home Skirting Deposit	\$100.00
Moving Fee	\$200.00
Non-Profit Residential	\$150.00
Temporary Structure	\$100.00
Detached Assessory (120Sq.ft or less)	\$50.00
Detached Assessory (120Sq.ft to 200 sq.ft.)	\$100.00
Demolition Permits	
Commercial Demo Fee - Building	\$500.00
Commerical Demo Fee - Interior	\$100.00
Residential or Accessory Bldg	\$50.00
Temporary Sign Permits	
Permanent Sign Permits	\$50.00
Temporary sign annual permit fee	\$50.00
Failure to remove sign- hauling fee	\$50.00
Failure to remove sign- daily storage fee	\$10.00
Oil & Gas Drilling Permits	
Amendment Fee	\$1,000.00
Certification Fee & Inspection	\$300.00
Oil & Gas Application Fee	\$4,000.00
Well Tranfer Fee	\$500.00
*TX State HB-40 recognizes Ordinance 8769 including fees and may not be amended	
Mobile Home Park Licenses	
Mobile Home Park Licenses	\$25.00 plus \$1 ea/addl
Certificate of Occupancy	
Certificate of Occupancy	\$50.00
Lot Deposits	
Clearing Deposits (Floor & Foundation) Commercial	\$2,000.00
Clearing Deposits (Floor & Foundation) Residential	\$600.00
Clearing Deposits (Rubbish, Litter, Lot)	\$200.00
Clearing Deposit (Accessory Bldg, Debris, Material)	\$200.00

Exhibit H

Code Enforcement

	Fee
Lot Clearing	
Administrative Fee (per cas)	\$100.00
Mow Lot 12,000 square feet or less (per lot)	\$175.00
Mow Lot larger than 12,000 square feet (per lot)	\$275.00
Mow Weeds in Alley or Right-of-Way (per lot frontage)	\$50.00
Trash Removal (per ton)	\$110.00
Auto or Pick-Up Tire Removal (per tire)	\$5.00
Semi-Truck or Similar Large Tire Removal (per tire)	\$12.00
Tree Removal and Trimming (per hour)	\$75.00
Graffiti Removal (per lot)	\$100.00
<i>Notwithstanding the foregoing, if any of the aforementioned "Lot Clearing" services is performed by a City contractor, the fee for such service shall be the fee charged to the City by the contractor.</i>	
Electrical Fees	
Minimum Fee	\$50.00
Temporary Service	\$50.00
Temporary Construction Pole	\$50.00
Parking Lot Wiring	\$50.00
Building Wiring	\$0.05 per sq.ft
Service Change	\$50.00
Sign Electrical Fee	\$50.00
Electrical Fixture Fee (for first, \$1.00 each after)	\$15.00
Mobile Home Rewiring (\$5 for each add'l)	\$50.00
Clearance for Elec Connect/Disconnect Residential	\$50.00
Reinspection (Red Tag)	\$50.00
Mechanical Fees (when not part of bldg.permit)	
Minimum Fee	\$50.00
Inspection for Heating, AC,Venting,Ductwork,Fridge (\$5 for each add'l inspection)	\$50.00
Fire Extinguishing Permit	\$50.00
Boiler Inspections (33K to 1165 BTU)	\$50.00
Boiler Inspections (1165K to 3300 BTU)	\$50.00
Boiler Inspections (over 3300 BTU)	\$50.00
Reinspection (Red Tag)	\$50.00
Gas Fees (when not part of bldg.permit)	
Minimum Fee	\$50.00
Floor Furnace, Boiler	\$50.00
Vented Recessed Heater	\$50.00
Gas line service	\$50.00
Vented Appliance (\$10 each add'l)	\$50.00
Temporary Connection	\$50.00
Reinspection (Red Tag)	\$50.00

Exhibit H

Code Enforcement

	Fee
Plumbing Fees (when not part of bldg.permit)	
Minimum Fee	\$50.00
Furnace, unit or wall heater (\$10 each add'l)	\$50.00
Water heater (\$10 each add'l)	\$50.00
Water softener	\$50.00
Lawn Sprinkler	\$50.00
Water Line Service	\$50.00
Sewer Line Service	\$50.00
Replumb Bldg	\$0.05 Sq. Ft.
Fire Sprinkler	\$0.05 Sq. Ft.
Backflow Assembly Device (\$10 each add'l)	\$50.00
Reinspection (Red Tag)	\$30.00
Vendor Permit	
Vendor Permit	\$100.00
Water Well Fee	
Drill new well	\$50.00
Reinspection Fee	
Reinspection (All Permits)	\$100.00
Application to Board of Appeals	
Application	\$200.00
Public Ways and Property	
House moving permit fee	\$25.00
Network Nodes-5 in same application	\$500.00
Each additional node in application	\$250.00
Node Support Pole Application	\$1,000.00
Fee to attach network node to public ROW pole	\$20.00

Exhibit I

Engineering

	Fee
Traffic	
Street Name and Traffic Control Sign Fee	\$500/intersection
Right of Way Use Permit Fee	\$350.00

Exhibit J

Water & Sewer Fees

	Fee
Water Rates Inside City:	
Base Rate for All Except Apartments for First 2,000 gallons	\$22.69
Base Rate for Apartments per Unit for first 2,000 gallons per Unit	\$18.48
Rate per 1,000 gallons over base of 2,000 up to 10,000	\$6.42
Rate per 1,000 gallons from 10,001 up to 25,000	\$8.43
Rate per 1,000 gallons from 25,001 up to 50,000	\$11.34
Irrigation)	\$14.18
Sewer Rates Inside City:	
All Customers Base Rate (First 2,000 gallons)	\$22.88
All Customers Rate per 1,000 after Base Rate	\$0.92
Water Rates Outside City:	
Base Rate for All Except Apartments for First 2,000 gallons	\$34.04
Base Rate for Apartments per Unit for first 2,000 gallons per Unit	\$27.72
Rate per 1,000 gallons over base of 2,000 up to 10,000	\$9.63
Rate per 1,000 gallons from 10,001 up to 25,000	\$12.65
Rate per 1,000 gallons from 25,001 up to 50,000	\$17.01
Irrigation)	\$21.26
Sewer Rates Outside City:	
Residential Base Rate (First 2,000 gallons)	\$34.32
Residential Rate per 1,000 after Base Rate	\$1.39
Miscellaneous:	
Septage waste hauler discharges and fees (per gallon)	\$0.32

Exhibit K

Customer Service/Utility Billing

	Fee
Account Billing	
Residential Utility Deposit	\$78.75
Re-read of Water Meter (2nd time)	\$26.25
Test of Water Meter (2nd time)	\$26.25
Non-sufficient fund check	\$31.50
Reconnect-Disconnect fee	\$31.50
Application Fee	\$21.00
Transfer Fee	\$20.00
Tampering/Straight Fee (1st time)	\$210.00
Tampering/Straight Fee (2nd time)	\$315.00
Water Meters & Tap Fees	
3/4" water meter-with existing meter box	\$42.00
1" water meter-with existing meter box	\$105.00
1" water meter tap (no paving cut or meter installation)	\$409.50
1" service charge for tap and meter with meter box	\$446.25
2" water meter- with existing meter box	\$252.00
2" water meter tap (no paving cut or meter installation)	\$564.00
2" service charge for tap and meter with meter box	\$745.50
3" water meter	\$393.75
4" water meter	\$375.00
4" sewer tap	\$367.50
6" sewer tap	\$400.00
Replacement sewer tap (per line)	\$300.00
Fee to abandon line for replacement	\$150.00
Paving cut/Boring & Casing Fee	\$400.00
Fire hydrant meter setting or moving	\$200.00
Fire Hydrant meter deposit setting	\$2,400.00
Drinking Water Testing- Total Coliform (Presence or absence)	\$18.00
Non-Potable H2O testing- Total Coliform & E.Coli (MPN)	\$25.00
Non-Potable H2O testing- Total Coliform & Fecal Coliform (MPN)	\$25.00
Move a service line no more than 5 feet	\$150.00

Exhibit L

Sanitation Fees

Inside City Limits

# of Containers	Number of pickups per week			
	2X	3X	4X	5X
Residential				
0.25	\$23.00			
0.5	\$46.00			
0.75	\$69.00			
1	\$92.00			
Commercial				
0.25	\$32.50	\$48.75	\$65.00	\$81.25
0.5	\$65.00	\$97.50	\$130.00	\$162.50
0.75	\$97.50	\$146.25	\$195.00	\$243.75
1	\$130.00	\$195.00	\$260.00	\$325.00
2	\$247.00	\$370.50	\$494.00	\$617.50
3	\$364.00	\$546.00	\$728.00	\$910.00
4	\$481.00	\$721.00	\$962.00	\$1,202.50
5	\$598.00	\$897.00	\$1,196.00	\$1,495.00
6	\$715.00	\$1,072.50	\$1,430.00	\$1,787.50
7	\$832.00	\$1,248.00	\$1,664.00	\$2,080.00
8	\$949.00	\$1,423.50	\$1,898.00	\$2,372.50
9	\$1,066.00	\$1,599.00	\$2,132.00	\$2,665.00
10	\$1,183.00	\$1,774.50	\$2,366.00	\$2,957.50
11	\$1,300.00	\$1,950.00	\$2,600.00	\$3,250.00
12	\$1,417.00	\$2,125.50	\$2,834.00	\$3,542.50
13	\$1,534.00	\$2,301.00	\$3,068.00	\$3,835.00
14	\$1,651.00	\$2,476.50	\$3,302.00	\$4,127.50
15	\$1,768.00	\$2,652.00	\$3,536.00	\$4,420.00
16	\$1,885.00	\$2,827.50	\$3,770.00	\$4,712.50
17	\$2,002.00	\$3,003.00	\$4,004.00	\$5,005.00
18	\$2,119.00	\$3,178.50	\$4,238.00	\$5,297.50
19	\$2,236.00	\$3,354.00	\$4,472.00	\$5,590.00
20	\$2,353.00	\$3,529.50	\$4,706.00	\$5,882.50
21	\$2,470.00	\$3,705.00	\$4,940.00	\$6,175.00
22	\$2,587.00	\$3,880.50	\$5,174.00	\$6,467.50
23	\$2,704.00	\$4,056.00	\$5,408.00	\$6,760.00
24	\$2,821.00	\$4,231.50	\$5,642.00	\$7,052.50
25	\$2,938.00	\$4,407.00	\$5,876.00	\$7,345.00
26	\$3,172.00	\$4,758.00	\$6,344.00	\$7,930.00
27	\$3,289.00	\$4,933.50	\$6,578.00	\$8,222.50
28	\$3,406.00	\$5,109.00	\$6,812.00	\$8,515.00
29	\$3,523.00	\$5,284.50	\$7,046.00	\$8,807.50
30	\$3,640.00	\$5,460.00	\$7,280.00	\$9,100.00

Exhibit L

Sanitation Fees

Per Month

Recycling fee	\$0.50
Litter Abatement Fee	\$1.00

Outside City Limits - Sanitation Fees

# of Containers	Number of pickups per week			
	2X	3X	4X	5X
Residential				
0.25	\$34.50			
0.5	\$69.00			
0.75	\$103.50			
1	\$138.00			
Commercial				
0.25	\$48.75	\$73.13	\$97.50	\$121.88
0.5	\$97.50	\$146.25	\$195.00	\$243.75
0.75	\$146.25	\$219.38	\$292.50	\$365.63
1	\$195.00	\$292.50	\$390.00	\$487.50
2	\$370.50	\$555.75	\$741.00	\$926.25
3	\$546.00	\$819.00	\$1,092.00	\$1,365.00
4	\$721.50	\$1,082.25	\$1,443.00	\$1,803.75
5	\$897.00	\$1,345.50	\$1,794.00	\$2,242.50
6	\$1,072.50	\$1,608.75	\$2,145.00	\$2,681.25
7	\$1,248.00	\$1,872.00	\$2,496.00	\$3,120.00
8	\$1,423.50	\$2,135.25	\$2,847.00	\$3,558.75
9	\$1,599.00	\$2,398.50	\$3,198.00	\$3,997.50
10	\$1,774.50	\$2,661.75	\$3,549.00	\$4,436.25
11	\$1,950.00	\$2,925.00	\$3,900.00	\$4,875.00
12	\$2,125.50	\$3,188.25	\$4,251.00	\$5,313.75
13	\$2,301.00	\$3,451.50	\$4,602.00	\$5,752.50
14	\$2,476.50	\$3,714.75	\$4,953.00	\$6,191.25
15	\$2,652.00	\$3,978.00	\$5,304.00	\$6,630.00
16	\$2,827.50	\$4,241.25	\$5,655.00	\$7,068.75
17	\$3,003.00	\$4,504.50	\$6,006.00	\$7,507.50
18	\$3,178.50	\$4,767.75	\$6,357.00	\$7,946.25
19	\$3,354.00	\$5,031.00	\$6,708.00	\$8,385.00
20	\$3,529.50	\$5,294.25	\$7,059.00	\$8,823.75
21	\$3,705.00	\$5,557.50	\$7,410.00	\$9,262.50
22	\$3,880.50	\$5,820.75	\$7,761.00	\$9,701.25
23	\$4,056.00	\$6,084.00	\$8,112.00	\$10,140.00
24	\$4,231.50	\$6,347.25	\$8,463.00	\$10,578.75

Exhibit L

Sanitation Fees

25	\$4,407.00	\$6,610.50	\$8,814.00	\$11,017.50
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Exhibit L

Sanitation Fees

Open Top/Compactor Fees

One-time set up fee (Delivery fee)	\$51.00 + Tax
Daily Rental	\$11.00 + Tax
Haul Charge	\$255.00 + Tax
Per Ton Disposal Fee (Landfill Charge)	\$47.38 per ton

Removal of Garbage by Other Entity

Garbage Hauler's Permit	\$500.00
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Landfill- Dumping and Unloading Charges

Landfill Access Fee-	\$25.00
Unlimited Landfill Access Fee-year	\$500.00
Minimum Fee under 1 Ton	\$23.69
Per ton Disposal Fee	\$47.38
Materials not contained	\$75.00
Pull off Fee	\$77.00

Special Waste/Minor or TDH permit

Special Waste Fee- Per Ton	\$94.76
Minimum Fee under 1 Ton	\$47.38

Exhibit M

Airport

	<u>Fee</u>
Landing Fees (per 1000 pounds of gross landing weight)	\$2.10
Air carrier fees (per 1000 pounds of gross landing weight)	Based on Rates & Charges
Public Aircraft parking – locally based aircraft (month)	\$25.00
Public Aircraft parking – transient aircraft (day)	\$1.50
Customer Facility Charge - vehicle rentals (per transaction day)	\$3.00
Public Parking – C1 (Covered)	
0-30 minutes	Free
31-60 minutes	\$3.00
Every additional hour	\$2.00
Maximum per 24-hour period	\$17.00
Public Parking – P1 & P3 (Close-In)	
0-30 minutes	Free
31-60 minutes	\$2.00
Every additional hour	\$1.00
Maximum per 24-hour period	\$14.00
Public Parking – P2 & P4 (Economy)	
0-30 minutes	Free
31-60 minutes	\$2.00
Every additional hour	\$1.00
Maximum per 24-hour period	\$11.00
Public Parking – C2 (Remote Covered)	
0-30 minutes	Free
31-60 minutes	\$2.00
Every additional hour	\$1.00
Maximum per 24-hour period	\$13.00
Public Parking – P5 (Remote Economy)	
0-30 minutes	Free
31-60 minutes	\$2.00
Every additional hour	\$1.00
Maximum per 24-hour period	\$9.00
Ground Transportation Permits -per month, per vehicle	
Taxicab	\$25.00
Buses	\$25.00
Courtesy vehicles for off-airport hotel	\$25.00
Courtesy vehicles for off-airport car rental (plus 10% airport revenue)	\$25.00
Courtesy vehicles for off-airport parking lot (plus 10% airport revenue)	\$25.00

Exhibit M

Airport

	<u>Fee</u>
Employee Parking	
Annual Employee Parking media (prorated monthly)	\$40.00

Special assessments

1. Should any person upon driving a vehicle from the paid parking areas of the airport not be able to present an officially issued ticket indicating where that person's vehicle was parked and at what time, then the charge assessed for the parking of that vehicle shall be at least \$12.00. In addition to that fee, there shall also be a fee assessed for the parking of that vehicle equal to the amount of the daily rate, times number of days, for the area in which that vehicle was parked as is indicated by the daily lot inventory taken by the airport administration.
2. Whenever a person or an entity shall pay for the parking fees assessed by this Section with a check or draft, and that check or draft is dishonored, then there shall be an additional \$25.00 assessed against that person or entity.

Exhibit N

Sports Complex

	Fee
Football/Soccer Stadium	
<i>Sporting Events</i>	
Half Stadium Rental	\$1,500.00/day
Whole Stadium Rental	\$3,000.00/day
All Inclusive Football Game Package	\$10,000.00/game
<i>This package includes a whole stadium rental, cleaning, lighting, game officials and staff, operators, security, EMS, and UIL fees, if necessary.</i>	
<i>Non-Sporting Events</i>	
Non-Profit Deposit	\$1,500.00
Non-Profit Rental	\$1,500.00/day
Commercial Deposit	\$2,500.00
Commercial Rental	\$2,500.00/day
<i>Cleaning Fees</i>	
Less than 2,000 people	\$1,500/side
More than 2,000 people	\$2,500/side
Lighting Fee	\$75.00/hour
Baseball Stadium	
Baseball Events	\$750.00/day
<i>Non-Baseball Events</i>	
Non-Profit Deposit	\$1,000.00
Non-Profit Rental	\$1,000.00/day
Commercial Deposit	\$1,500.00
Commercial Rental	\$1,500/day
Cleaning Fees assessed by Midland Rockhounds	
Lighting Fee	\$75.00/hour
Groundskeeper and Grounds Material Fees assessed by Midland Rockhounds	
Diamond Club Deposit	\$100.00
Diamond Club Rental (minimum 2 hours)	\$50.00/hour
Diamond Club Cleaning Fee (payable to Midland Rockhounds)	\$150.00
OPERATOR FEES FOR BASEBALL AND FOOTBALL/SOCCER STADIUM	Hourly
Video Board Operator	\$50.00
Scoreboard Operator	\$50.00
PA Announcer	\$50.00
Camera Operator	\$45.00
Replay Technician	\$45.00
Sound Operator	\$45.00
Temporary fence set up on artificial turf field	\$45.00

SSC - Common Area/Parking Lot Rentals*Pavilion*

Non-Profit Deposit	\$1,500.00
Non-Profit Rental	\$1,500/day
Commercial Deposit	\$2,000.00
Commercial Rental	\$2,000/day

Parking Lot Only

Parking Lot Deposit	\$1,000.00
Set Up/Tear Down	\$1,000/day
Rental Fee	\$1,500/day

Cleaning Fees - Common Area/Parking Lot Rentals

Less than 1,000 people	\$1,000.00
1,001 to 2,500 people	\$1,500.00
More than 2,500 people	\$2,000.00

SSC - Auxiliary Fields*Non-Tournament Fees*

Deposit	\$100.00
Field Rental	\$65.00/hour

Tournament Fees

Deposit	\$100.00/field
Rental	\$30.00/game
Cleaning Fee	\$150.00/field
Lighting Fee	\$25.00/hour
Concession Stand Deposit	\$100.00
Game Cleaning Fee	\$75/Field
Concession Stand Rental	\$25.00/hour

Exhibit O

Miscellaneous

	Fee
Court Fees	
Municipal Court Building Security Fee	\$3.00
Municipal Court Technology Fee	\$4.00
Municipal Court Copy Fee	\$1.00 per page
Business Regulations	
Closing out sale license fees - 30 days	\$100.00
Closing out sale license fees - 60 days	\$125.00
Closing out sale license fees - 90 days	\$150.00
Door to Door Solicitors (Peddler) license	\$30.00
Mobile Home/Travel Trailer Park App Fee	\$10.00
Mobile Home/Travel Trailer Park License	\$25 plus \$1 ea.space
Mobile Home Mini Park location app	\$10.00
Mobile Home Mini Park revised site plan	\$10.00
City Chauffeur's license app fee	\$25.00
Airport Cabstand Permit fee (per month)	\$25.00
Special police officer license fee (individual)	\$10.00
Special police officer license fee (firm)	\$50.00
Carnival operator's license	\$100.00
Carnival employee's license	\$6.00
Side walk sale application fee	\$4.00
Police Regulations	
Ambulance Services- Basic Life Support	\$650 + \$10 per mile
Ambulance Services- Advanced Life Support	\$750 + \$10 per mile
Ambulance Services- Advanced Level II	\$850 + \$10 per mile
Ambulance Waiting Charge	\$200 per hour
Ambulance Service- Outside Midland County	\$100.00
Food Truck Fire Inspection	\$50 per inspection annually
Alarm Permit Application Fee-Commercial	\$25.00
Alarm Permit Application Fee-Residential	\$20.00
Alarm Permit Renewal Fee -Commercial	\$20.00
Alarm Permit Renewal Fee - Residential	\$15.00
Alarm Permit Service fee	\$50.00
Franchises	
Telecomm Carrier on public ROW Reg. Fee-	\$25.00
Franchise application and review fee	\$500.00
Franchise renewal application and review fee	\$500.00

Exhibit P

Right of Way

Right-of-Way License Fees and Rates for crossing property or public right-of-way
owned by the City of Midland.

Fees (non-refundable):

Application Fee:	\$ 1,000.00
Application Fee of Expired License:	\$ 1,500.00

The City of Midland's Rate and Damage Schedule is 200% of the then-current University Lands Rate and
Damage Schedule for a 10-year license.

Fees and rates will be paid at the commencement of the 10-year license in one payment.

Exhibit A

City Secretary

	Fee
Business Regulations	
Junk and secondhand goods license-Original	\$25.00
Renewal of junk and secondhand good	\$10.00
Alcoholic Beverage License Fee	1/2 of State Fee
Taxicab annual operating fee (each)	\$200.00
Limo or Motorbus operating fee (each)	\$100.00

Exhibit B

Parks

	Fee
SHOWMOBILE	
Deposit	\$1,000.00
Rental Fee (minimum of 4 hours)	\$62.50/hour
Extensions	\$100.00
Show Lights	\$200.00
Deposit for Show Lights	\$500.00
PORTABLE BLEACHERS	
Deposit	\$100.00
Rental Fee (per day)	\$100.00
PORTABLE STAGE	
Deposit	\$100.00
Rental Fee	\$250.00
TRASH CANS	
Deposit	\$100.00
Rental Fee (minimum of 10 cans)	\$5.00/can/day
PARK PAVILION RENTAL	
Deposit	\$100.00
Rental Fee 9am-10pm	\$60.00
Rental Fee 9am-3pm	\$30.00
Rental Fee 4pm-10pm	\$40.00
BEAL RANCH HOUSE	
Deposit no Alcohol	\$300.00
Deposit w/Alcohol	\$500.00
Rental Fee Per Hour	\$50.00
GAZEBO RENTALS - WADLEY AND BEAL	
Deposit	\$100.00
Rental Fee 9 am- 3 pm	\$50.00
Rental Fee 4 pm-10 pm	\$50.00
Rental Fee 9 am-10 pm	\$100.00
BASEBALL/SOFTBALL FIELD RENTALS	
Artificial Turf Fields Rental Fee	\$65.00/hour
Deposit for Artificial Turf Field Rental	\$100.00
Natural Turf Field Rental Fee	\$25.00/hour
Lights	\$25.00/hour
Tournament Fee	\$25.00/team
Tournament Cleaning Fee	\$150/field
Tournament Deposit	\$100/field
Temporary fence set up on artificial turf field	\$200/field
Game Cleaning Fee	\$75/Field
FOOTBALL/SOCCER FIELD RENTALS	
Artificial Turf Fields Rental Fee	\$65.00/hour
Deposit for Artificial Turf Field Rental	\$100.00
Natural Turf Field Rental Fee	\$25.00/hour
Lights	\$25.00/hour
Tournament Fee	\$30/game

Tournament Cleaning Fee	\$150/field
Tournament Deposit	\$100/field
Game Cleaning Fee	\$75/Field

CONCESSION RENTALS

Concession Stand Deposit	\$100.00
Concession Stand Rental	\$25.00/hour

ULMER SAND VOLLEYBALL COURT

Deposit	\$25.00
Rental Fee	\$25.00/day

WHITEHOUSE RENTAL

Deposit	\$200.00
Rental Fee 10 am - 4 pm	\$200.00
Rental Fee 6 pm - 12 am	\$200.00
Rental Fee All Day	\$400.00

Exhibit C

Recreation

	Fee
CITY POOL RATES	
Entry Fee	\$5.00
Children under 2	Free
10 Punch Card	\$20.00
25 Punch Card	\$40.00
75 Punch Card	\$80.00
Personal Cooler Admission	\$10.00
Soda	\$3.00
Water	\$2.00
Snacks	\$2.00
Ice Cream	\$4.00
Swim lesson (1 week)	\$20.00
Life Jacket Rental	Free
PRIVATE RENTALS	
DEPOSIT	\$150.00
RENTAL FEE (2 hours)	\$850.00
POOL PAVILION RENTALS	
(Doug Russell Only)	
DEPOSIT	\$150.00
RENTAL FEE	\$100/session
MARTIN LUTHER KING RECREATION CENTER	
Activity Room	
During Operation	\$25.00
After Hours	\$35.00
Deposit	\$100.00
Activity Rm/with Gameroom	
	per hour
During Operation	\$50.00
After Hours	\$70.00
Deposit	\$300.00
Auditorium	
	per hour
During Operation	\$50.00
After Hours	\$75.00
Deposit No Alcohol	\$500.00
Deposit Alcohol	\$750.00
Gymnasium	
	per hour
During Operation	\$40.00
After Hours	\$60.00
Deposit	\$200.00
MLK Volleyball Net Setup Fee	\$15.00

Exhibit C

Recreation

	Fee
Training Room	per hour
Sporting Events ONLY	
During Operation	\$50.00
After Hours	\$75.00
Deposit	\$1,000.00
Daily Entrance Fee	\$1.00
Monthly Membership	\$15.00
MOVIE SCREEN	
Deposit	\$1,000.00
Fee (Maximum 4 hours)	\$500.00

Exhibit D

Health and Senior Services

	Fee
Environmental Section	
Mobile Food Vendor	
Mobile Food Vendor	\$175.00
Mobile Food (Seasonal)	\$105.00
Temporary Permit	\$70.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Food Services Establishments	
1 thru 5 employees	\$150.00
6 thru 10 employees	\$200.00
11 or more employees	\$250.00
Deli/Meat Market/Bakery	\$75.00
Farmers Market	\$50.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Retail Food Store	
1 thru 5 employees	\$150.00
6 thru 10 employees	\$200.00
11 or more employees	\$250.00
Temporary Permit	\$70.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Child Care Programs	
Day Care	\$100.00
Foster Care	\$50.00
Child Care Program for after School	\$50.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Swimming Pool, Spa, or Water Feature Permit	
Swimming Pool or Spa Permit	\$100.00
Water Feature Permit	\$100.00
Non-Profit Yearly	\$30.00
Non-Profit Temporary	\$30.00
Re-inspection (When Establishment is shut down)	\$75.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Septic System Inspections	
Septic System Residential	\$150.00
Septic System Commercial	\$210.00
Septic re-inspection (When fails initial inspection)	\$50.00
Late Fee (When not paid by specified date)	25% of Permit Fee
Late Fee (When not paid by specified date)	25% of Permit Fee

Exhibit D

Health and Senior Services

Fee

Clinical Section

Health Department Services

Infanrix/Daptacel (DTaP)	\$45.00
Kinrix (DTaP & Polio)	\$60.00
Pentacel (DTaP & Polio & Flu Type B)	\$115.00
IPOL IPV (Polio)	\$45.00
Haverix Pedi HEP A	\$40.00
Engerix Pedi HEP B	\$35.00
Acthib/Hiberix - HIB (Flu Type B)	\$20.00
Vaxelis (DTaP, HIB, Polio & HEB B)	\$150.00
Rototeq/Rotarix (Rotavirus)	\$140.00
Proquad (MMR & Varicella)	\$270.00
Prevnar20/Vaxneuvance 15 (Pneumococcal Conjugate)	\$260.00
Pneumovax 23 (PPSV23-Pneumococcal Conjugate)	\$125.00
MMR II	\$95.00
Varivax (Varicella)	\$175.00
Tenivac (TD-Tetanus & Diptheria)	\$45.00
Boostrix/Adacel - TDAP (Tetanus Diptheria and Pertussis)	\$50.00
Gardasil (HPV 9)	\$280.00
Menquadfi/Menveo (Meningitis)	\$200.00
Trumenba (Meningococcal Group B)	\$190.00
Bexsero (Meningococcal Group B)	\$200.00
Havrix (Adult Hep A)	\$80.00
Energix (3-dose Adult Hep B)	\$65.00
Heplisav (2-dose Adult Hep B)	\$125.00
Abrysvo/Arexvy (Adult RSV)	\$295.00
Beyfortus (Infant RSV)	\$500.00
RabAvert (Rabies)	\$580.00
Imovax (Rabies)	\$400.00
Pfizer- Infant (COVID-19)	\$65.00
Pfizer- Adolescent (COVID-19)	\$90.00
Pfizer- Adult (COVID-19)	\$130.00
Moderna- Adult (COVID-19)	\$145.00
Shingrix (Shingles)	\$200.00
Infant flu	\$25.00
Flu	\$30.00
High Dose Flu	\$65.00
Flublok	\$65.00
Yellow Fever	\$130.00
TB Test	\$15.00
TB Clinic	\$15.00

Exhibit D

Health and Senior Services

	Fee
Pregnancy Test-Urine	\$15.00
Pregnancy Test - Blood	\$15.00
STD Testing	\$15.00
HIV Testing	\$15.00
STD Clinic Treatment	\$15.00
STD Clinic Retreatment	\$15.00
Prep Panel	\$70.00
Prep Office Visit	\$15.00
Rapid GC/CT	\$50.00
Rapid Trichomoniasis	\$10.00
Rapid Syphilis	\$20.00
Rapid HIV	\$25.00
Renal Panel	\$4.00
Lipid Panel	\$4.00
Comprehensive Metabolic Panel (CMP)	\$4.00
Complete Blood Count (CBC)	\$3.00
Hemoglobin A1c	\$6.00
PSA Total Screen	\$8.00
Hepatitis B Surface Ab	\$8.00
Hepatitis B Surface Ag	\$8.00
Hepatitis C Ag	\$9.00
Hepatitis C Ab	\$9.00
MMR/Varicella Panel	\$36.00
Administration Fees	
Insured	\$60.00
TVFC 1=\$10, 2=\$20, >or= 3 = \$30	
Fees In Red- Indicates the fee is not listed or different than stated in code.	
Refugee	\$0.00
Medicaid/CHIP	\$13.75
Medicare Flu or Pneumonia	\$60.00

Exhibit E

Animal Services

	Fee
Adoption Fees	
Adoption Fees (includes micro chipping)	\$50 for Cats; \$75 for Dogs
Ducks, Rabbits, Other	\$5.00
Vaccines and Medical Fees	
Rabies (\$10 special event and \$20 reg)	\$10.00 or \$20.00
Impoundment Fees	
Impoundment - 1st Offense (altered)	\$25.00
Impoundment - 1st Offense (unaltered)	\$100.00
Impoundment - 2nd Offense (altered)	\$50.00
Impoundment - 2nd Offense (unaltered)	\$150.00
Impoundment - 3rd+ Offense (altered)	\$75.00
Impoundment - 3rd+ Offense (unaltered)	\$100.00
Livestock Impoundment	\$150.00
Boarding & Quarantine	
Boarding (per day)	\$10.00
Quarantine Fees (minimum of 10 days)	\$10.00/day
Pick-up Fees	
Pickup Fee - Owner release	\$15.00
Pickup Fee -Owner release (additional animals)	\$5.00/each
Pickup Fee - Deceased	\$10.00
Pickup Fee - Dead Small Livestock	\$50.00
Pickup Fee- Deceased Livestock	\$150.00
Miscellaneous Fees	
Drop off Fee - Owner release	\$10.00
Rabies Specimen Shipping	\$100.00
Dangerous Dog Yearly Registration	\$50.00
Off Leash Training Permit	\$5.00
Microchipping	
Microchips	\$10.00
Pet Licenses	
Pet License (yearly)	\$10.00
Pet License (replacement)	\$1.00

Exhibit F

Golf Course

	Fee
Green Fee - Weekday	\$31.00
Green Fee - Weekend	\$36.00
Green Fee - after 4:00	\$21.00
Green Fee - Weekend AM - 9 Holes	\$18.00
Green Fee - Weekday Senior	\$20.00
Green Fee - Weekday Senior - 9 Holes	\$13.00
Green Fee - Junior/High School/College	\$9.50
Green Fee - Senior Annual Pass (Monday- Thursday)	\$500.00
Green Fee - Senior w/Annual Pass per round	\$5.00
Cart Fee - 18 holes per rider (w/tax)	\$18.00
Cart Fee - 9 holes per rider (w/tax)	\$9.00
Cart Fee - Tournament Spectator Cart (Full Cart)	\$36.00
Tournament Fee - Weekday per player	\$55.00
Tournament Fee - Weekend per player	\$65.00
Tournament Cooker Fee, per player (revenue to concessionaire)	\$5.00
Range Balls - Small Bucket (w/tax)	\$9.00
Range Balls - Medium Bucket (w/tax)	\$11.00
Range Balls - Large Bucket (w/tax)	\$16.00
Range Balls - Tournament Bucket (w/tax)	\$5.00
No Show Fee (per Reservation)	\$50.00
PFC Fee	\$0.00
Club Rental	\$40.00
Pull Cart Rental	\$5.00

Exhibit G

Planning

	Fee
Preliminary Plat Application	
Sketch Plan Application (1st review)	\$225.00
Sketch Plan Application (2nd review)	\$100.00
Preliminary Plat Application (up to 50 acres)	\$350.00
Preliminary Plat Application (over 50 acres)	\$500.00
Preliminary Plat Reinstatement	\$50.00
Final Plat Application	
Standard Plat or Residential Up to 50 acres (plus \$1 per page)	\$355.00
Standard Plat or Residential over 50 acres (plus \$1 per page)	\$505.00
Administrative Plat	\$250.00
Digital File Conversion Fee	\$50.00
Recording Fees- Plats up to 18"x24"	\$60.00
Recording Fees- Plats over 18"x24"	\$80.00
Related Documents	\$26.00
30-day Extension for Plat	\$50.00
Replat	
Replat with Public Hearing	\$250.00
Replat without Public Hearing	\$250.00
Annexation/Zone Change Application	
Standard Zone Change	\$500.00
Planned District Zone Change	\$650.00
Multiple PD Proposal Basic	\$550.00
Multiple PD Proposal Per Additional District	\$100.00
Additional PD Regulations	\$75.00
Site Plan in PDF Format for City Council	\$50.00
Application Fee	\$500.00
Zoning Board of Appeal Fee	\$600.00
Special Exception Application Fee	\$500.00
Zone Change in Council District 2 from MF-22, Multiple-Family Dwelling District or C, Commercial District to SF-1, Single-Family Dwelling District, SF-2, Single-Family Dwelling District, or SF-3, Single-Family Dwelling District	\$0.00
Zoning Verification Letter	\$25.00
Oil and Gas	
Application for Oil and Gas Permit	\$4,000.00
Application for Oil and Gas Variance	\$250.00
Credit Access Businesses	
Application Fee	\$50.00
Specific Use Permit (SUP) / Specific Use Designation (SUD)	
Application for SUP/SUD with Term for Alcoholic Beverage	\$300.00
Application for General SUP/SUD	\$400.00

Exhibit G

Planning

	Fee
Renewal SUP/SUD	\$75.00
Temporary Mobile Home	
Special Temporary Permit for Manufactured Home App (Based on Genuine Hardship Condition)	\$50.00
Special Temporary Permit for Manufactured Home App (For Occupancy by a Caretaker, Manager, or Guard)	\$100.00
Restricted Massage Establishment	
Restricted Massage Establishment License (2 year term)	\$540.00
Request Exemption from Restricted Massage Establishment License	\$120.00
Dedications	
Review Fee	\$400.00
Vacation	
Application Fee	\$400.00
Creation of a Building Site	
Application Fee	\$400.00
Master Sign Plan	
Application Fee	\$300.00
Traffic Impact	
Traffic Impact (Staff Study)	\$350.00
Traffic Impact (Review of Submittal)	\$600.00
Portable Storage Containers	
Freight or Portable storage cont.- permit fee	\$125.00
Each add'l on same property	\$25.00
90- day permit fee for storage container	\$150.00
Each add'l container	\$25.00
45- day permit fee for storage container	\$125.00
Each add'l container	\$25.00
30 day permit fee for storage container	\$75.00
Certificate of occupancy and compliance	
Certificate of occupancy and compliance	\$10.00

Exhibit H

Code Enforcement

	Fee
Building Permits	
Construction Permit Fee	31.5 cents per square foot
Sidewalk/ROW Residential (No building permit)	\$50.00
Sidewalk/ROW Commercial (No building permit)	\$200.00
Street Improvement Fee	23 cents per square foot
Fence Fee	\$50.00
Manufactured Home	\$200.00
Manufactured Home Skirting Deposit	\$100.00
Moving Fee	\$200.00
Non-Profit Residential	\$150.00
Temporary Structure	\$100.00
Detached Assessory (120Sq.ft or less)	\$50.00
Detached Assessory (120Sq.ft to 200 sq.ft.)	\$100.00
Demolition Permits	
Commercial Demo Fee - Building	\$500.00
Commerical Demo Fee - Interior	\$100.00
Residential or Accessory Bldg	\$50.00
Temporary Sign Permits	
Permanent Sign Permits	\$50.00
Temporary sign annual permit fee	\$50.00
Failure to remove sign- hauling fee	\$50.00
Failure to remove sign- daily storage fee	\$10.00
Oil & Gas Drilling Permits	
Amendment Fee	\$1,000.00
Certification Fee & Inspection	\$300.00
Oil & Gas Application Fee	\$4,000.00
Well Tranfer Fee	\$500.00
*TX State HB-40 recognizes Ordinance 8769 including fees and may not be amended	
Mobile Home Park Licenses	
Mobile Home Park Licenses	\$25.00 plus \$1 ea/addl
Certificate of Occupancy	
Certificate of Occupancy	\$50.00
Lot Deposits	
Clearing Deposits (Floor & Foundation) Commercial	\$2,000.00
Clearing Deposits (Floor & Foundation) Residential	\$600.00
Clearing Deposits (Rubbish, Litter, Lot)	\$200.00
Clearing Deposit (Accessory Bldg, Debris, Material)	\$200.00

Exhibit H

Code Enforcement

	Fee
Lot Clearing	
Administrative Fee (per cas)	\$100.00
Mow Lot 12,000 square feet or less (per lot)	\$175.00
Mow Lot larger than 12,000 square feet (per lot)	\$275.00
Mow Weeds in Alley or Right-of-Way (per lot frontage)	\$50.00
Trash Removal (per ton)	\$110.00
Auto or Pick-Up Tire Removal (per tire)	\$5.00
Semi-Truck or Similar Large Tire Removal (per tire)	\$12.00
Tree Removal and Trimming (per hour)	\$75.00
Graffiti Removal (per lot)	\$100.00
<i>Notwithstanding the foregoing, if any of the aforementioned "Lot Clearing" services is performed by a City contractor, the fee for such service shall be the fee charged to the City by the contractor.</i>	
Electrical Fees	
Minimum Fee	\$50.00
Temporary Service	\$50.00
Temporary Construction Pole	\$50.00
Parking Lot Wiring	\$50.00
Building Wiring	\$0.05 per sq.ft
Service Change	\$50.00
Sign Electrical Fee	\$50.00
Electrical Fixture Fee (for first, \$1.00 each after)	\$15.00
Mobile Home Rewiring (\$5 for each add'l)	\$50.00
Clearance for Elec Connect/Disconnect Residential	\$50.00
Reinspection (Red Tag)	\$50.00
Mechanical Fees (when not part of bldg.permit)	
Minimum Fee	\$50.00
Inspection for Heating, AC,Venting,Ductwork,Fridge (\$5 for each add'l inspection)	\$50.00
Fire Extinguishing Permit	\$50.00
Boiler Inspections (33K to 1165 BTU)	\$50.00
Boiler Inspections (1165K to 3300 BTU)	\$50.00
Boiler Inspections (over 3300 BTU)	\$50.00
Reinspection (Red Tag)	\$50.00
Gas Fees (when not part of bldg.permit)	
Minimum Fee	\$50.00
Floor Furnace, Boiler	\$50.00
Vented Recessed Heater	\$50.00
Gas line service	\$50.00
Vented Appliance (\$10 each add'l)	\$50.00
Temporary Connection	\$50.00
Reinspection (Red Tag)	\$50.00

Exhibit H

Code Enforcement

	Fee
Plumbing Fees (when not part of bldg.permit)	
Minimum Fee	\$50.00
Furnace, unit or wall heater (\$10 each add'l)	\$50.00
Water heater (\$10 each add'l)	\$50.00
Water softener	\$50.00
Lawn Sprinkler	\$50.00
Water Line Service	\$50.00
Sewer Line Service	\$50.00
Replumb Bldg	\$0.05 Sq. Ft.
Fire Sprinkler	\$0.05 Sq. Ft.
Backflow Assembly Device (\$10 each add'l)	\$50.00
Reinspection (Red Tag)	\$30.00
Vendor Permit	
Vendor Permit	\$100.00
Water Well Fee	
Drill new well	\$50.00
Reinspection Fee	
Reinspection (All Permits)	\$100.00
Application to Board of Appeals	
Application	\$200.00
Public Ways and Property	
House moving permit fee	\$25.00
Network Nodes-5 in same application	\$500.00
Each additional node in application	\$250.00
Node Support Pole Application	\$1,000.00
Fee to attach network node to public ROW pole	\$20.00

Exhibit I

Engineering

	Fee
Traffic	
Street Name and Traffic Control Sign Fee	\$500/intersection
Right of Way Use Permit Fee	\$350.00

Exhibit J

Water & Sewer Fees

	Fee
Water Rates Inside City:	
Base Rate for All Except Apartments for First 2,000 gallons	\$22.69
Base Rate for Apartments per Unit for first 2,000 gallons per Unit	\$18.48
Rate per 1,000 gallons over base of 2,000 up to 10,000	\$6.42
Rate per 1,000 gallons from 10,001 up to 25,000	\$8.43
Rate per 1,000 gallons from 25,001 up to 50,000	\$11.34
Irrigation)	\$14.18
Sewer Rates Inside City:	
All Customers Base Rate (First 2,000 gallons)	\$22.88
All Customers Rate per 1,000 after Base Rate	\$0.92
Water Rates Outside City:	
Base Rate for All Except Apartments for First 2,000 gallons	\$34.04
Base Rate for Apartments per Unit for first 2,000 gallons per Unit	\$27.72
Rate per 1,000 gallons over base of 2,000 up to 10,000	\$9.63
Rate per 1,000 gallons from 10,001 up to 25,000	\$12.65
Rate per 1,000 gallons from 25,001 up to 50,000	\$17.01
Irrigation)	\$21.26
Sewer Rates Outside City:	
Residential Base Rate (First 2,000 gallons)	\$34.32
Residential Rate per 1,000 after Base Rate	\$1.39
Miscellaneous:	
Septage waste hauler discharges and fees (per gallon)	\$0.32

Exhibit K

Customer Service/Utility Billing

	Fee
Account Billing	
Residential Utility Deposit	\$78.75
Re-read of Water Meter (2nd time)	\$26.25
Test of Water Meter (2nd time)	\$26.25
Non-sufficient fund check	\$31.50
Reconnect-Disconnect fee	\$31.50
Application Fee	\$21.00
Transfer Fee	\$20.00
Tampering/Straight Fee (1st time)	\$210.00
Tampering/Straight Fee (2nd time)	\$315.00
Water Meters & Tap Fees	
3/4" water meter-with existing meter box	\$42.00
1" water meter-with existing meter box	\$105.00
1" water meter tap (no paving cut or meter installation)	\$409.50
1" service charge for tap and meter with meter box	\$446.25
2" water meter- with existing meter box	\$252.00
2" water meter tap (no paving cut or meter installation)	\$564.00
2" service charge for tap and meter with meter box	\$745.50
3" water meter	\$393.75
4" water meter	\$375.00
4" sewer tap	\$367.50
6" sewer tap	\$400.00
Replacement sewer tap (per line)	\$300.00
Fee to abandon line for replacement	\$150.00
Paving cut/Boring & Casing Fee	\$400.00
Fire hydrant meter setting or moving	\$200.00
Fire Hydrant meter deposit setting	\$2,400.00
Drinking Water Testing- Total Coliform (Presence or absence)	\$18.00
Non-Potable H2O testing- Total Coliform & E.Coli (MPN)	\$25.00
Non-Potable H2O testing- Total Coliform & Fecal Coliform (MPN)	\$25.00
Move a service line no more than 5 feet	\$150.00

Exhibit L

Sanitation Fees

Inside City Limits

# of Containers	Number of pickups per week			
	2X	3X	4X	5X
Residential				
0.25	\$23.00			
0.5	\$46.00			
0.75	\$69.00			
1	\$92.00			
Commercial				
0.25	\$32.50	\$48.75	\$65.00	\$81.25
0.5	\$65.00	\$97.50	\$130.00	\$162.50
0.75	\$97.50	\$146.25	\$195.00	\$243.75
1	\$130.00	\$195.00	\$260.00	\$325.00
2	\$247.00	\$370.50	\$494.00	\$617.50
3	\$364.00	\$546.00	\$728.00	\$910.00
4	\$481.00	\$721.00	\$962.00	\$1,202.50
5	\$598.00	\$897.00	\$1,196.00	\$1,495.00
6	\$715.00	\$1,072.50	\$1,430.00	\$1,787.50
7	\$832.00	\$1,248.00	\$1,664.00	\$2,080.00
8	\$949.00	\$1,423.50	\$1,898.00	\$2,372.50
9	\$1,066.00	\$1,599.00	\$2,132.00	\$2,665.00
10	\$1,183.00	\$1,774.50	\$2,366.00	\$2,957.50
11	\$1,300.00	\$1,950.00	\$2,600.00	\$3,250.00
12	\$1,417.00	\$2,125.50	\$2,834.00	\$3,542.50
13	\$1,534.00	\$2,301.00	\$3,068.00	\$3,835.00
14	\$1,651.00	\$2,476.50	\$3,302.00	\$4,127.50
15	\$1,768.00	\$2,652.00	\$3,536.00	\$4,420.00
16	\$1,885.00	\$2,827.50	\$3,770.00	\$4,712.50
17	\$2,002.00	\$3,003.00	\$4,004.00	\$5,005.00
18	\$2,119.00	\$3,178.50	\$4,238.00	\$5,297.50
19	\$2,236.00	\$3,354.00	\$4,472.00	\$5,590.00
20	\$2,353.00	\$3,529.50	\$4,706.00	\$5,882.50
21	\$2,470.00	\$3,705.00	\$4,940.00	\$6,175.00
22	\$2,587.00	\$3,880.50	\$5,174.00	\$6,467.50
23	\$2,704.00	\$4,056.00	\$5,408.00	\$6,760.00
24	\$2,821.00	\$4,231.50	\$5,642.00	\$7,052.50
25	\$2,938.00	\$4,407.00	\$5,876.00	\$7,345.00
26	\$3,172.00	\$4,758.00	\$6,344.00	\$7,930.00
27	\$3,289.00	\$4,933.50	\$6,578.00	\$8,222.50
28	\$3,406.00	\$5,109.00	\$6,812.00	\$8,515.00
29	\$3,523.00	\$5,284.50	\$7,046.00	\$8,807.50
30	\$3,640.00	\$5,460.00	\$7,280.00	\$9,100.00

Exhibit L

Sanitation Fees

Per Month

Recycling fee	\$0.50
Litter Abatement Fee	\$1.00

Outside City Limits - Sanitation Fees

# of Containers	Number of pickups per week			
	2X	3X	4X	5X
Residential				
0.25	\$34.50			
0.5	\$69.00			
0.75	\$103.50			
1	\$138.00			
Commercial				
0.25	\$48.75	\$73.13	\$97.50	\$121.88
0.5	\$97.50	\$146.25	\$195.00	\$243.75
0.75	\$146.25	\$219.38	\$292.50	\$365.63
1	\$195.00	\$292.50	\$390.00	\$487.50
2	\$370.50	\$555.75	\$741.00	\$926.25
3	\$546.00	\$819.00	\$1,092.00	\$1,365.00
4	\$721.50	\$1,082.25	\$1,443.00	\$1,803.75
5	\$897.00	\$1,345.50	\$1,794.00	\$2,242.50
6	\$1,072.50	\$1,608.75	\$2,145.00	\$2,681.25
7	\$1,248.00	\$1,872.00	\$2,496.00	\$3,120.00
8	\$1,423.50	\$2,135.25	\$2,847.00	\$3,558.75
9	\$1,599.00	\$2,398.50	\$3,198.00	\$3,997.50
10	\$1,774.50	\$2,661.75	\$3,549.00	\$4,436.25
11	\$1,950.00	\$2,925.00	\$3,900.00	\$4,875.00
12	\$2,125.50	\$3,188.25	\$4,251.00	\$5,313.75
13	\$2,301.00	\$3,451.50	\$4,602.00	\$5,752.50
14	\$2,476.50	\$3,714.75	\$4,953.00	\$6,191.25
15	\$2,652.00	\$3,978.00	\$5,304.00	\$6,630.00
16	\$2,827.50	\$4,241.25	\$5,655.00	\$7,068.75
17	\$3,003.00	\$4,504.50	\$6,006.00	\$7,507.50
18	\$3,178.50	\$4,767.75	\$6,357.00	\$7,946.25
19	\$3,354.00	\$5,031.00	\$6,708.00	\$8,385.00
20	\$3,529.50	\$5,294.25	\$7,059.00	\$8,823.75
21	\$3,705.00	\$5,557.50	\$7,410.00	\$9,262.50
22	\$3,880.50	\$5,820.75	\$7,761.00	\$9,701.25
23	\$4,056.00	\$6,084.00	\$8,112.00	\$10,140.00
24	\$4,231.50	\$6,347.25	\$8,463.00	\$10,578.75

Exhibit L

Sanitation Fees

25	\$4,407.00	\$6,610.50	\$8,814.00	\$11,017.50
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Exhibit L

Sanitation Fees

Open Top/Compactor Fees

One-time set up fee (Delivery fee)	\$51.00 + Tax
Daily Rental	\$11.00 + Tax
Haul Charge	\$255.00 + Tax
Per Ton Disposal Fee (Landfill Charge)	\$47.38 per ton

Removal of Garbage by Other Entity

Garbage Hauler's Permit	\$500.00
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Landfill- Dumping and Unloading Charges

Landfill Access Fee-	\$25.00
Unlimited Landfill Access Fee-year	\$500.00
Minimum Fee under 1 Ton	\$23.69
Per ton Disposal Fee	\$47.38
Materials not contained	\$75.00
Pull off Fee	\$77.00

Special Waste/Minor or TDH permit

Special Waste Fee- Per Ton	\$94.76
Minimum Fee under 1 Ton	\$47.38

Exhibit M

Airport

	<u>Fee</u>
Landing Fees (per 1000 pounds of gross landing weight)	\$2.10
Air carrier fees (per 1000 pounds of gross landing weight)	Based on Rates & Charges
Public Aircraft parking – locally based aircraft (month)	\$25.00
Public Aircraft parking – transient aircraft (day)	\$1.50
Customer Facility Charge - vehicle rentals (per transaction day)	\$3.00
Public Parking – CI (Covered)	
0-30 minutes	Free
31-60 minutes	\$3.00
Every additional hour	\$2.00
Maximum per 24-hour period	\$17.00
Public Parking – P1 & P3 (Close-In)	
0-30 minutes	Free
31-60 minutes	\$2.00
Every additional hour	\$1.00
Maximum per 24-hour period	\$14.00
Public Parking – P2 & P4 (Economy)	
0-30 minutes	Free
31-60 minutes	\$2.00
Every additional hour	\$1.00
Maximum per 24-hour period	\$11.00
Public Parking – C2 (Remote Covered)	
0-30 minutes	Free
31-60 minutes	\$2.00
Every additional hour	\$1.00
Maximum per 24-hour period	\$13.00
Public Parking – P5 (Remote Economy)	
0-30 minutes	Free
31-60 minutes	\$2.00
Every additional hour	\$1.00
Maximum per 24-hour period	\$9.00
Ground Transportation Permits -per month, per vehicle	
Taxicab	\$25.00
Buses	\$25.00
Courtesy vehicles for off-airport hotel	\$25.00
Courtesy vehicles for off-airport car rental (plus 10% airport revenue)	\$25.00
Courtesy vehicles for off-airport parking lot (plus 10% airport revenue)	\$25.00

Exhibit M

Airport

	<u>Fee</u>
Employee Parking	
Annual Employee Parking media (prorated monthly)	\$40.00

Special assessments

1. Should any person upon driving a vehicle from the paid parking areas of the airport not be able to present an officially issued ticket indicating where that person's vehicle was parked and at what time, then the charge assessed for the parking of that vehicle shall be at least \$12.00. In addition to that fee, there shall also be a fee assessed for the parking of that vehicle equal to the amount of the daily rate, times number of days, for the area in which that vehicle was parked as is indicated by the daily lot inventory taken by the airport administration.
2. Whenever a person or an entity shall pay for the parking fees assessed by this Section with a check or draft, and that check or draft is dishonored, then there shall be an additional \$25.00 assessed against that person or entity.

Exhibit N

Sports Complex

	Fee
Football/Soccer Stadium	
<i>Sporting Events</i>	
Half Stadium Rental	\$1,500.00/day
Whole Stadium Rental	\$3,000.00/day
All Inclusive Football Game Package	\$10,000.00/game
<i>This package includes a whole stadium rental, cleaning, lighting, game officials and staff, operators, security, EMS, and UIL fees, if necessary.</i>	
<i>Non-Sporting Events</i>	
Non-Profit Deposit	\$1,500.00
Non-Profit Rental	\$1,500.00/day
Commercial Deposit	\$2,500.00
Commercial Rental	\$2,500.00/day
<i>Cleaning Fees</i>	
Less than 2,000 people	\$1,500/side
More than 2,000 people	\$2,500/side
Lighting Fee	\$75.00/hour
Baseball Stadium	
Baseball Events	\$750.00/day
<i>Non-Baseball Events</i>	
Non-Profit Deposit	\$1,000.00
Non-Profit Rental	\$1,000.00/day
Commercial Deposit	\$1,500.00
Commercial Rental	\$1,500/day
Cleaning Fees assessed by Midland Rockhounds	
Lighting Fee	\$75.00/hour
Groundskeeper and Grounds Material Fees assessed by Midland Rockhounds	
Diamond Club Deposit	\$100.00
Diamond Club Rental (minimum 2 hours)	\$50.00/hour
Diamond Club Cleaning Fee (payable to Midland Rockhounds)	\$150.00
OPERATOR FEES FOR BASEBALL AND FOOTBALL/SOCCER STADIUM	Hourly
Video Board Operator	\$50.00
Scoreboard Operator	\$50.00
PA Announcer	\$50.00
Camera Operator	\$45.00
Replay Technician	\$45.00
Sound Operator	\$45.00
Temporary fence set up on artificial turf field	\$45.00

SSC - Common Area/Parking Lot Rentals*Pavilion*

Non-Profit Deposit	\$1,500.00
Non-Profit Rental	\$1,500/day
Commercial Deposit	\$2,000.00
Commercial Rental	\$2,000/day

Parking Lot Only

Parking Lot Deposit	\$1,000.00
Set Up/Tear Down	\$1,000/day
Rental Fee	\$1,500/day

Cleaning Fees - Common Area/Parking Lot Rentals

Less than 1,000 people	\$1,000.00
1,001 to 2,500 people	\$1,500.00
More than 2,500 people	\$2,000.00

SSC - Auxiliary Fields*Non-Tournament Fees*

Deposit	\$100.00
Field Rental	\$65.00/hour

Tournament Fees

Deposit	\$100.00/field
Rental	\$30.00/game
Cleaning Fee	\$150.00/field
Lighting Fee	\$25.00/hour
Concession Stand Deposit	\$100.00
Game Cleaning Fee	\$75/Field
Concession Stand Rental	\$25.00/hour

Exhibit O

Miscellaneous

	Fee
Court Fees	
Municipal Court Building Security Fee	\$3.00
Municipal Court Technology Fee	\$4.00
Municipal Court Copy Fee	\$1.00 per page
Business Regulations	
Closing out sale license fees - 30 days	\$100.00
Closing out sale license fees - 60 days	\$125.00
Closing out sale license fees - 90 days	\$150.00
Door to Door Solicitors (Peddler) license	\$30.00
Mobile Home/Travel Trailer Park App Fee	\$10.00
Mobile Home/Travel Trailer Park License	\$25 plus \$1 ea.space
Mobile Home Mini Park location app	\$10.00
Mobile Home Mini Park revised site plan	\$10.00
City Chauffeur's license app fee	\$25.00
Airport Cabstand Permit fee (per month)	\$25.00
Special police officer license fee (individual)	\$10.00
Special police officer license fee (firm)	\$50.00
Carnival operator's license	\$100.00
Carnival employee's license	\$6.00
Side walk sale application fee	\$4.00
Police Regulations	
Ambulance Services- Basic Life Support	\$650 + \$10 per mile
Ambulance Services- Advanced Life Support	\$750 + \$10 per mile
Ambulance Services- Advanced Level II	\$850 + \$10 per mile
Ambulance Waiting Charge	\$200 per hour
Ambulance Service- Outside Midland County	\$100.00
Food Truck Fire Inspection	\$50 per inspection annually
Alarm Permit Application Fee-Commercial	\$25.00
Alarm Permit Application Fee-Residential	\$20.00
Alarm Permit Renewal Fee -Commercial	\$20.00
Alarm Permit Renewal Fee - Residential	\$15.00
Alarm Permit Service fee	\$50.00
Franchises	
Telecomm Carrier on public ROW Reg. Fee-	\$25.00
Franchise application and review fee	\$500.00
Franchise renewal application and review fee	\$500.00

Exhibit P

Right of Way

Right-of-Way License Fees and Rates for crossing property or public right-of-way
owned by the City of Midland.

Fees (non-refundable):

Application Fee:	\$ 1,000.00
Application Fee of Expired License:	\$ 1,500.00

The City of Midland's Rate and Damage Schedule is 200% of the then-current University Lands Rate and Damage Schedule for a 10-year license.

Fees and rates will be paid at the commencement of the 10-year license in one payment.



City Council Meeting

Item Number: 17
Meeting Date: March 18, 2025, April 8, 2025
To: City Council / City Manager
From: Elizabeth Triggs, Planning & Development Officer
Subject: AN ORDINANCE AMENDING TITLE V, "BUSINESS REGULATIONS" OF THE CITY CODE OF THE CITY OF MIDLAND, TEXAS, BY ADDING CHAPTER 13, "MASSAGE ESTABLISHMENTS", SO AS TO ESTABLISH CERTAIN REQUIREMENTS THAT MUST BE SATISFIED TO OPERATE A BUSINESS THAT ADVERTISES OR OFFERS MASSAGE THERAPY OR OTHER MASSAGE SERVICES; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM FINE OR PENALTY OF TWO THOUSAND DOLLARS (\$2,000.00); ESTABLISHING AN EFFECTIVE DATE THAT SHALL BE 30 DAYS AFTER THE DATE OF ADOPTION OF THIS ORDINANCE; AND ORDERING PUBLICATION (DISTRICT: ALL) (DEVELOPMENT SERVICES) (SAFE AND SECURE CITY)

Purpose:

The proposed ordinance amends Title V, "Business Regulations," of the City Code by adding Chapter 13, "Massage Establishments." This ordinance establishes licensing requirements for *restricted massage establishments*, which are massage businesses with a documented history of criminal activity or regulatory violations. The intent is to provide a regulatory framework that allows the City to monitor and enforce compliance at locations with prior violations, ensuring public safety and preventing common nuisances.

Recommended City Council Action:

Approve

Fiscal Impact:

There is no direct cost to the City for implementing this ordinance. However, a fee schedule change will accompany its adoption to establish a \$540 licensing fee for each two-year license term. This fee is designed to cover the cost of inspections and administrative expenses associated with reviewing and tracking licenses for restricted massage establishments.

Strategic Priority:

Safe and Secure City

Discussion:

Illicit massage businesses have been identified as contributors to criminal activity, including human trafficking, prostitution, and financial crimes. To address this, the proposed ordinance establishes a local licensing requirement for *restricted massage establishments*, allowing the City to monitor businesses with a history of violations and ensure compliance with state regulations.

It is important to emphasize that this ordinance does *not* impose new regulations on legitimate massage therapy businesses operating in compliance with state law. The licensing and operational requirements apply *only* to *restricted massage establishments*, which are defined as businesses that meet at least one of the following conditions:

- There have been three or more arrests or citations for prostitution or organized crime-related offenses (Penal Code §§ 43.02, 43.021, 43.03, 43.04, 43.05, or 71.02) at the location.
- An offense related to human trafficking, prostitution, or money laundering (Penal Code §§ 20A, 34.02, 43.02, 43.021, 43.03, 43.04, 43.05, or 71.02) was committed at the location and resulted in a conviction.
- The business is operating at a location where a prior massage establishment was sanctioned for violating Chapter 455 of the Texas Occupations Code.
- The business is owned or operated by an individual who previously owned or operated a massage establishment that was sanctioned under Chapter 455.

In addition, the ordinance *prohibits unauthorized massage establishments*—which include sexually oriented businesses and businesses operating without a required state license—from operating in Midland.

By implementing targeted regulations, this ordinance aims to safeguard legitimate businesses while deterring illicit operations that pose risks to public safety. The ordinance sets clear requirements for *restricted massage establishments*, including mandatory licensing, inspection consent, and operational standards. These measures support law enforcement efforts, enhance regulatory oversight, and uphold the City's vision for a safe and secure community.

Staff recommends approval of the ordinance to ensure effective enforcement while avoiding unnecessary burdens on lawful businesses.

Morris Williams Jr.

City Manager's Office

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE V, “BUSINESS REGULATIONS” OF THE CITY CODE OF THE CITY OF MIDLAND, TEXAS, BY ADDING CHAPTER 13, “MASSAGE ESTABLISHMENTS”, SO AS TO ESTABLISH CERTAIN REQUIREMENTS THAT MUST BE SATISFIED TO OPERATE A BUSINESS THAT ADVERTISES OR OFFERS MASSAGE THERAPY OR OTHER MASSAGE SERVICES; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM FINE OR PENALTY OF TWO THOUSAND DOLLARS (\$2,000.00); ESTABLISHING AN EFFECTIVE DATE THAT SHALL BE 30 DAYS AFTER THE DATE OF ADOPTION OF THIS ORDINANCE; AND ORDERING PUBLICATION

WHEREAS, businesses that advertise or offer massage therapy or other massage services are subject to pervasive regulation so as to ensure the health and safety of employees who provide those services and the public; and

WHEREAS, Chapter 455 of the Texas Occupations Code provides for the comprehensive regulation of businesses that advertise or offer massage therapy or other massage services; and

WHEREAS, Section 455.155(d) of the Texas Occupations Code provides that a sexually oriented business may not hold a license under Chapter 455 or operate as a massage establishment under Chapter 455; and

WHEREAS, Section 455.005 of the Texas Occupations Code sets forth the extent to which a political subdivision may regulate businesses that advertise or offer massage therapy or other massage services; and

WHEREAS, Section 11-1-4.03 of the City Code reflects that a “Spa, Day Spa or Health Spa,” which includes a business that advertises or offers massage therapy or other massage services, is a nonresidential use of land and is not permitted in a residential zoning district; and

WHEREAS, the Council finds it to be in the public interest, including the interests of protecting public health, ensuring fire safety, and preventing common nuisances, to amend Title V, “Business Regulations” of the City Code of the City of Midland, Texas, by

adding Chapter 13, “Massage Establishment”, so as to establish certain requirements that must be satisfied to operate a business that advertises or offers massage therapy or other massage services;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That Title V, “Business Regulations” of the City Code of the City of Midland, Texas, is hereby amended to add Chapter 13, “Massage Establishments”, which shall read in its entirety as follows:

5-13-1. Purpose.

The purpose of this Chapter is to lawfully regulate businesses that advertise or offer massage therapy or other massage services as authorized by Section 455.005 of the Texas Occupations Code so as to protect the public health, ensure fire safety, and prevent nuisances.

5-13-2. Definitions.

As used in this Chapter:

- (A) *City license* means a license that is issued by the City of Midland to a restricted massage establishment.
- (B) *City Manager* means the City of Midland’s City Manager or the City Manager’s designee.
- (C) *Dwelling* means a home or other place of residence.
- (D) *Entrance notification* means a written notice that says, “THIS IS A RESTRICTED MESSAGE ESTABLISHMENT THAT IS SUBJECT TO UNANNOUNCED INSPECTIONS BY THE CITY OF MIDLAND.” The message on this notice shall be in bold 36 point or larger font.
- (E) *Massage establishment* means a place of business that advertises or offers massage therapy or other massage services. The term includes a place of business that advertises or offers any service described by a derivation of the terms “massage therapy” or “other massage services.”
- (F) *Massage therapy* means the manipulation of soft tissue by hand or through a mechanical or electrical apparatus for the purpose of body massage and includes effleurage (stroking), petrissage (kneading), tapotement (percussion), compression, vibration, friction, nerve strokes, and Swedish gymnastics. The terms “massage,” “therapeutic massage,” “massage technology,” “myotherapy,” “body massage,” “body rub,” or any derivation of those terms are synonyms for “massage therapy.”
- (G) *Other massage services* means any services offered or performed for compensation at a massage establishment that involve physical contact with a client, and may include the use of oil, lubricant, salt glow, a heat lamp, a hot and cold pack, or a tub, shower, jacuzzi, sauna, steam, or cabinet bath.

(H) *Premises* means the real property where a massage establishment is operated. If a massage establishment is operated on real property that has multiple tenants, such as a shopping center, only the portion of the real property occupied by the massage establishment shall be considered the premises.

(I) *Restricted massage establishment* means a massage establishment:

1. where three or more arrests have occurred or citations in lieu of arrest have been issued for an offense under Section 43.02, 43.021, 43.03, 43.04, 43.05, or 71.02, Penal Code, that was committed at the massage establishment;
2. where an offense under Chapter 20A, or Section 34.02, 43.02, 43.021, 43.03, 43.04, 43.05, or 71.02, Penal Code, was committed that resulted in a conviction;
3. that is operating at a location where another massage establishment against which a sanction was imposed for a violation of Chapter 455, Occupations Code, previously operated; or
4. that is operating at a location where another massage establishment owned or operated by an individual against whom a sanction was imposed for a violation of Chapter 455, Occupations Code, previously operated.

(J) *Sexually oriented business* means a sex parlor, nude studio, modeling studio, love parlor, adult bookstore, adult movie theater, adult video arcade, adult movie arcade, adult video store, adult motel, or other commercial enterprise offering a service or the selling, renting, or exhibiting of devices or any other items intended to provide sexual stimulation or sexual gratification to the customer.

(K) *State license* means a license that is issued by the Texas Department of Licensing and Regulation or other department or agency of the State of Texas to a massage establishment in accordance with Chapter 455, Occupations Code.

(L) *Unauthorized massage establishment* means:

1. a massage establishment that is a sexually oriented business;
2. a massage establishment that:
 - (a) is required to hold a State license under Chapter 455, Occupations Code; and
 - (b) does not hold a valid State license under Chapter 455, Occupations Code; or
3. a restricted massage establishment that has not been issued a City license or whose City license is terminated unless the City Council has granted the restricted massage establishment an exemption from the City license requirement.

5-13-3. General massage establishment regulations.

(A) A person shall not use, or allow the use of, the premises of a massage establishment as a dwelling or for any other use that violates the City's Zoning Ordinance.

(B) A person shall not operate, or assist with or facilitate the operation of, an unauthorized massage establishment.

- (C) A person shall not administer massage therapy or other massage services on the premises of an unauthorized massage establishment.
- (D) A person who owns or leases real property shall not use the real property, or allow the use of the real property, as the premises of an unauthorized massage establishment.

5-13-4. City licensing of restricted massage establishments.

(A) *City license requirement.* A person shall not operate, or assist with or facilitate the operation of, a restricted massage establishment that has not been issued a City license or whose City license has been terminated unless the City Council has granted the restricted massage establishment an exemption from the City license requirement.

(B) *Application for City license.* A person who seeks to operate a restricted massage establishment shall submit an application for a City license. The following information shall be included on the application or submitted with the application:

1. The legal name of the restricted massage establishment.
2. The trade name of the restricted massage establishment, if different from the legal name.
3. The physical address of the restricted massage establishment.
4. For each direct owner of the restricted massage establishment:
 - (a) if a direct owner of the restricted massage establishment is a business entity, the name, mailing address, telephone number, and email address of the business entity; and
 - (b) if a direct owner of the restricted massage establishment is an individual, the name, residence address, telephone number, email address, and date of birth of the individual.
5. The name, residence address, telephone number, email address, and date of birth of each individual who has an ownership interest in a business entity described in Paragraph 4(a) above, if applicable.
6. The name, residence address, telephone number, and date of birth of each person who works, or is reasonably anticipated to work, at the restricted massage establishment, regardless of whether a person is an employee or will be an employee of the massage establishment.
7. The name, mailing address, telephone number, and email address of the owner of the premises where the restricted massage establishment is operating or will operate.
8. A written, notarized statement from each direct owner of the restricted massage establishment:
 - (a) certifying that the owner has read, understands, and consents to the City's enforcement of the requirements of this Chapter and shall comply with, and ensure that the restricted massage establishment is

operated in compliance with, all applicable state laws and regulations and City ordinances, including this Chapter; and

(b) describing how the owner will ensure that the restricted massage establishment and the premises thereof are not used to commit or facilitate the commission of the following offenses:

- (i) trafficking of persons;
- (ii) prostitution;
- (iii) promotion of prostitution; and
- (iv) compelling prostitution.

9. A written, notarized statement from the owner of the premises where the restricted massage establishment is operating or will operate certifying that the owner of the premises understands that the massage establishment is a restricted massage establishment and approves of the restricted massage establishment operating on the premises.

10. A copy of the restricted massage establishment's State license or sufficient evidence reflecting that the restricted massage establishment is exempt from the State license requirement under Chapter 455, Occupations Code.

11. The floorplan or proposed floorplan of the restricted massage establishment.

(C) *Consideration of application.* The City Manager shall review and consider an application for a City license. As part of the City Manager's review, the City Manager may direct the Chief of Police to review the criminal histories of the entities and individuals identified in the application and make a recommendation to the City Manager to approve or deny the City license. The City Manager may, but is not required to, solicit written comments from owners of real property that are located within 200 feet of the premises of the restricted massage establishment. Within 45 days following the City Manager's receipt of the application, the City Manager shall issue to the applicant either a City license or a written denial of a City license; provided, however, that if the City Manager fails to take such action within 45 days, the failure to act shall be deemed a denial of a City license. In determining whether to issue a license, the City Manager may consider factors including:

- 1. the circumstances that gave rise to the massage establishment being a restricted massage establishment;
- 2. whether the restricted massage establishment has been operated in compliance with the requirements of all prior City licenses, if applicable;
- 3. whether each direct owner's description of how the owner will ensure that the restricted massage establishment and the premises thereof are not used to commit or facilitate the commission of trafficking of persons and prostitution-related offenses appears to be sufficient to prevent such offenses;
- 4. the written comments from owners of real property that are located within 200 feet of the premises of the restricted massage establishment, if applicable; and
- 5. the recommendation of the Chief of Police, if applicable.

(D) *Term of City license.* Except as otherwise provided in this Section, a City license shall be valid for a term of two years. A person who wishes to renew a City license shall submit a new application as provided in Subsection (B). For the avoidance of doubt, the submission of a new application for a City license shall not stay the expiration of an existing City license if the expiration date of the existing City license occurs prior to the issuance or denial of a new City license as provided in Subsection (C).

(E) *Operating under a City license.* Each owner, operator, employee, and agent of a restricted massage establishment that is operating under a City license, and each other person working on the premises of such restricted massage establishment, shall comply with, and ensure compliance with, the following requirements:

1. Post and keep posted at least one entrance notification, as described in Section 5-13-2, at a location within the premises of the restricted massage establishment that is conspicuous and visible from each entrance to the restricted massage establishment.
2. Post and keep posted a copy of the City license at a location within the premises that visible to each client.
3. Operate only between the hours of 8:00 a.m. and 8:00 p.m.
4. Consent to inspections described in this Section.
5. Maintain a current list of the name, residence address, telephone number, and date of birth of each person who works at the restricted massage establishment, regardless of whether the person is an employee of the restricted massage establishment; provided, however, that this information need not be maintained for independent contractors who perform maintenance, repairs, or renovations of the premises of the restricted massage establishment.
6. Produce the list referenced in Paragraph 5 above on demand of an officer of the Midland Police Department.
7. Prohibit a person who is required to register as a sex offender from working on the premises of the restricted massage establishment; provided, however, that this prohibition need not apply to independent contractors who perform maintenance, repairs, or renovations of the premises of the restricted massage establishment.
8. Prohibit a person from who does not hold a valid state license from administering massage therapy or other massage services unless the person is exempt from the state license requirement under Chapter 455, Occupations Code.
9. Prohibit the sale, possession, and consumption of alcoholic beverages on the premises of the restricted massage establishment.
10. Maintain the premises of the restricted massage establishment in a clean and sanitary condition.
11. Thoroughly sterilize each instrument or device that comes into contact with the human body before initial use on a client and, after having been used upon one client, thoroughly sterilize it before it is used upon another.

12. Thoroughly launder each towel, robe, and linen before it is furnished for use by a client and after it has been used by the client.
13. Wash hands thoroughly before administering massage therapy or other massage services.
14. Comply with all applicable state laws and regulations and City ordinances, including this Chapter.

(F) *Inspections.* Employees of the Police Department, Fire Department, Health Department, and Code Administration Division are hereby authorized to conduct periodic inspections of a restricted massage establishment that holds a City license for the purpose of ensuring compliance with this Chapter, the City's fire regulations, the City's building regulations, and the City's zoning regulations, subject to the following conditions:

1. A department's or division's inspection shall be conducted in a reasonable manner that is tailored to the specific enforcement needs of the department or division.
2. An inspection shall be conducted during the restricted massage establishment's operating hours.
3. An inspection shall be conducted in a manner that respects the privacy of restroom occupants and clients to whom massage therapy or other massage services are being administered. To the extent that a department or division seeks to inspect an occupied restroom or an occupied room in which massage therapy or other massage services are being administered to a client, the department or division shall wait until each occupant has exited such room or has otherwise granted the department or division entry into such room; provided, however, that if an unreasonably long period of time has passed without each occupant exiting such room or otherwise granting the department or division entry into such room, the department or division may request that each occupant exit the room so it may be inspected.
4. The frequency with which a department or division conducts its inspections shall be reasonable; provided, however, that a department or division shall not conduct its inspections of a restricted massage establishment that is operating under a City license more frequently than once every 60 days.

(G) *Request for exemption from City license requirement.* The owner or operator of a restricted massage establishment described by Section 5-13-2(I)3 may submit a written request to the City Manager for an exemption from the City license requirement. The request must include documentation sufficient to demonstrate the owner or operator has undertaken or implemented procedures and controls to prevent the commission of any offense listed in Section 455.005(c)(2)(A) or (B), Occupations Code.

(H) *City Council consideration of request for exemption.* If the City Manager receives a request for an exemption from the City license requirement from an owner or operator as provided in Subsection (G), the City Manager shall have the City Council consider the request at the City Council's next regularly scheduled meeting to be held on a date after the date on which the request is received and that allows sufficient time to comply with Chapter 551, Government Code, and the City Council shall:

1. consider, but is not required to approve, the requested exemption if:

- (a) the restricted massage establishment is one described by Section 5-13-2(I)3 whose ownership changed less than two years before the date of the request for the exemption; and
 - (b) the current owner of the restricted massage establishment is not an individual against whom a sanction has been imposed for a violation of Chapter 455, Occupations Code; or
- 2. approve the requested exemption as soon as practicable if:
 - (a) the restricted massage establishment is one described by Section 5-13-2(I)3 whose ownership changed at least two years before the date of the request for the exemption;
 - (b) in the two-year period preceding the date of the request for the exemption, an arrest has not occurred for, a citation in lieu of arrest has not been issued for, and a conviction has not resulted from an offense listed in Section 5-13-2(I)1 or 2 committed at the restricted massage establishment; and
 - (c) the current owner of the restricted massage establishment is not an individual against whom a sanction has been imposed for a violation of Chapter 455, Occupations Code.
- (I) *No assignment of City license.* A City license shall not be assigned and shall not run with the land. Any purported assignment of a City license shall be void.
- (J) *Termination of City license.*
 - 1. *Termination.* If an owner, operator, employee or agent of a restricted massage establishment operating under a City license, or another person who is working on the premises of a restricted massage establishment operating under a City license, fails to comply with a requirement of Section 5-13-4(E), the City Manager may terminate the restricted massage establishment's City license. The termination of a City license shall become effective immediately upon giving the notice of termination described in Paragraph 2 below.
 - 2. *Notice of termination.*
 - (a) The City Manager shall give notice of the termination of a City license to each direct owner of the restricted massage establishment by certified mail and by email to each direct owner's address and email address listed on the restricted massage establishment's application for a City license. The notice shall specify each requirement of Section 5-13-4(E) for which there was a failure to comply. If the City license is terminated due to a failure to comply with Section 5-13-4(E)14, the notice shall specify the applicable state law or regulation or City ordinance with which there was a failure to comply.
 - (b) Promptly upon the City Manager giving notice of a termination as provided in Paragraph (a) above, the Police Department shall personally serve such notice of termination to those who are on the premises of the restricted massage establishment and command them to cease operating the restricted massage establishment and cease administering massage therapy and other massage services on the premises.

- (K) *Creation of documents.* The Development Services Department shall create forms to be used for applications, City licenses, and entrance notifications.

5-13-5. Appeal of denial or termination of City license.

- (A) *Notice of appeal.* Except as provided in Subsection (B) below, an owner or operator of a restricted massage establishment may appeal the denial of a City license or the termination of a City license by submitting to the City Manager a written notice of appeal that clearly states the reasons why the denial or the termination should be reversed. The notice of appeal must be received by the City Manager not later than the 14th day after the date of the denial or the date of the termination. The owner or operator may include with the notice of appeal any documents that the owner or operator believes support the proposed reversal of the denial or termination.
- (B) *Incomplete application.* An owner or operator shall not be entitled to appeal the denial of a City license if any information required by Section 5-13-4(B) was not submitted with the application.
- (C) *No stay of denial or termination.* During the pendency of an appeal under this Section, the denial of a City license or the termination of a City license shall not be stayed.
- (D) *Consideration of appeal.* Within 45 days of the City Manager's receipt of a notice of appeal that satisfies the requirements of Subsection (A), the City Council shall:
1. hold a public hearing on the matter being appealed during which the owner or operator of the restricted massage establishment and any other member of the public may comment on whether the denial or termination should be reversed; and
 2. consider the appeal and render a decision sustaining or reversing the denial or termination.
- (E) *Reversal.*
1. *Reversal of denial.* If the City Council reverses the denial of a City license, the City Manager shall promptly issue a City license.
 2. *Reversal of termination.* If the City Council reverses the termination of a City license, the City Manager shall promptly reinstate the City license.
- (F) *Final decision.*
1. *Unappealed decision of City Manager.* If the City Manager does not receive a notice of appeal that satisfies the requirements of Subsection (A) on or before the 14th day after the date of the denial of a City license or the date of the termination of a City license, then the City Manager's decision to deny the City license or terminate the City license shall constitute the City's final decision on the matter.
 2. *Decision of City Council.* If the City Manager receives a notice of appeal that satisfies the requirements of Subsection (A) on or before the 14th day after the date of the denial of a City license or the date of the termination of a City license, then the City Council's decision shall constitute the City's final decision on the matter.

5-13-6. Offense.

- (A) A person who recklessly, knowingly, or intentionally violates a provision of this Chapter, other than Section 5-13-4(E)4 or 6, shall be guilty of a misdemeanor and fined in a sum not to exceed \$2,000.00. A person commits a separate and distinct offense for each separate violation of a provision of this Chapter. A person commits a separate and distinct offense for each day during which a violation of this Chapter is committed, permitted, or continued.
- (B) Except as provided in Subsection (A), a person who violates a provision of this Chapter, other than Section 5-13-4(E)4 or 6, shall be guilty of a misdemeanor and fined in a sum not to exceed \$500.00. A person commits a separate and distinct offense for each separate violation of a provision of this Chapter. A person commits a separate and distinct offense for each day during which a violation of this Chapter is committed, permitted, or continued. Evidence of a culpable mental state is not required to prove a criminal offense under this Subsection (B). It is hereby declared that, for all offenses prosecuted under this Subsection (B), the culpable mental state required by Section 6.02 of the Texas Penal Code is specifically negated and clearly dispensed with.

SECTION TWO. The provisions of this ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION THREE. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Midland hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FOUR. The penalty for violation of this ordinance shall be in accordance with the general penalty provisions contained in Section 1-3-1 of the City Code of Midland, Texas, which provides for a fine not exceeding two thousand dollars (\$2,000.00).

SECTION FIVE. This ordinance shall become effective on the 30th day after its final approval and adoption.

SECTION SIX. The City Secretary is hereby authorized and directed to publish the descriptive caption of this ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2025; and passed to second reading on motion of Council member _____, seconded by Council member _____, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, seconded by Council member _____, on the _____ day of _____, A.D., 2025, at a regular meeting of the City Council:

Council members voting "AYE":

Council members voting "NAY":

PASSED AND APPROVED THIS _____ day of _____, A.D., 2025.

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

APPROVED AS TO CONTENT
AND COMPLETENESS:

Jose Ortiz, Assistant City Manager

Elizabeth Triggs, Planning and Development Officer

APPROVED ONLY AS TO FORM:

Nicholas Toulet, Interim City Attorney



City Council Meeting

Item Number: 23
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Daniel Humbert, Senior Planner
Subject: AN ORDINANCE EXTENDING THE BOUNDARIES OF THE CITY OF MIDLAND, TEXAS, BY ADDING THERETO A CERTAIN AREA ADJOINING THE PRESENT CITY LIMITS, BEING A 15.6-ACRE TRACT OF LAND OUT OF SECTION 7, BLOCK 38, AND SECTION 12, BLOCK 39, T-2-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS (GENERALLY LOCATED ON THE WEST SIDE OF FARM-TO-MARKET ROAD 715, APPROXIMATELY 500 FEET NORTH OF EAST COUNTY ROAD 120); ORDERING PUBLICATION; AND ORDERING RECORDATION BY THE CITY SECRETARY (DISTRICT: NONE) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)

Purpose:

Midland County is requesting an annexation of a tract of land located in Section 12, Block 39, T-2-S, T&P RR. Co Survey, Midland County, Texas, for an extension of the City of Midland's water and sewer services for use at the new Midland County Sheriff's Office.

Recommended City Council Action:

Approve

Fiscal Impact:

No City funds are required to process this request.

Strategic Priority:

Quality of Life and Place

Discussion:

The property is currently in the process of being annexed into city limits. An annexation of the property will need to be approved first before the initial zoning can be approved. A petition for annexation has been submitted and a service agreement was executed between the City and the property owner on February 13, 2025.

The Tall City Tomorrow Comprehensive Plan has no designation for this area.

The initial zoning request is scheduled for the April 8, City Council meeting. The Planning and Zoning Commission deferred the initial zoning request on March 17, 2025. The request will go before the P&Z commission again on April 7, 2025.

This project has been circulated to all respective departments for internal review and received no objections.

Engineering: (Approved)

No objections. [For the Applicant's information only.]

Transportation: (Approved)

No objections. [For the Applicant's information only.]

Fire: (Approved)

No Objections.

Building Code: (Approved)

No Objection.

Oil and Gas: (Approved)

No Oil and Gas issues. Note as discussed in prior meetings, it appears this plat is annexing an oil well location (Pioneer-Satterfield A #5, tank battery near the east side and plugged and abandoned (P&A) well location-Satterfield #1). Will need to maintain 135 ft. radius around well, 150 ft. radius around tank battery, 330 ft. radius from flare, and no building permits will be allowed on top of P&A well bore. These identified radiuses are addressing no building permit inside these areas.

GIS: (Approved)

No comments

Planning: (Approved)

No Planning issues.

Letters of Objection:

As of April 2, staff has not received any objection letters.

Attachments:

Application
Service Agreement
Maps
PowerPoint Presentation



City Manager's Office

ORDINANCE NO. _____

AN ORDINANCE EXTENDING THE BOUNDARIES OF THE CITY OF MIDLAND, TEXAS, BY ADDING THERETO A CERTAIN AREA ADJOINING THE PRESENT CITY LIMITS, BEING A 15.6-ACRE TRACT OF LAND OUT OF SECTION 7, BLOCK 38, AND SECTION 12, BLOCK 39, T-2-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS (GENERALLY LOCATED ON THE WEST SIDE OF FARM-TO-MARKET ROAD 715, APPROXIMATELY 500 FEET NORTH OF EAST COUNTY ROAD 120); ORDERING PUBLICATION; AND ORDERING RECORDATION BY THE CITY SECRETARY

WHEREAS, a public hearing before the City Council of the City of Midland, Texas, a home rule municipal corporation, was held in the City Council Chamber on April 8, 2025, during which all interested persons were provided an opportunity to be heard on the proposed annexation of the hereinafter described territory; and

WHEREAS, notice of the public hearing was published on the City of Midland, Texas's Internet website on March 20, 2025, and the notice remained posted until the date of the public hearing; and

WHEREAS, notice of the public hearing was published in a newspaper having general circulation in the City of Midland, Texas, and in the below described territory, on March 21, 2025; and

WHEREAS, all required notices of the proposed annexation and the public hearing were given in accordance with applicable laws; and

WHEREAS, the City of Midland has entered into a written agreement with the owner(s) of the hereinafter described territory for the provision of services in said area;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That the following described property adjoining the present boundary lines of the City of Midland, Texas, be and the same is hereby annexed to and incorporated within the boundary of the City of Midland, Texas:

Being a 15.6-acre tract of land out of Section 7, Block 38, and Section 12, Block 39, T-2-S, T&P RR Co. Survey, Midland County, Texas, and being more fully described by metes and bounds in the petition for annexation attached hereto as Exhibit A and incorporated herein by reference for all legal

purposes. For the avoidance of doubt, the portion of Farm-to-Market Road 715 right-of-way described in Exhibit A is included in the aforementioned tract of land.

SECTION TWO. That this ordinance shall be published in the official newspaper in the City of Midland, Texas, and the same shall not be effective until after the publication thereof.

SECTION THREE. That the City Secretary is hereby authorized and directed to file a certified copy of this ordinance with the County Clerk of Midland County, Texas, for the purpose of recording in the Deed Records of Midland County, Texas.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2025; and passed to second reading on motion of Council member _____, seconded by Council member _____, by the following vote:

Council members voting “AYE”:

Council members voting “NAY”:

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, seconded by Council member _____, on the _____ day of _____, A.D., 2025, at a regular meeting of the City Council:

Council members voting “AYE”:

Council members voting “NAY”:

PASSED AND APPROVED THIS _____ day of _____, A.D., 2025.

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

APPROVED AS TO CONTENT
AND COMPLETENESS:

Elizabeth Triggs, Planning and Development Officer

APPROVED ONLY AS TO FORM:

Nicholas Toulet, Interim City Attorney

EXHIBIT A

PETITION FOR ANNEXATION

Dear City of Midland:

As current owner of the tract of land described in the attached Exhibit A, except for the FM 715 right-of-way described therein, Midland County, Texas submits this petition for annexation and hereby requests that land described in Exhibit A be added to and annexed to the City of Midland.

MIDLAND COUNTY, TEXAS

By: [Signature]
Signature of Owner or Authorized Representative

Terry Johnson
Printed Name

County Judge
Title

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 8 day of JANUARY, 2025, by TERRY JOHNSON in the capacity herein stated.

MY COMMISSION EXPIRES

10/21/2027

[Signature]
Notary Public, State of TEXAS



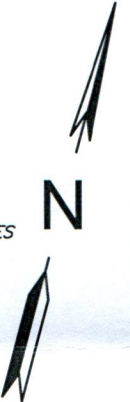
AN ANNEXATION TRACT IN SECTION 7, BLOCK 38, T-2-S & SECTION 12, BLOCK 39, T-2-S, T. & P. RR. CO. SURVEYS, MIDLAND COUNTY, TEXAS



SCALE: 1" = 600'

LEGEND:

- ANNEXATION TRACT LIMITS LINE
- TRACT ADJOINER/DEED/LOT LINES
- SECTION LINE
- RIGHT-OF-WAY LINE



SURVEYOR'S REPORT:

BEARINGS AND COORDINATES SHOWN HEREON ARE BASED ON THE TEXAS COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD83. DISTANCES REPORTED HEREON ARE AT SURFACE. AREAS REPORTED HEREON ARE BASED ON CALCULATIONS MADE AT SURFACE DISTANCES.

THIS SURVEY IS SUBJECT TO ANY FACTS WHICH MAY BE DISCLOSED BY A FULL AND ACCURATE TITLE SEARCH. RECORD DOCUMENTS OTHER THAN THOSE SHOWN MAY AFFECT THIS TRACT. MONUMENTS INDICATED AS FOUND BY THIS SURVEY ARE NOT "PHYSICAL MONUMENTS OF RECORD DIGNITY" UNLESS SO NOTED.

FOUND MONUMENTS ARE ACCEPTED BY THIS SURVEYOR AS CONTROLLING EVIDENCE DUE TO SUBSTANTIAL AGREEMENT WITH RECORD DOCUMENTS.

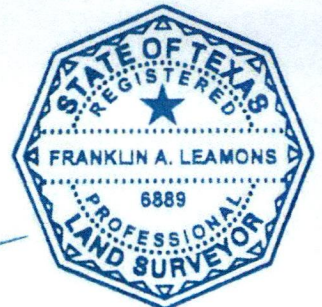
THIS PLAT IS INVALID UNLESS IT BEARS THE SURVEYOR'S ORIGINAL SEAL AND SIGNATURE.

A METES AND BOUNDS DESCRIPTION OF THIS TRACT IS INCLUDED ON A SEPARATE DOCUMENT ATTACHED HERewith.

THIS PLAT WAS PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY AND THE INFORMATION HEREON REPRESENTS THE FINDINGS OF THIS SURVEY TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SURVEYED: OCTOBER 11, 2023

SIGNED: FEBRUARY 29, 2024



Franklin Leamons

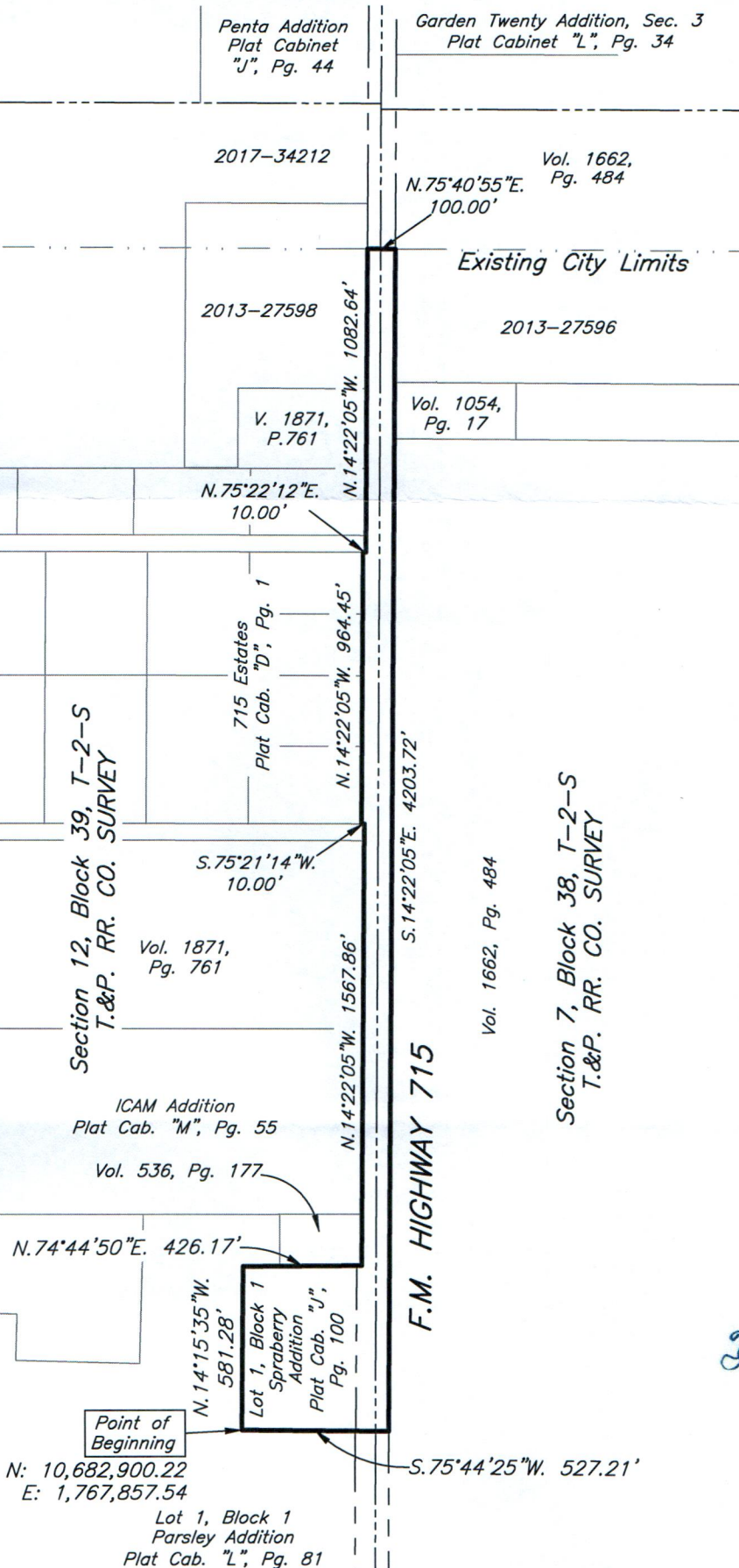
FRANKLIN LEAMONS
R.P.L.S. 6889

Parkhill

April 8, 2025

Parkhill.com

TBPELS FIRM REGISTRATION NO. 10194091



E. C. R. P. C. R. E. SEC 12 SWC 7

18.8

**EXHIBIT "A" TO
PETITION FOR ANNEXATION**

AN ANNEXATION TRACT IN SECTION 7, BLOCK 38, T-2-S & SECTION 12, BLOCK 39, T-2-S, T. & P. RR. CO. SURVEYS, MIDLAND COUNTY, TEXAS

A proposed annexation tract in Section 7, Block 38, T-2-S and Section 12, Block 39, T-2-S, T. & P. Railroad Company Surveys, Midland County, Texas, said proposed annexation tract being more particularly described as follows and as surveyed on-the-ground under the supervision of Parkhill on October 11, 2023:

BEGINNING at the southwest corner of Lot 1, Block 1, Spraberry Addition as shown on the plat recorded in Plat Cabinet "J", Page 100 of the Plat Records of Midland County, Texas and a corner of Lot 1, Block 1, Parsley Addition as shown on the plat recorded in Plat Cabinet "L", Page 81 of said Plat Records, said beginning point having coordinates of NORTHING: 10,682,900.22 and EASTING: 1,767,857.54, Texas State Plane Coordinate System, Central Zone 4203, North American Datum of 1983;

- (1) THENCE *North 14 degrees 15 minutes 35 seconds West*, along the west line of said Spraberry Addition and the east line of said Parsley Addition, a distance of 581.28 feet more or less to a point at the northwest corner of said Spraberry Addition and a corner of said Parsley Addition;
- (2) THENCE *North 74 degrees 44 minutes 50 seconds East*, along the north line of said Lot 1, Block 1, Spraberry Addition, a distance of 426.17 feet more or less to a point of intersection for a corner of this tract in the west right-of-way line of F.M. Highway 715, as described in right-of-way dedications recorded in Volume 97, Page 319, Volume 98, Page 132, Volume 97, Page 306 and Volume 95, Page 597 of the Deed Records of Midland County, Texas;
- (3) THENCE *North 14 degrees 22 minutes 05 seconds West*, along the west right-of-way line of said FM Highway 715, a distance of 1567.86 feet more or less to a point of intersection for a corner of this tract;
- (4) THENCE *South 75 degrees 21 minutes 14 seconds West* a distance of 10.00 feet more or less to a point of intersection in the west right-of-way line of said FM Highway 715, dedicated with the plat of 715 Estates, recorded in Plat Cabinet "D", Page 1 of the Plat Records of Midland County, Texas, for a corner of this tract;
- (5) THENCE *North 14 degrees 22 minutes 05 seconds West*, along the west right-of-way line of said FM Highway 715, a distance of 964.45 feet more or less to a point of intersection for a corner of this tract;
- (6) THENCE *North 75 degrees 22 minutes 12 seconds East* a distance of 10.00 feet more or less to a point of intersection for a corner of this tract;
- (7) THENCE *North 14 degrees 22 minutes 05 seconds West*, along the west right-of-way line of said FM Highway 715, a distance of 1082.64 feet more or less to the existing south line of the city limits of Midland, Texas, described in Ordinance 4262, for the most northerly northwest corner of this tract;
- (8) THENCE *North 75 degrees 40 minutes 55 seconds East*, along the existing south city limits line, a distance of 100.00 feet more or less to a point in the east right-of-way line of said FM Highway 715, for the northeast corner of this tract;
- (9) THENCE *South 14 degrees 22 minutes 05 seconds East*, along the east right-of-way line of said FM Highway 715, a distance of 4203.72 feet more or less to a point of intersection for the southeast corner of this tract;
- (10) THENCE *South 75 degrees 44 minutes 25 seconds West*, crossing said FM Highway 715 and continuing along the south line of said Spraberry Addition, a distance of 527.21 feet more or less to the **POINT OF BEGINNING** and as shown on certified plat herewith.

Note: Bearings and coordinates shown hereon are based on the Texas State Plane Coordinate System, Central Zone 4203, North American Datum of 1983. Distances reported hereon are at surface. Areas reported hereon are based on calculations made from surface distances.

Surveyed by



Franklin Leamons
Registered Professional Land Surveyor #6889
Date Signed: February 29, 2024





**Annexation/Initial Zoning
Application**

Project Number: _____

Case Number: _____

Applicant (if acting as Agent, see affidavit on page 2)

Printed Name: Terry Johnson, Midland County Judge

Phone 432-688-4312

Email
tjohnson@mcounty.com

Address

500 North Loraine, 11th Floor

City

Midland

State

Texas

Zip

79701

Property Owner

Printed Name: Midland County

Phone 432-688-4312

Email

Address

3314 FM 715

City

Midland

State

Texas

Zip

79706

Representative (if different from Applicant or Property Owner)

Firm: Midland County

Printed Name: Terry Johnson, Midland County Judge

Phone 432-688-4312

Email

aavis@mcounty.com

Address

500 North Loraine, 11th Floor

City

Midland

State

Texas

Zip

79701

Street Address: 3314 FM 715

Legal Description

Lot: 1

Block: 1

Subdivision: Sprayberry Addition

Current Zoning:

n/a

Proposed Zone: RR

(List by tracts if more than one district is requested)

Reason for Annexation/Zone Change Request: Extension of city services - sewer and water - for use at a county facility - Sheriffs Office

Present Use of Property: Industrial

Proposed Use of Property: Sheriffs Office

How would this annexation/zone change affect the public health, safety and welfare? n/a

Describe how this annexation/zone change will affect adjacent properties: n/a

Submittal and Fees

Items to be submitted with this application form:

- Application Fee – Payable to the 'City of Midland'
- Dimensioned Site Plan
- Digital Copies of Site Plan (PDF/JPEG)

PACKET

18.10

April 8, 2025

Signature (by property owner only – authorized agent must sign affidavit below)

Applicant (signature):

Date:

Applicant (printed): Terry Johnson, Midland County Judge

Property Owner (signature):

Date:

Property Owner (printed) : Midland County

The Annexation/Initial Zoning shall be considered officially received in the Planning office only when it has been submitted in full compliance with the provisions of Section 212 of the Texas Local Government Code and the Zoning Code of Ordinances of the City of Midland and when such required items for the application are also received.

All materials, including exhibits, submitted in support of an application, or displayed during a public hearing, shall remain the property of the City of Midland.

If an agent is authorized by the property owner to file and execute the application on behalf of the property owner, the agent must complete the affidavit below.

STATE OF TEXAS
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared _____ who, being by me duly sworn, upon oath says: That (s)he is authorized by _____, the owner of the above described property, to fully represent him/her in this application and that (s)he had the legal right, power and authority to sign said owner's name hereto as his/her attorney in fact.

Authorized Agent (signature)

Subscribed and sworn to before me, this _____ day of _____, 20____, to certify which witness my hand and seal of office.

NOTARY PUBLIC, MIDLAND COUNTY, TEXAS

FOR OFFICE USE ONLY☐ Property Owner Authorization☐ Metes and Bounds (Sealed by Surveyor)☐ Application Fee☐ Files in Digital Format (PDF/JPEG)

Check # _____

☐ Petition

Received By:

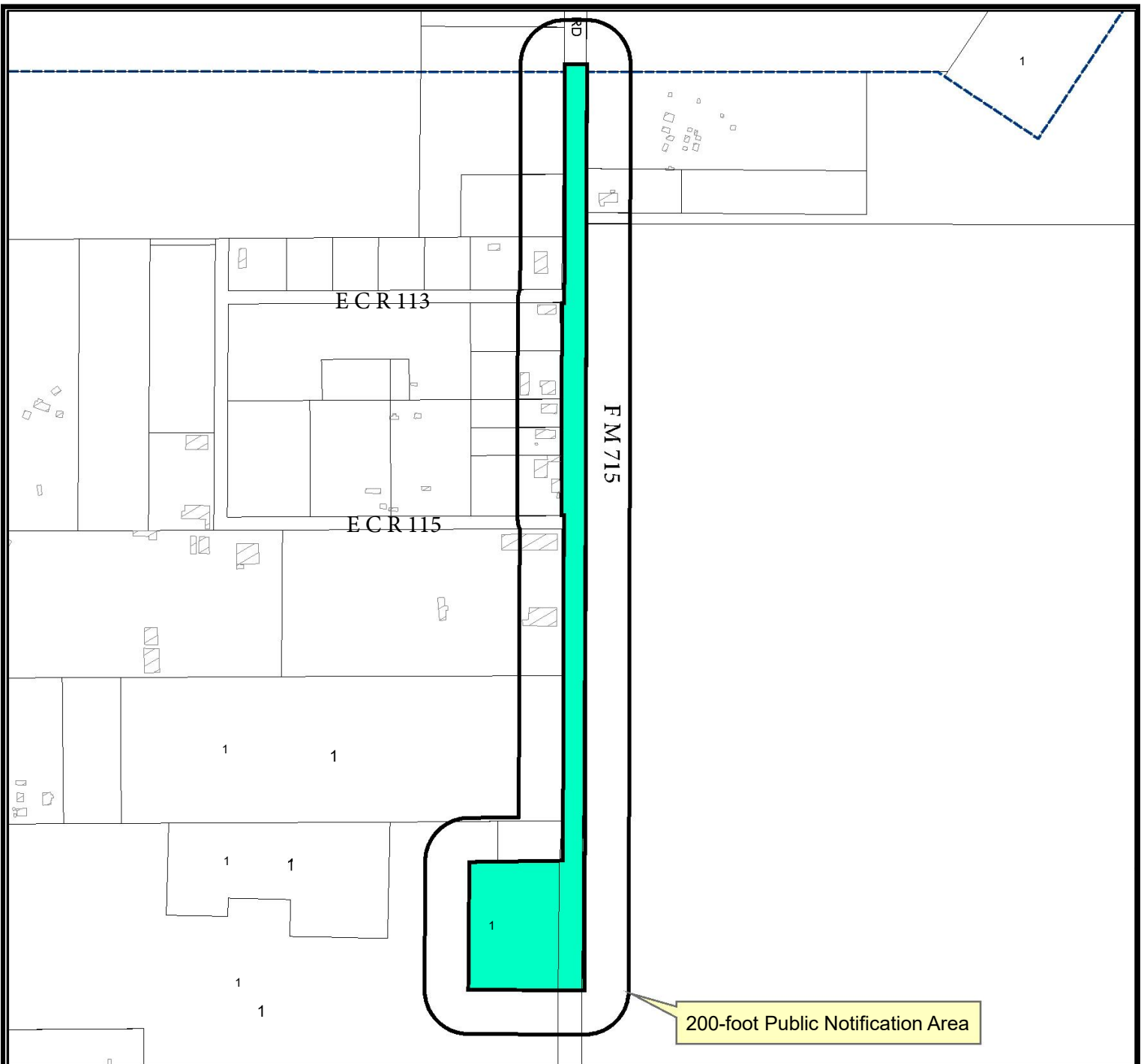
Date:

PACKET

18.11

April 8, 2025

****Application will not be considered for scheduling until reviewed by a planner.****



Location Map

A-23-0043

Scale: 1" = 653'

An ordinance on a request by Midland County, for an annexation of a 15.6-acre tract of land out of Section 7, Block 38, and Section 12, Block 39, T-2-S, T&P RR Co. Survey, Midland County, Texas.

Generally located on the west side of Farm-To-Market Road 715, approximately 500 feet north of East County Road 120. (ETJ)

LEGEND

- CITY LIMITS
- PARCEL
- PRIVATE BLDGS



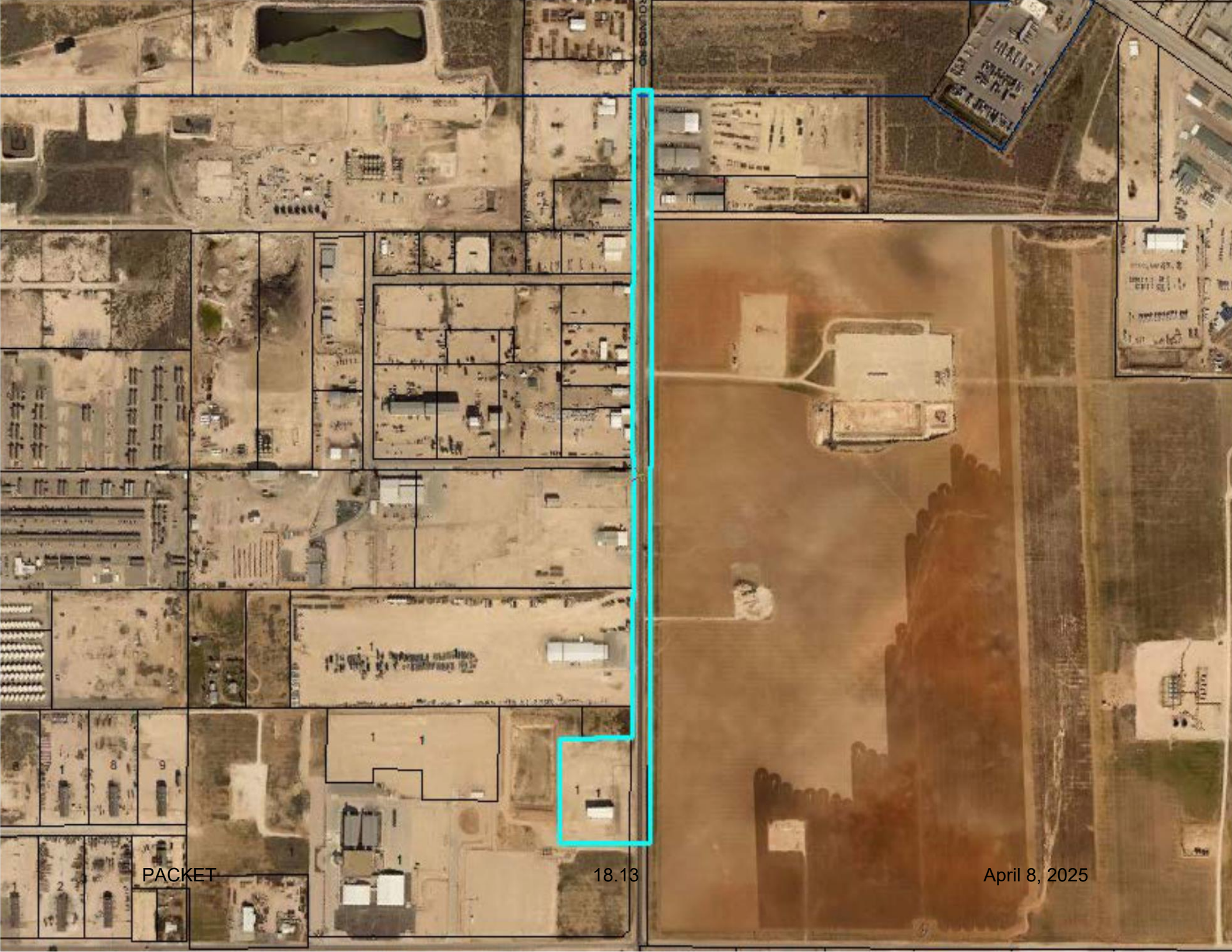
©THE CITY OF MIDLAND - 2021

THIS DATA IS NOT A SUBSTITUTION FOR A SURVEY OR ENGINEERING DRAWING. IT IS DESIGNED TO BE USED AS A TOOL IN PERMITTING OR OTHER DECISIONS BASED SOLELY ON THE INFORMATION CONTAINED HEREIN.

THE CITY OF MIDLAND SHALL NOT BE RESPONSIBLE FOR ANY DECISIONS BASED UPON THE USE OF THIS DATA.

April 8, 2025

18.12



PACKET

18.13

April 8, 2025



SERVICE AGREEMENT

THIS AGREEMENT is made and effective the 13 day of February, 2025, by and between the CITY OF MIDLAND, TEXAS, hereinafter called "CITY," and Midland County, hereinafter referred to as "PETITIONER," whether one or more.

WHEREAS, a petition for annexation of a tract of land out of Section 7, Block 38, and Section 12, Block 39, T-2-S, T&P RR Co. Survey, Midland County, Texas, said tract being more fully described by metes and bounds therein (the "Area"), has been submitted to CITY by PETITIONER, the owner(s) of the land located in the Area, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes; and

WHEREAS, before CITY annexes the Area, CITY and PETITIONER must enter into a written agreement for the provision of services in the Area in accordance with Section 43.0672 of the Local Government Code;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

ARTICLE I. PURPOSE

The purpose of this Agreement is (1) to list each service CITY will provide in the Area on the effective date of the annexation, (2) to establish a schedule that includes the period within which CITY will provide each service in the Area that is not provided on the effective date of the annexation, if any, and (3) to establish the duty of PETITIONER to pay fees similar to impact fees in the event that CITY has adopted, or adopts in the future, one or more ordinances establishing impact fees. PETITIONER understands and agrees that CITY is not required to provide a service that is not included in this Agreement. PETITIONER further understands and agrees that the execution of this Agreement does not constitute a promise by CITY to annex the Area and that this Agreement is not a permit for purposes of Chapter 245 of the Local Government Code.

ARTICLE II. TERM

The term of this Agreement shall be one year; provided, however, that if CITY annexes the Area within one year from the effective date, the term of this Agreement shall continue until such time when all services described in this Agreement are provided in the Area, and at such time, the Agreement shall terminate and shall be of no further force or effect except for those provisions that expressly survive

termination. If CITY does not annex the Area during the term of this Agreement, this Agreement shall terminate and shall be of no further force or effect, and CITY shall have no duty to provide services to the Area.

ARTICLE III. SERVICES TO BE PROVIDED UPON ANNEXATION

CITY will provide the following services in the Area on the date that the ordinance annexing the Area becomes effective:

- A. Engineering:** CITY's Engineering Services Department will maintain streets, drainage facilities, and rights-of-way in accordance with CITY policies, procedures, and ordinances and applicable laws. PETITIONER understands and agrees that PETITIONER may be required to construct public improvements, including but not limited to (i) roadways adjacent to property located in the Area upon platting and (ii) roadway connections to existing facilities in the Area upon issuance of building permits in accordance with applicable laws and ordinances. PETITIONER understands and agrees that the Area will be included in CITY's service area of CITY's drainage utility.
- B. Utilities:** CITY will provide water services and wastewater collection services, upon platting property in the Area, in accordance with the City Code at rates established by ordinances for such services; provided, however, that no such service shall be provided until the public improvements necessary therefor have been constructed and CITY has approved said improvements. PETITIONER understands and agrees that CITY may require PETITIONER to construct such public improvements in accordance with applicable laws and ordinances.
- C. Development:** CITY's Development Services Department will provide planning, land development, land use, building review and inspection, and code enforcement services in accordance with applicable laws, rules, regulations, and ordinances.
- D. Police:** CITY's Police Department will provide emergency and routine call response, traffic enforcement, and law enforcement services in the Area.
- E. Fire:** CITY's Fire Department will provide emergency service for fire protection services and emergency medical services.
- F. Community Services:** CITY's Community Services Department will provide access to services and programs that may be offered by the Health and Senior Services Division, services and programs that may be offered by Animal Services Division, and access to City-owned parks.
- G. Solid Waste:** CITY's Solid Waste Department will provide residential garbage pickup service only. PETITIONER understands and agrees that CITY will not provide garbage pickup services to new commercial developments.

Regarding the services described above, PETITIONER understands and agrees that CITY

will provide a level of services that is comparable to the level of services available in other parts of the City of Midland with topography, land use, and population density similar to those reasonably contemplated or projected for the Area. PETITIONER understands and acknowledges that any CITY departments or divisions identified above may change names or be reorganized. Any reference to a specific CITY department or division also includes any subsequent CITY department or division that will provide the same or similar services.

ARTICLE IV. INTENTIONALLY OMITTED

ARTICLE V. GOVERNMENTAL IMMUNITY

By executing this Agreement CITY is not waiving its right of governmental immunity. CITY is retaining its immunity from suit. CITY is not granting consent to be sued by legislative resolution or action.

THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

ARTICLE VI. RELEASE

NOTWITHSTANDING ANY OTHER PROVISIONS, PETITIONER HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES CITY, CITY'S EMPLOYEES AND OFFICERS, FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER WHICH PETITIONER HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO BREACH OF AGREEMENT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, CITY'S NEGLIGENCE, OR CLAIMS UNDER CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT CODE. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

ARTICLE VII. ATTORNEYS' FEES

In the event of any conflict between the parties hereto such that either party brings or commences any legal action or proceeding related to this Agreement, including but not limited to

any action pursuant to the provisions of the Texas Uniform Declaratory Judgments Act (Tex. Civ. Prac. & Rem. Code §37.001, et seq., as amended), the parties hereto agree to waive any and all rights to recovery of attorneys' fees to which the prevailing party might otherwise be entitled.

BY EXECUTING THIS AGREEMENT, THE PARTIES AGREE TO WAIVE AND DO HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM EITHER PARTY HAS OR MAY HAVE IN THE FUTURE AGAINST THE OTHER PARTY, SPECIFICALLY AND SOLELY REGARDING THE AWARD OF ATTORNEYS' FEES, WHICH ARE IN ANY WAY RELATED TO THE AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THE AGREEMENT. THE PARTIES SPECIFICALLY AGREE THAT IF A PARTY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET. SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, THE PARTY BRINGING THE ACTION AGREES TO ABANDON, WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEYS' FEES TO WHICH THE PARTY MIGHT OTHERWISE BE ENTITLED.

THE PARTIES AGREE THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT. EACH PARTY ACKNOWLEDGES THAT IT UNDERSTANDS ALL TERMS AND CONDITIONS OF THE AGREEMENT. THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN CITY AND PETITIONER. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF SOVEREIGN IMMUNITY.

THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE TERMINATION OF THIS AGREEMENT. PETITIONER AND CITY ARE RELYING ON THEIR OWN JUDGMENT. EACH PARTY HAD THE OPPORTUNITY TO DISCUSS THIS

AGREEMENT WITH LEGAL COUNSEL PRIOR TO ITS EXECUTION.

ARTICLE VIII. INDEMNIFICATION

PETITIONER SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND CITY AND ALL OF CITY'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEYS' FEES, THAT ARE RELATED IN ANY WAY TO ANY ACTION THAT CITY TAKES IN FURTHERANCE OF THE ANNEXATION OF THE AREA OR A CONTIGUOUS RIGHT-OF-WAY, INCLUDING BUT NOT LIMITED TO AN ACTION TAKEN BY CITY THAT IS ALLEGED TO HAVE BEEN TAKEN IN VIOLATION OF CHAPTER 43 OF THE LOCAL GOVERNMENT CODE OR ANY OTHER APPLICABLE LAW, RULE OR REGULATION. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

ARTICLE IX. GENERAL PROVISIONS

- A. Governing law and venue.** This Agreement shall be governed by the laws of the State of Texas. All performance made pursuant to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claims, suits or any other action arising from or connected in any way to this Agreement or the performance of this Agreement shall be in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas. This Agreement shall be governed by, interpreted, enforced and construed under the laws of the State of Texas. The laws of the State of Texas shall govern, construe and enforce all the rights and duties of the parties, including but not limited to tort claims and any and all contractual claims or disputes, arising from or relating in any way to the subject matter of this Agreement, without regard to conflict of laws and rules that would direct application of the laws of another jurisdiction.
- B. Notice.** Any notice or demand that shall be made regarding this Agreement, shall be made in writing and delivered either in person or by certified or registered mail. Notice by mail shall be complete upon deposit of the paper, postage prepaid, in a post office or official depository under the care and custody of the United States Postal Service addressed as follows:

If to CITY: City Manager's Office
 P.O. Box 1152
 Midland, Texas 79702

If to PETITIONER: Midland County
500 North Loraine,
Midland, Texas 79701

The parties hereto may change the above-designated addresses by giving notice pursuant to the terms of this Section.

- C. **Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, this invalidity, illegality, or unenforceability shall not affect any other provision of the Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained herein.
- D. **Use of language.** Words in the singular shall be held to include the plural, unless the context otherwise requires.
- E. **Amendments, modifications, alterations.** No amendment, modification, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties to this Agreement.
- F. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed as original, and all of which shall constitute one and the same instrument.
- G. **Notice of alleged breach; statutory prerequisites.** As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Agreement, PETITIONER or PETITIONER'S legal representative, shall give the City Manager, or any other reasonable official of CITY, notice in writing (consisting of one original and seven copies of notice attached to a copy of this Agreement) of such damages, duly verified, within one-hundred fifty (150) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which PETITIONER will settle, the physical and mailing addresses of PETITIONER at the time and date the claim was presented and the physical and mailing addresses of PETITIONER for the six months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom PETITIONER relies to establish its claim; and a failure to so notify the City Manager within the time and manner provided herein shall exonerate, excuse and except CITY from any liability whatsoever. CITY is under no obligation to provide notice to PETITIONER that PETITIONER'S notice is insufficient. CITY reserves the right to request reasonable additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements

pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision, PETITIONER'S failure to comply with the requirements herein shall perpetually bar PETITIONER'S claim for damages under Chapter 271 of the Texas Local Government Code and Section 311.034 of the Texas Government Code, regardless of whether CITY has actual or constructive notice or knowledge of said claim or alleged damages. **PETITIONER AGREES THAT THE REQUIREMENTS OF THIS ENTIRE AGREEMENT ARE REASONABLE.**

H. **Covenants run with the land.** The provisions of this Agreement are covenants that run with the land located in the Area. CITY and PETITIONER agree that this Agreement may be recorded in the deed records of the county in which the Area is located. CITY and PETITIONER acknowledge and agree that this Agreement is binding upon CITY and PETITIONER and their respective successors, executors, heirs, and assigns, as applicable.

I. The provisions of this Article shall survive termination of this Agreement.

[Signature pages follow]

EXECUTED the day and year first above mentioned.

THE CITY OF MIDLAND, TEXAS

By:

for *Tommy Gonzalez, ACM*
Tommy Gonzalez, City Manager

ATTEST

for *Marcia Bentley-German*
Marcia Bentley-German, City Secretary



APPROVED ONLY AS TO FORM

John Ohnemiller
John Ohnemiller, City Attorney

PETITIONER:

By: [Signature]

Name: TERRY JOHNSON

Title: COUNTY JUDGE

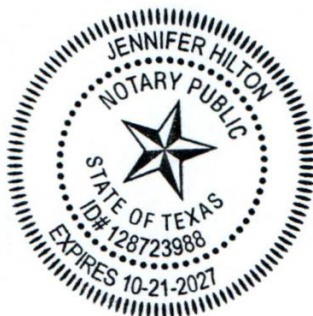
STATE OF TEXAS §

§

COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this 11 day of FEBRUARY, 2025, personally appeared TERRY JOHNSON, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that said person executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 11 day of FEBRUARY, 2025.



[Signature]

Notary Public, State of Texas

PETITION FOR ANNEXATION

Dear City of Midland:

As current owner of the tract of land described in the attached Exhibit A, except for the FM 715 right-of-way described therein, Midland County, Texas submits this petition for annexation and hereby requests that land described in Exhibit A be added to and annexed to the City of Midland.

MIDLAND COUNTY, TEXAS

By: [Signature]
Signature of Owner or Authorized Representative

Terry Johnson
Printed Name

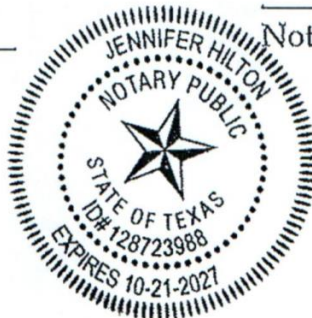
County Judge
Title

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

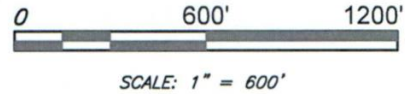
This instrument was acknowledged before me on the 8 day of JANUARY, 2025, by TERRY JOHNSON in the capacity herein stated.

MY COMMISSION EXPIRES
10/21/2027

[Signature]
Notary Public, State of TEXAS



AN ANNEXATION TRACT IN SECTION 7, BLOCK 38, T-2-S & SECTION 12, BLOCK 39, T-2-S, T. & P. RR. CO. SURVEYS, MIDLAND COUNTY, TEXAS



LEGEND:

- ANNEXATION TRACT LIMITS LINE
- TRACT ADJOINER/DEED/LOT LINES
- SECTION LINE
- RIGHT-OF-WAY LINE



SURVEYOR'S REPORT:

BEARINGS AND COORDINATES SHOWN HEREON ARE BASED ON THE TEXAS COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD83. DISTANCES REPORTED HEREON ARE AT SURFACE. AREAS REPORTED HEREON ARE BASED ON CALCULATIONS MADE AT SURFACE DISTANCES.

THIS SURVEY IS SUBJECT TO ANY FACTS WHICH MAY BE DISCLOSED BY A FULL AND ACCURATE TITLE SEARCH. RECORD DOCUMENTS OTHER THAN THOSE SHOWN MAY AFFECT THIS TRACT.

MONUMENTS INDICATED AS FOUND BY THIS SURVEY ARE NOT "PHYSICAL MONUMENTS OF RECORD DIGNITY" UNLESS SO NOTED.

FOUND MONUMENTS ARE ACCEPTED BY THIS SURVEYOR AS CONTROLLING EVIDENCE DUE TO SUBSTANTIAL AGREEMENT WITH RECORD DOCUMENTS.

THIS PLAT IS INVALID UNLESS IT BEARS THE SURVEYOR'S ORIGINAL SEAL AND SIGNATURE.

A METES AND BOUNDS DESCRIPTION OF THIS TRACT IS INCLUDED ON A SEPARATE DOCUMENT ATTACHED HERewith.

THIS PLAT WAS PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY AND THE INFORMATION HEREON REPRESENTS THE FINDINGS OF THIS SURVEY TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SURVEYED: OCTOBER 11, 2023

SIGNED: FEBRUARY 29, 2024



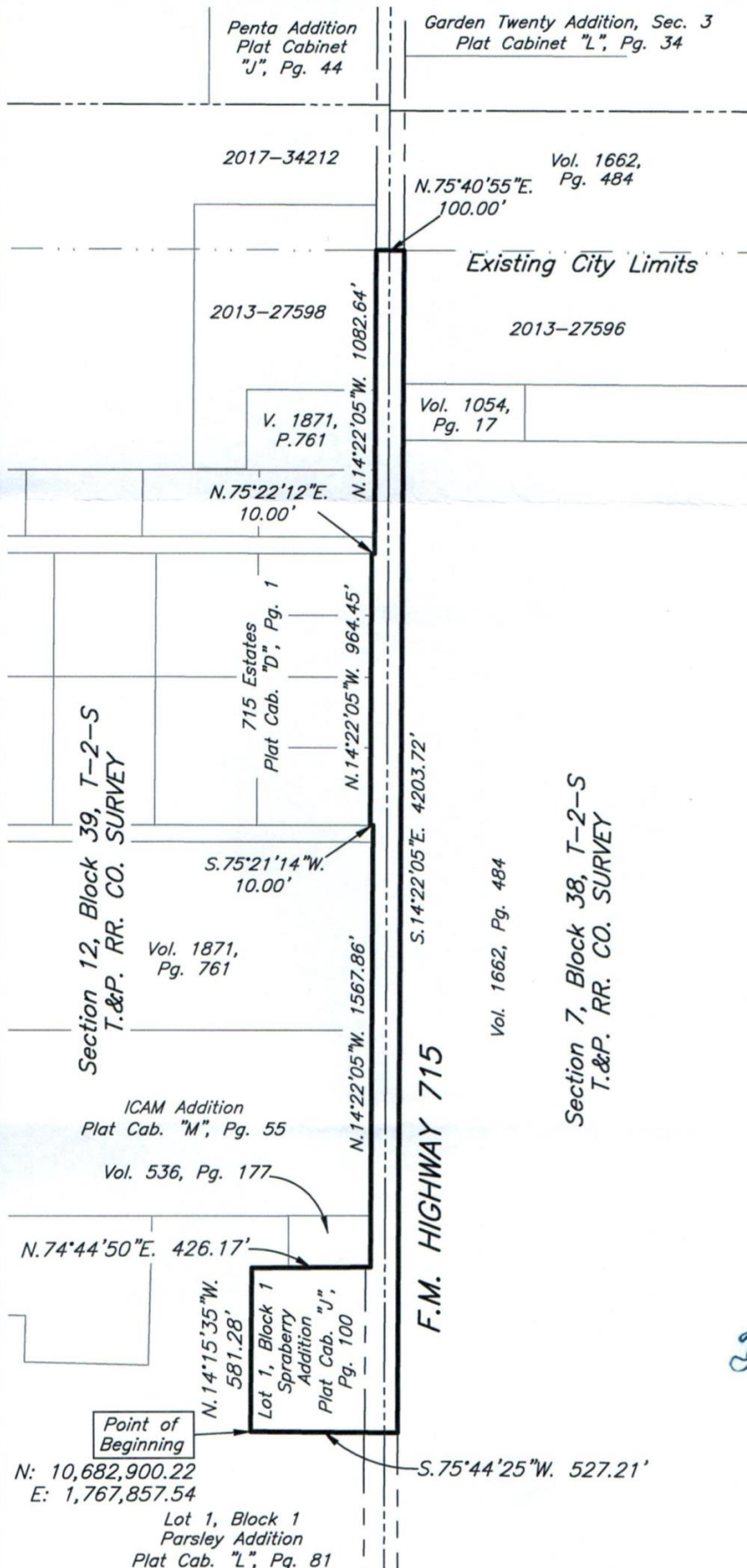
Franklin Leamons
FRANKLIN LEAMONS
R.P.L.S. 6889

Parkhill

April 8, 2025

Parkhill.com

TBPELS FIRM REGISTRATION NO. 10194091



E. C. R. P. C. K. E. SEC 12 SWC 7

18.25

**EXHIBIT "A" TO
PETITION FOR ANNEXATION**

**AN ANNEXATION TRACT IN
SECTION 7, BLOCK 38, T-2-S & SECTION 12, BLOCK 39, T-2-S,
T. & P. RR. CO. SURVEYS,
MIDLAND COUNTY, TEXAS**

A proposed annexation tract in Section 7, Block 38, T-2-S and Section 12, Block 39, T-2-S, T. & P. Railroad Company Surveys, Midland County, Texas, said proposed annexation tract being more particularly described as follows and as surveyed on-the-ground under the supervision of Parkhill on October 11, 2023:

BEGINNING at the southwest corner of Lot 1, Block 1, Spraberry Addition as shown on the plat recorded in Plat Cabinet "J", Page 100 of the Plat Records of Midland County, Texas and a corner of Lot 1, Block 1, Parsley Addition as shown on the plat recorded in Plat Cabinet "L", Page 81 of said Plat Records, said beginning point having coordinates of NORTHING: 10,682,900.22 and EASTING: 1,767,857.54, Texas State Plane Coordinate System, Central Zone 4203, North American Datum of 1983;

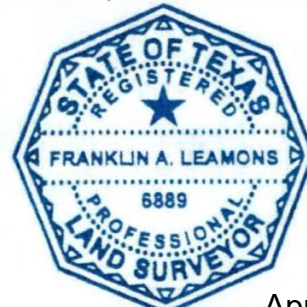
- (1) THENCE *North 14 degrees 15 minutes 35 seconds West*, along the west line of said Spraberry Addition and the east line of said Parsley Addition, a distance of 581.28 feet more or less to a point at the northwest corner of said Spraberry Addition and a corner of said Parsley Addition;
- (2) THENCE *North 74 degrees 44 minutes 50 seconds East*, along the north line of said Lot 1, Block 1, Spraberry Addition, a distance of 426.17 feet more or less to a point of intersection for a corner of this tract in the west right-of-way line of F.M. Highway 715, as described in right-of-way dedications recorded in Volume 97, Page 319, Volume 98, Page 132, Volume 97, Page 306 and Volume 95, Page 597 of the Deed Records of Midland County, Texas;
- (3) THENCE *North 14 degrees 22 minutes 05 seconds West*, along the west right-of-way line of said FM Highway 715, a distance of 1567.86 feet more or less to a point of intersection for a corner of this tract;
- (4) THENCE *South 75 degrees 21 minutes 14 seconds West* a distance of 10.00 feet more or less to a point of intersection in the west right-of-way line of said FM Highway 715, dedicated with the plat of 715 Estates, recorded in Plat Cabinet "D", Page 1 of the Plat Records of Midland County, Texas, for a corner of this tract;
- (5) THENCE *North 14 degrees 22 minutes 05 seconds West*, along the west right-of-way line of said FM Highway 715, a distance of 964.45 feet more or less to a point of intersection for a corner of this tract;
- (6) THENCE *North 75 degrees 22 minutes 12 seconds East* a distance of 10.00 feet more or less to a point of intersection for a corner of this tract;
- (7) THENCE *North 14 degrees 22 minutes 05 seconds West*, along the west right-of-way line of said FM Highway 715, a distance of 1082.64 feet more or less to the existing south line of the city limits of Midland, Texas, described in Ordinance 4262, for the most northerly northwest corner of this tract;
- (8) THENCE *North 75 degrees 40 minutes 55 seconds East*, along the existing south city limits line, a distance of 100.00 feet more or less to a point in the east right-of-way line of said FM Highway 715, for the northeast corner of this tract;
- (9) THENCE *South 14 degrees 22 minutes 05 seconds East*, along the east right-of-way line of said FM Highway 715, a distance of 4203.72 feet more or less to a point of intersection for the southeast corner of this tract;
- (10) THENCE *South 75 degrees 44 minutes 25 seconds West*, crossing said FM Highway 715 and continuing along the south line of said Spraberry Addition, a distance of 527.21 feet more or less to the **POINT OF BEGINNING** and as shown on certified plat herewith.

Note: Bearings and coordinates shown hereon are based on the Texas State Plane Coordinate System, Central Zone 4203, North American Datum of 1983. Distances reported hereon are at surface. Areas reported hereon are based on calculations made from surface distances.

Surveyed by

Franklin Leamons

Franklin Leamons
Registered Professional Land Surveyor #6889
Date Signed: February 29, 2024





VG-36-2025-3739

Midland County
Alison Haley
Midland County Clerk

Instrument Number: 3739

Real Property Recordings

Recorded On: February 14, 2025 08:54 AM

Number of Pages: 13

" Examined and Charged as Follows: "

Total Recording: \$69.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 3739
Receipt Number: 20250214000039
Recorded Date/Time: February 14, 2025 08:54 AM
User: Dyleana H
Station: cc10299

Record and Return To:

CITY OF MIDLAND
ATTN: RACHEL GUENTENSBERGER
P O BOX 1152
MIDLAND TX 79701



STATE OF TEXAS
Midland County

I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Records of Midland County, Texas

Alison Haley
Midland County Clerk
Midland County, TX

18.27

April 8, 2025



SHERIFF'S OFFICE ANNEXATION



Visit Our Website

MIDLANDTEXAS.GOV

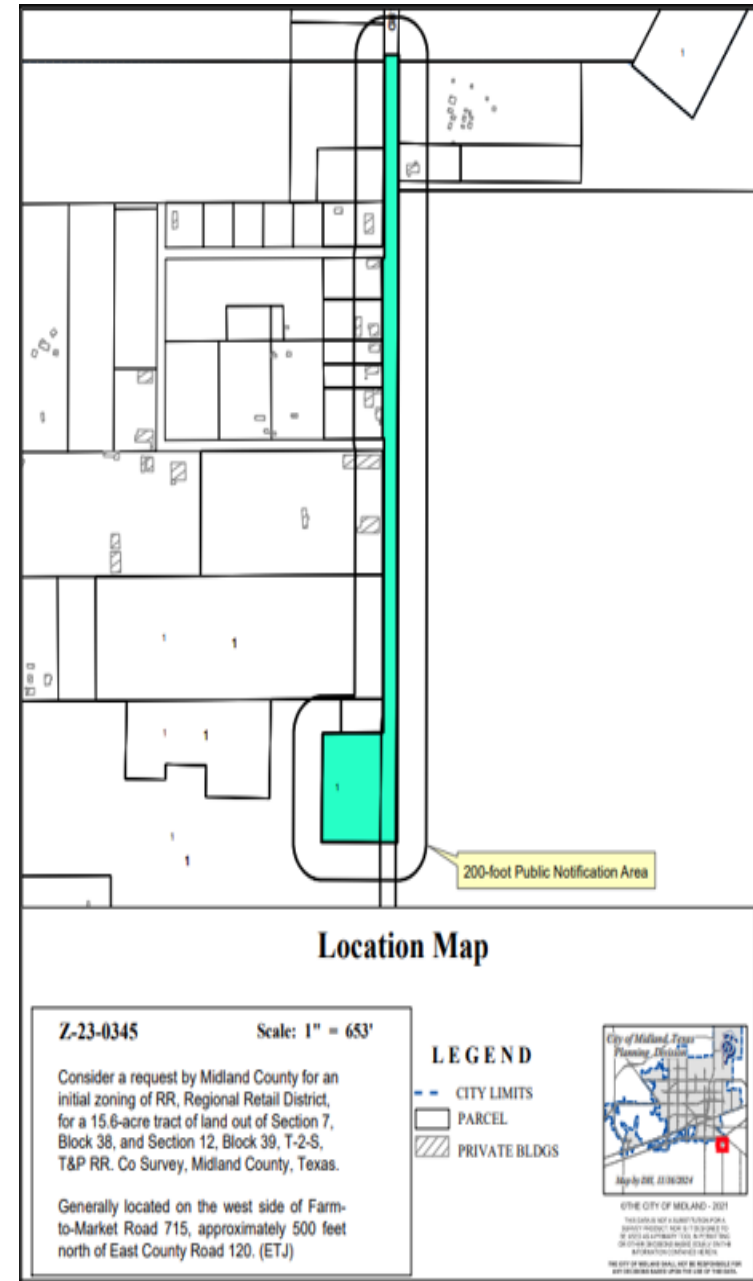
PACKET

18.28

April 8, 2025

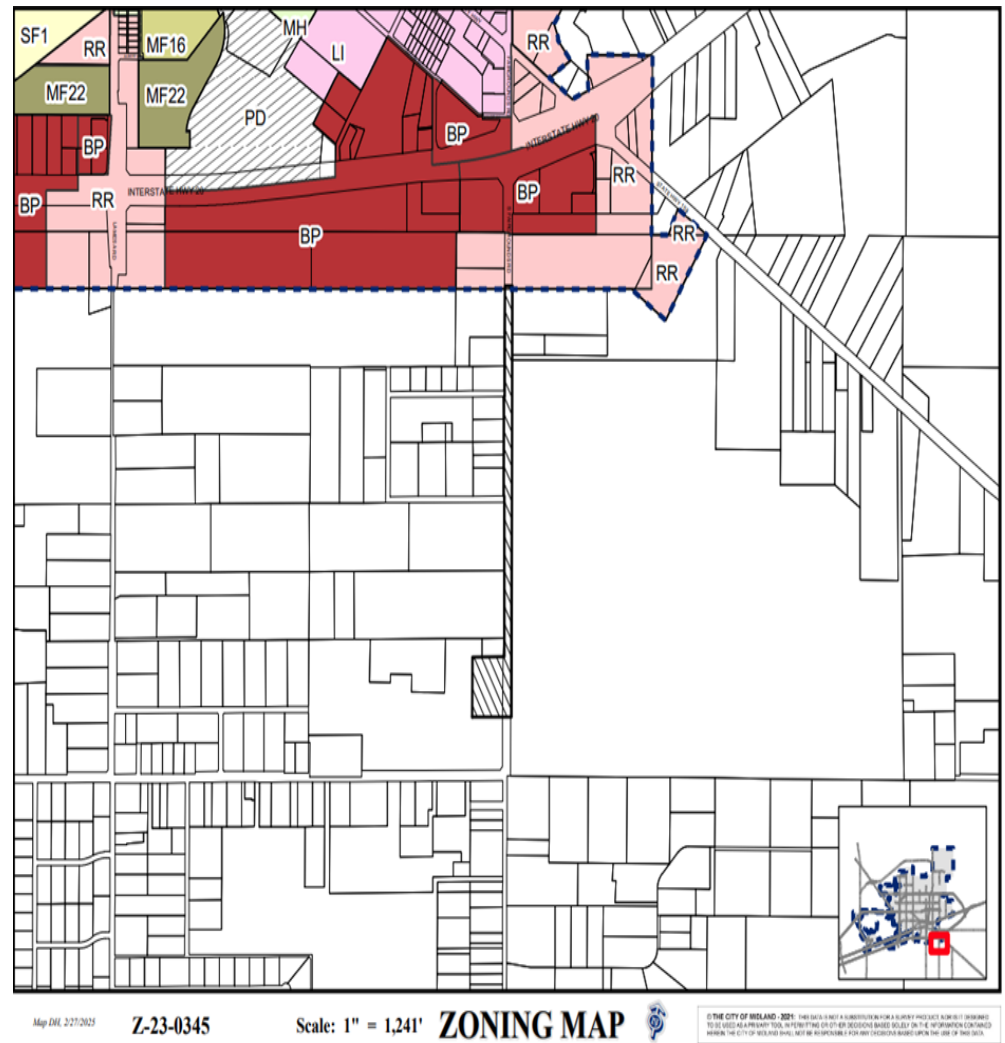
APPLICATION SUMMARY

- **Property Owner & Developer:** Midland County
- **Representative:** Terry Johnson, with Midland County
- **Application Type:** Annexation
- **Location:** Generally located on the west side of Farm-to-Market Road 715, approximately 500 feet north of East County Road 120 (ETJ)



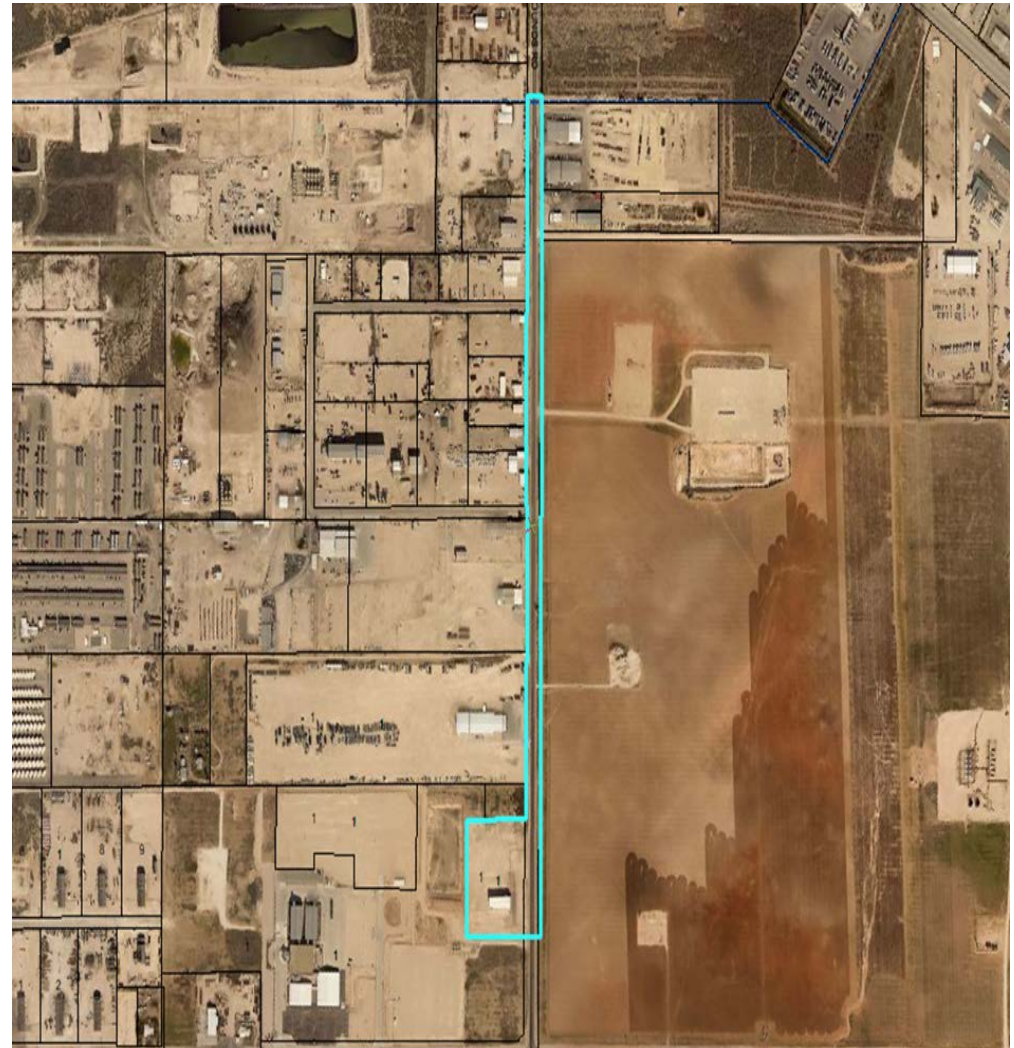
ZONING

- **Current Zoning:** None
- **Surrounding Zoning:**
 - **North:** RR, Regional Retail District
 - **South/East/West:** Extraterritorial Jurisdiction



LAND USE

- **Current Use:** Right-of-Way and industrial use
- **Surrounding Uses:**
 - **North:** Right-of-Way
 - **South/East/West:** Industrial uses





On Farm to-Market Road 715, Looking West

COMPREHENSIVE PLAN ANALYSIS

- **TCT Land Use Designation:**
 - No designation



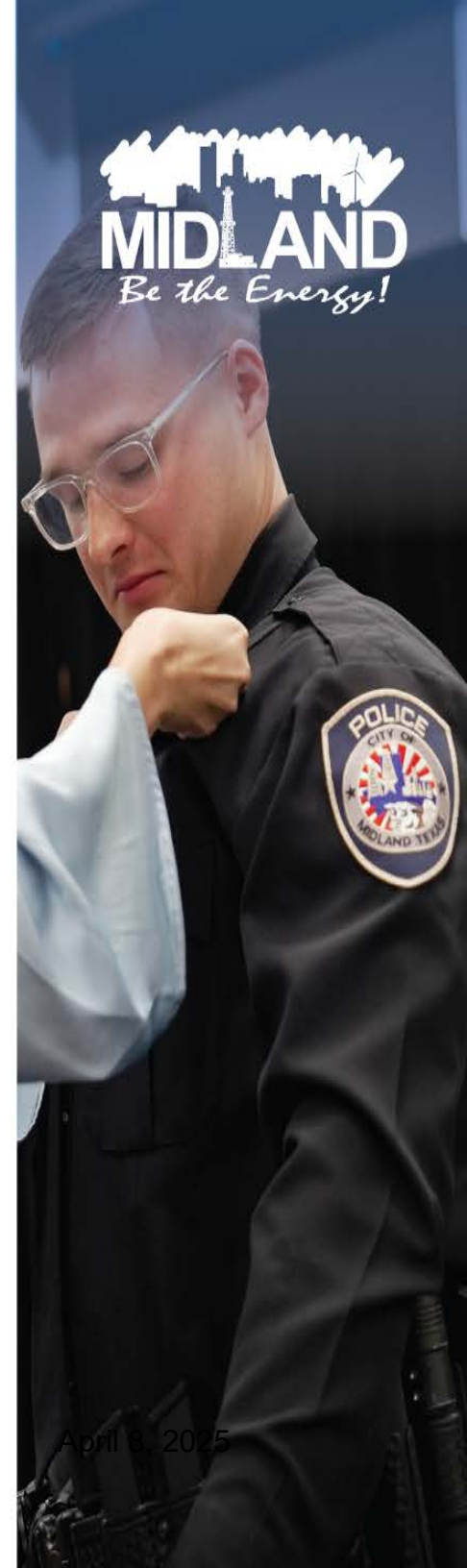
RELATED ITEMS

- The initial zoning was deferred by the Planning and Zoning Commission on March 17, 2025. It is scheduled for the April 7, 2025 P&Z meeting.
- The initial zoning request is scheduled for the April 8, 2025, City Council meeting.



STAFF RECOMMENDATION

- No objections received.
- Staff recommends APPROVAL of this request for annexation.



MISSION

Deliver exceptional services and promote a high quality of life and place for ALL our citizens.



City Council Meeting

Item Number: 19
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Daniel Humbert, Senior Planner
Subject: AN ORDINANCE ESTABLISHING THE INITIAL ZONING CLASSIFICATION OF THE AREA INDICATED AS BEING A 15.6-ACRE TRACT OF LAND OUT OF SECTION 7, BLOCK 38, AND SECTION 12, BLOCK 39, T-2-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS, AS AN RR, REGIONAL RETAIL DISTRICT; SAID TRACT BEING GENERALLY LOCATED ON THE WEST SIDE OF FARM-TO-MARKET ROAD 715, APPROXIMATELY 500 FEET NORTH OF EAST COUNTY ROAD 120; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION (DISTRICT: NONE) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)

Purpose:

Midland County is requesting an initial zoning of RR, Regional Retail District for a tract of land located in Section 7, Block 38, and Section 12, Block 39, T-2-S, T&P RR. Co Survey, Midland County, Texas, for an extension of the City of Midland's utilities for use at the Midland County Sheriff's Office.

Recommended City Council Action:

Approve

Fiscal Impact:

None.

Strategic Priority:

Quality of Life and Place

Discussion:**Surrounding Zoning and Land Use:**

Surrounding zoning includes RR, Regional Retail District, to the north and all adjacent property to the South, East and West are located in the City of Midland's Extraterritorial Jurisdiction and therefore have no zoning.

Surrounding land uses include industrial uses to the South, East and West and South Fairgrounds Road right-of-way to the north.

Analysis:

The property is currently in the process of being annexed into city limits. An annexation of the property will need to be approved first before the initial zoning can be approved.

The Tall City Tomorrow Comprehensive Plan has no designation for this area.

The associated annexation request is scheduled for the April 8, 2025, City Council meeting.

Fire: (Approved)

No objections.

Building Code: (Approved)

No issues. All future structures must adhere to the 2018 International Building Codes, the 2015 International Energy Code, the 2023 NEC requirements, the 2015 International Fire Codes, local city ordinances, zoning requirements, established setbacks, oil and gas considerations, and floodplain requirements if necessary. Code versions are subject to change depending on the time of new code editions adopted in the City of Midland and date of permit application.

Engineering: (Approved)

No objections. [For the Applicant's information only.]

Oil & Gas: (Approved)

No Oil & Gas well concern for Zoning. Informational: Future plats will need to identify any Oil or Gas wells and include 500 ft. radius for a city permitted well, 135 ft. radius for non-permitted well, 150 ft. radius around tank battery and 330 ft. radius from flare on plat. Please note if oil & gas wells are not identified or left off a plat, this could prevent receiving city permits for structures. Any plugged and abandoned (P&A) well would need to be identified with comments- No structure shall be built over an abandoned well.

Transportation: (Approved)

No objections. [For the Applicant's information only.]

Planning:

The Planning and Zoning Commission deferred this request on March 17, 2025. The Commission will see the request again on April 7.

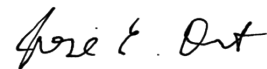
Staff recommends approval of this request.

Letters of Objection:

As of April 4, 2025, staff has not received any objection letters.

Attachments:

Service agreement
Application
Maps
PowerPoint



City Manager's Office

ORDINANCE NO. _____

AN ORDINANCE ESTABLISHING THE INITIAL ZONING CLASSIFICATION OF THE AREA INDICATED AS BEING A 15.6-ACRE TRACT OF LAND OUT OF SECTION 7, BLOCK 38, AND SECTION 12, BLOCK 39, T-2-S, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS, AS AN RR, REGIONAL RETAIL DISTRICT; SAID TRACT BEING GENERALLY LOCATED ON THE WEST SIDE OF FARM-TO-MARKET ROAD 715, APPROXIMATELY 500 FEET NORTH OF EAST COUNTY ROAD 120; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION

WHEREAS, notice has been given to all parties in interest and citizens by publication in the official newspaper and otherwise of a public hearing to be held before the City Council on April 8, 2025 (the “Hearing Date”), to consider an amendment to the Zoning District Map of the City of Midland, Texas, so as to establish the initial zoning classification of the property described in Section One hereof as an RR, Regional Retail District, as set out in Title XI, Chapter 1 of the City Code of Midland, Texas; and

WHEREAS, such a public hearing was held in the Council Chambers on the Hearing Date, as advertised; and

WHEREAS, after a full hearing, at which all parties in interest and citizens were given an opportunity to be heard; and after considering among other things, the character of the property involved and the surrounding area and its peculiar suitability for particular uses; and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such municipality, the Council finds it to be in the best interest of the health, safety, morals and general welfare of the City of Midland to amend the Zoning District Map accordingly;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That the initial zoning classification of the area indicated on Exhibit A, attached hereto and incorporated herein by reference, is hereby established as

an RR, Regional Retail District, and the Zoning District Map of the City of Midland, Texas, is hereby amended to reflect the establishment of this initial zoning classification.

SECTION TWO. The provisions of this ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION THREE. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The Council of the City of Midland hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FOUR. The penalty for violation of this ordinance shall be in accordance with the general penalty provisions contained in Section 1-3-1 of the City Code of Midland, Texas, which provides for a fine not exceeding two thousand dollars (\$2,000.00).

SECTION FIVE. The City Secretary is hereby authorized and directed to publish the descriptive caption of this ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2025; and passed to second reading on motion of Council member _____, seconded by Council member _____, by the following vote:

Council members voting “AYE”:

Council members voting “NAY”:

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, seconded by Council member _____, on the _____ day of _____, A.D., 2025, at a regular meeting of the City Council:

Council members voting "AYE":

Council members voting "NAY":

PASSED AND APPROVED THIS _____ day of _____, A.D., 2025.

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

APPROVED AS TO CONTENT
AND COMPLETENESS:

Elizabeth Triggs, Planning and Development Officer

APPROVED ONLY AS TO FORM:

Nicholas Toulet, Interim City Attorney

EXHIBIT A

PETITION FOR ANNEXATION

Dear City of Midland:

As current owner of the tract of land described in the attached Exhibit A, except for the FM 715 right-of-way described therein, Midland County, Texas submits this petition for annexation and hereby requests that land described in Exhibit A be added to and annexed to the City of Midland.

MIDLAND COUNTY, TEXAS

By: [Signature]
Signature of Owner or Authorized Representative

Terry Johnson
Printed Name

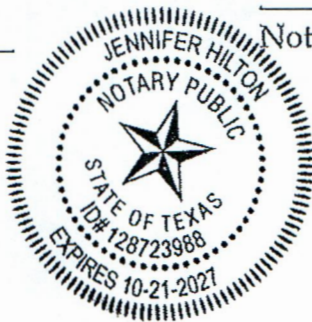
County Judge
Title

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 8 day of JANUARY, 2025, by TERRY JOHNSON in the capacity herein stated.

MY COMMISSION EXPIRES
10/21/2027

[Signature]
Notary Public, State of TEXAS



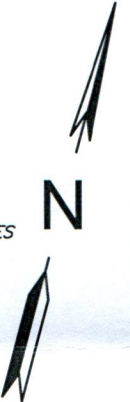
AN ANNEXATION TRACT IN SECTION 7, BLOCK 38, T-2-S & SECTION 12, BLOCK 39, T-2-S, T. & P. RR. CO. SURVEYS, MIDLAND COUNTY, TEXAS



SCALE: 1" = 600'

LEGEND:

- ANNEXATION TRACT LIMITS LINE
- TRACT ADJOINER/DEED/LOT LINES
- SECTION LINE
- RIGHT-OF-WAY LINE



SURVEYOR'S REPORT:

BEARINGS AND COORDINATES SHOWN HEREON ARE BASED ON THE TEXAS COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD83. DISTANCES REPORTED HEREON ARE AT SURFACE. AREAS REPORTED HEREON ARE BASED ON CALCULATIONS MADE AT SURFACE DISTANCES.

THIS SURVEY IS SUBJECT TO ANY FACTS WHICH MAY BE DISCLOSED BY A FULL AND ACCURATE TITLE SEARCH. RECORD DOCUMENTS OTHER THAN THOSE SHOWN MAY AFFECT THIS TRACT. MONUMENTS INDICATED AS FOUND BY THIS SURVEY ARE NOT "PHYSICAL MONUMENTS OF RECORD DIGNITY" UNLESS SO NOTED.

FOUND MONUMENTS ARE ACCEPTED BY THIS SURVEYOR AS CONTROLLING EVIDENCE DUE TO SUBSTANTIAL AGREEMENT WITH RECORD DOCUMENTS.

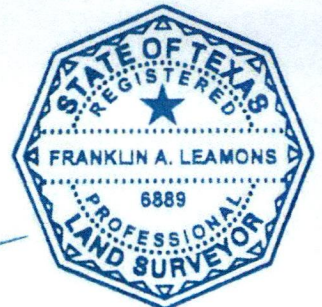
THIS PLAT IS INVALID UNLESS IT BEARS THE SURVEYOR'S ORIGINAL SEAL AND SIGNATURE.

A METES AND BOUNDS DESCRIPTION OF THIS TRACT IS INCLUDED ON A SEPARATE DOCUMENT ATTACHED HERewith.

THIS PLAT WAS PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY AND THE INFORMATION HEREON REPRESENTS THE FINDINGS OF THIS SURVEY TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SURVEYED: OCTOBER 11, 2023

SIGNED: FEBRUARY 29, 2024



Franklin Leamons

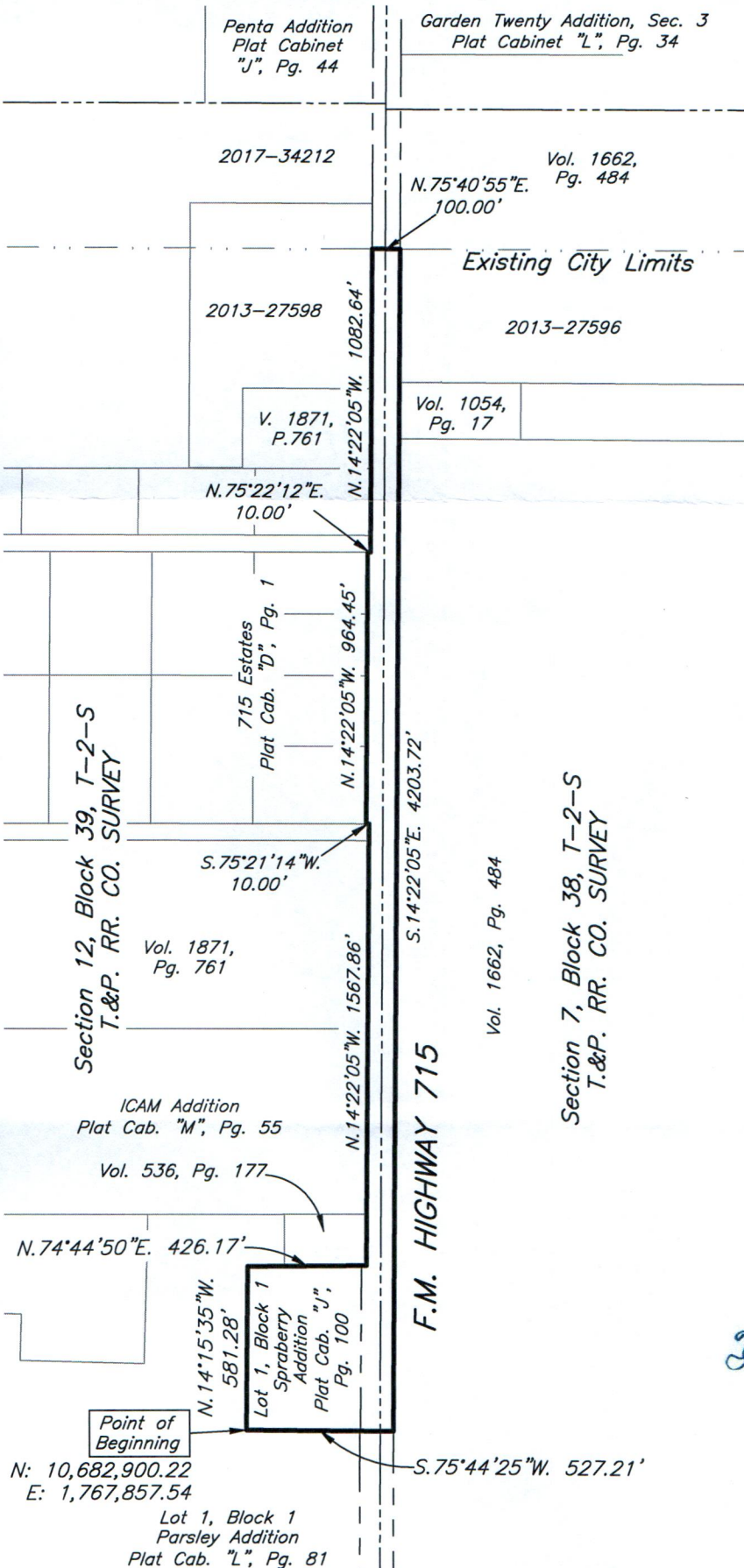
FRANKLIN LEAMONS
R.P.L.S. 6889

Parkhill

April 8, 2025

Parkhill.com

TBPELS FIRM REGISTRATION NO. 10194091



E. C. R. PACKE SEC 12 SWC 7

19.8

**EXHIBIT "A" TO
PETITION FOR ANNEXATION**

AN ANNEXATION TRACT IN SECTION 7, BLOCK 38, T-2-S & SECTION 12, BLOCK 39, T-2-S, T. & P. RR. CO. SURVEYS, MIDLAND COUNTY, TEXAS

A proposed annexation tract in Section 7, Block 38, T-2-S and Section 12, Block 39, T-2-S, T. & P. Railroad Company Surveys, Midland County, Texas, said proposed annexation tract being more particularly described as follows and as surveyed on-the-ground under the supervision of Parkhill on October 11, 2023:

BEGINNING at the southwest corner of Lot 1, Block 1, Spraberry Addition as shown on the plat recorded in Plat Cabinet "J", Page 100 of the Plat Records of Midland County, Texas and a corner of Lot 1, Block 1, Parsley Addition as shown on the plat recorded in Plat Cabinet "L", Page 81 of said Plat Records, said beginning point having coordinates of NORTHING: 10,682,900.22 and EASTING: 1,767,857.54, Texas State Plane Coordinate System, Central Zone 4203, North American Datum of 1983;

- (1) THENCE *North 14 degrees 15 minutes 35 seconds West*, along the west line of said Spraberry Addition and the east line of said Parsley Addition, a distance of 581.28 feet more or less to a point at the northwest corner of said Spraberry Addition and a corner of said Parsley Addition;
- (2) THENCE *North 74 degrees 44 minutes 50 seconds East*, along the north line of said Lot 1, Block 1, Spraberry Addition, a distance of 426.17 feet more or less to a point of intersection for a corner of this tract in the west right-of-way line of F.M. Highway 715, as described in right-of-way dedications recorded in Volume 97, Page 319, Volume 98, Page 132, Volume 97, Page 306 and Volume 95, Page 597 of the Deed Records of Midland County, Texas;
- (3) THENCE *North 14 degrees 22 minutes 05 seconds West*, along the west right-of-way line of said FM Highway 715, a distance of 1567.86 feet more or less to a point of intersection for a corner of this tract;
- (4) THENCE *South 75 degrees 21 minutes 14 seconds West* a distance of 10.00 feet more or less to a point of intersection in the west right-of-way line of said FM Highway 715, dedicated with the plat of 715 Estates, recorded in Plat Cabinet "D", Page 1 of the Plat Records of Midland County, Texas, for a corner of this tract;
- (5) THENCE *North 14 degrees 22 minutes 05 seconds West*, along the west right-of-way line of said FM Highway 715, a distance of 964.45 feet more or less to a point of intersection for a corner of this tract;
- (6) THENCE *North 75 degrees 22 minutes 12 seconds East* a distance of 10.00 feet more or less to a point of intersection for a corner of this tract;
- (7) THENCE *North 14 degrees 22 minutes 05 seconds West*, along the west right-of-way line of said FM Highway 715, a distance of 1082.64 feet more or less to the existing south line of the city limits of Midland, Texas, described in Ordinance 4262, for the most northerly northwest corner of this tract;
- (8) THENCE *North 75 degrees 40 minutes 55 seconds East*, along the existing south city limits line, a distance of 100.00 feet more or less to a point in the east right-of-way line of said FM Highway 715, for the northeast corner of this tract;
- (9) THENCE *South 14 degrees 22 minutes 05 seconds East*, along the east right-of-way line of said FM Highway 715, a distance of 4203.72 feet more or less to a point of intersection for the southeast corner of this tract;
- (10) THENCE *South 75 degrees 44 minutes 25 seconds West*, crossing said FM Highway 715 and continuing along the south line of said Spraberry Addition, a distance of 527.21 feet more or less to the **POINT OF BEGINNING** and as shown on certified plat herewith.

Note: Bearings and coordinates shown hereon are based on the Texas State Plane Coordinate System, Central Zone 4203, North American Datum of 1983. Distances reported hereon are at surface. Areas reported hereon are based on calculations made from surface distances.

Surveyed by



Franklin Leamons
Registered Professional Land Surveyor #6889
Date Signed: February 29, 2024





**Annexation/Initial Zoning
Application**

Project Number: _____

Case Number: _____

Applicant (if acting as Agent, see affidavit on page 2)

Printed Name: Terry Johnson, Midland County Judge

Phone 432-688-4312

Email
tjohnson@mcounty.com

Address

500 North Loraine, 11th Floor

City

Midland

State

Texas

Zip

79701

Property Owner

Printed Name: Midland County

Phone 432-688-4312

Email

Address

3314 FM 715

City

Midland

State

Texas

Zip

79706

Representative (if different from Applicant or Property Owner)

Firm: Midland County

Printed Name: Terry Johnson, Midland County Judge

Phone 432-688-4312

Email

aavis@mcounty.com

Address

500 North Loraine, 11th Floor

City

Midland

State

Texas

Zip

79701

Street Address: 3314 FM 715

Legal Description

Lot: 1

Block: 1

Subdivision: Sprayberry Addition

Current Zoning:

n/a

Proposed Zone: RR

(List by tracts if more than one district is requested)

Reason for Annexation/Zone Change Request: Extension of city services - sewer and water - for use at a county facility - Sheriffs Office

Present Use of Property: Industrial

Proposed Use of Property: Sheriffs Office

How would this annexation/zone change affect the public health, safety and welfare? n/a

Describe how this annexation/zone change will affect adjacent properties: n/a

Submittal and Fees

Items to be submitted with this application form:

- Application Fee – Payable to the 'City of Midland'
- Dimensioned Site Plan
- Digital Copies of Site Plan (PDF/JPEG)

PACKET

19.10

April 8, 2025

Signature (by property owner only – authorized agent must sign affidavit below)

Applicant (signature):

Date:

Applicant (printed): Terry Johnson, Midland County Judge

Property Owner (signature):

Date:

Property Owner (printed) : Midland County

The Annexation/Initial Zoning shall be considered officially received in the Planning office only when it has been submitted in full compliance with the provisions of Section 212 of the Texas Local Government Code and the Zoning Code of Ordinances of the City of Midland and when such required items for the application are also received.

All materials, including exhibits, submitted in support of an application, or displayed during a public hearing, shall remain the property of the City of Midland.

If an agent is authorized by the property owner to file and execute the application on behalf of the property owner, the agent must complete the affidavit below.

STATE OF TEXAS
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared _____ who, being by me duly sworn, upon oath says: That (s)he is authorized by _____, the owner of the above described property, to fully represent him/her in this application and that (s)he had the legal right, power and authority to sign said owner's name hereto as his/her attorney in fact.

Authorized Agent (signature)

Subscribed and sworn to before me, this _____ day of _____, 20____, to certify which witness my hand and seal of office.

NOTARY PUBLIC, MIDLAND COUNTY, TEXAS

FOR OFFICE USE ONLY☐ Property Owner Authorization☐ Metes and Bounds (Sealed by Surveyor)☐ Application Fee☐ Files in Digital Format (PDF/JPEG)

Check # _____

☐ Petition

Received By:

Date:

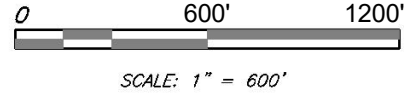
PACKET

19.12

April 8, 2025

****Application will not be considered for scheduling until reviewed by a planner.****

**AN ANNEXATION TRACT IN
SECTION 7, BLOCK 38, T-2-S &
SECTION 12, BLOCK 39, T-2-S,
T. & P. RR. CO. SURVEYS,
MIDLAND COUNTY, TEXAS**



LEGEND:

- ANNEXATION TRACT LIMITS LINE
- TRACT ADJOINER/DEED/LOT LINES
- SECTION LINE
- RIGHT-OF-WAY LINE



SURVEYOR'S REPORT:

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SURVEYED: OCTOBER 11, 2023

SIGNED: FEBRUARY 29, 2024



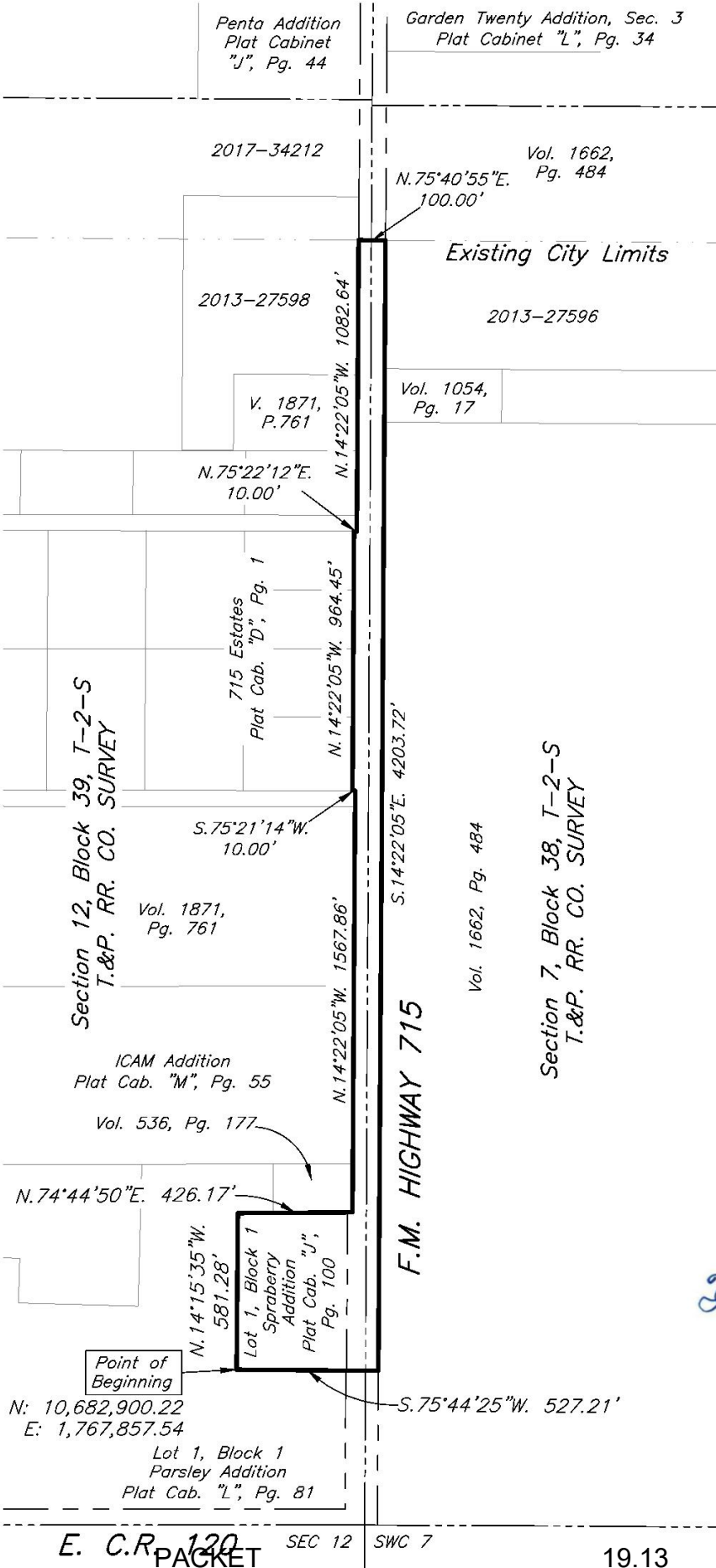
Franklin Leamons

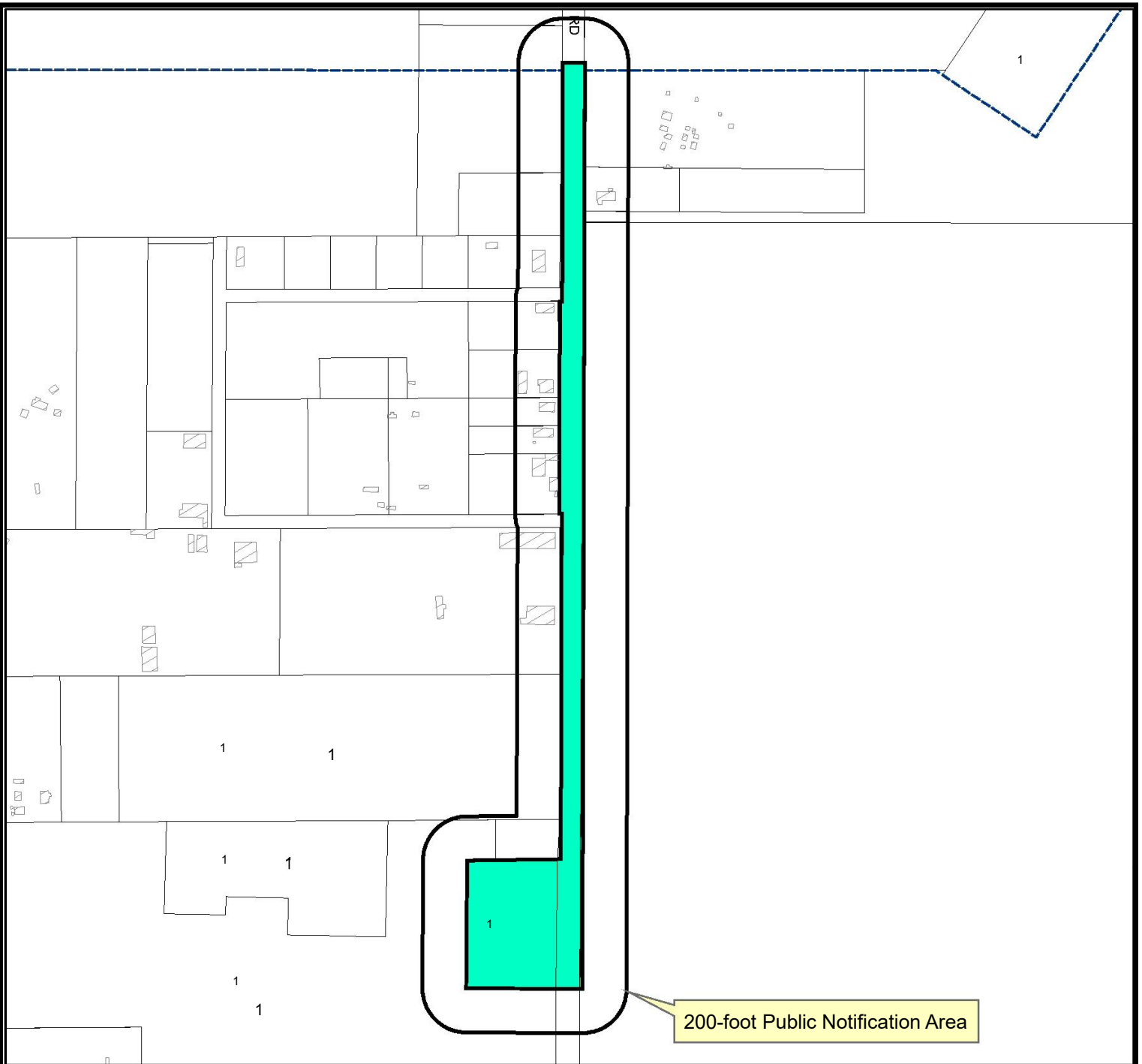
FRANKLIN LEAMONS
R.P.L.S. 6889

Parkhill

April 8, 2025 www.parkhill.com

TBPELS FIRM REGISTRATION NO. 10194091





Location Map

Z-23-0345

Scale: 1" = 653'

Consider a request by Midland County for an initial zoning of RR, Regional Retail District, for a 15.6-acre tract of land out of Section 7, Block 38, and Section 12, Block 39, T-2-S, T&P RR. Co Survey, Midland County, Texas.

Generally located on the west side of Farm-to-Market Road 715, approximately 500 feet north of East County Road 120. (ETJ)

LEGEND

- CITY LIMITS
- PARCEL
- PRIVATE BLDGS



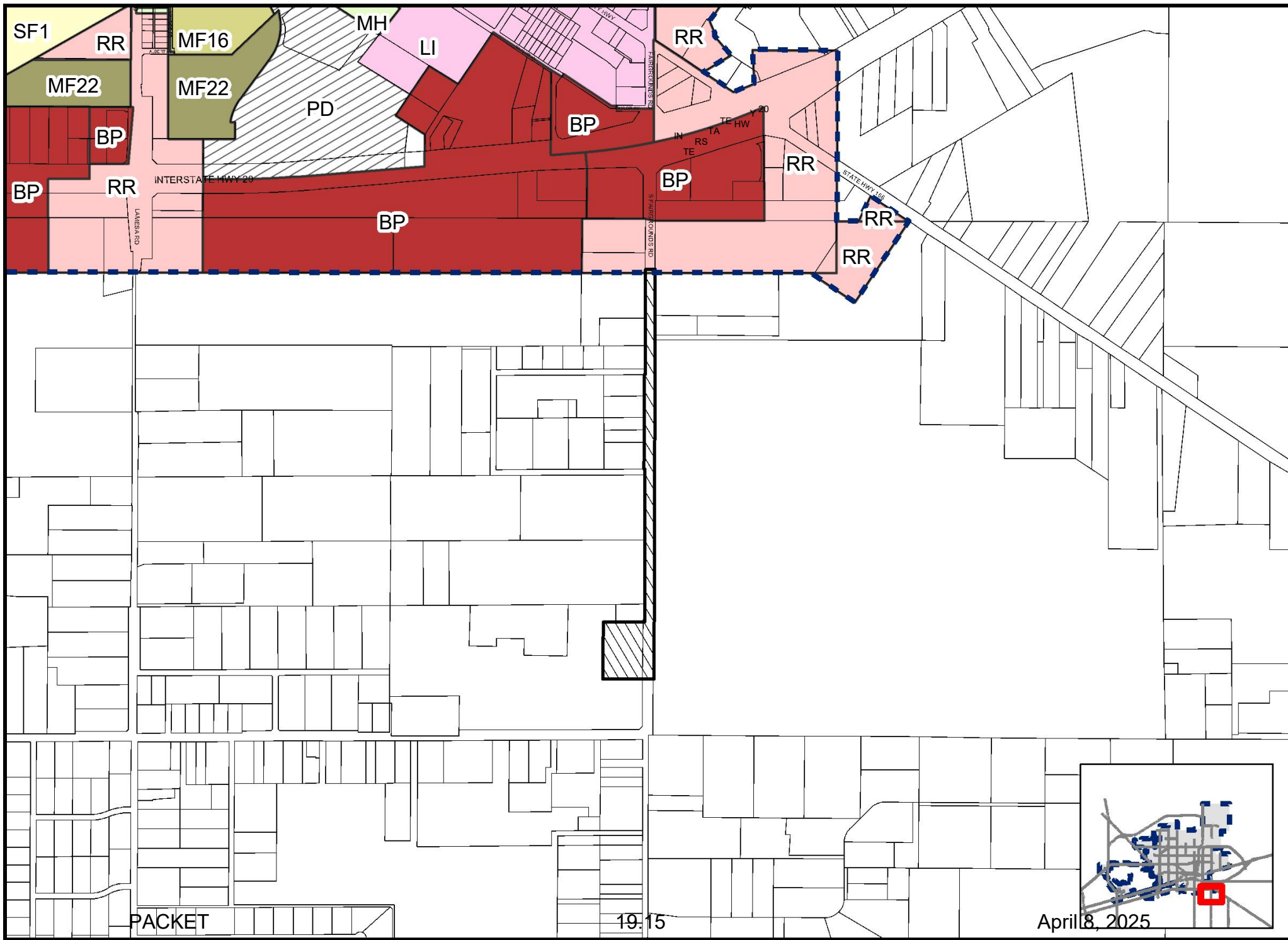
©THE CITY OF MIDLAND - 2021

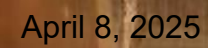
THIS DATA IS NOT A SUBSTITUTION FOR A SURVEY OR FOR A PROFESSIONAL ENGINEER'S DESIGN OR IT IS DESIGNED TO BE USED AS A TOOL IN PERMITTING OR OTHER DECISIONS BASED SOLELY ON THE INFORMATION CONTAINED HEREIN.

THE CITY OF MIDLAND SHALL NOT BE RESPONSIBLE FOR ANY DECISIONS BASED UPON THE USE OF THIS DATA.

April 8, 2025

19.14









SHERIFF'S OFFICE

INITIAL ZONING



Visit Our Website

MIDLANDTEXAS.GOV

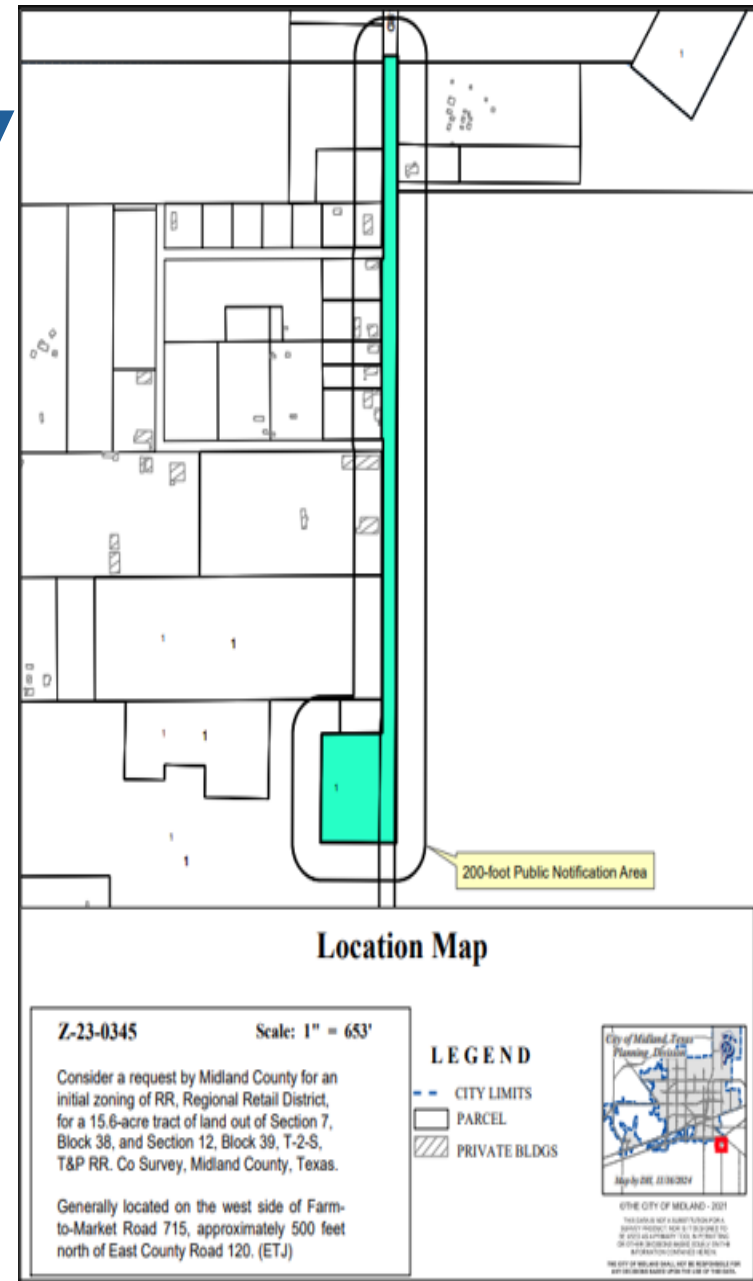
PACKET

19.18

April 8, 2025

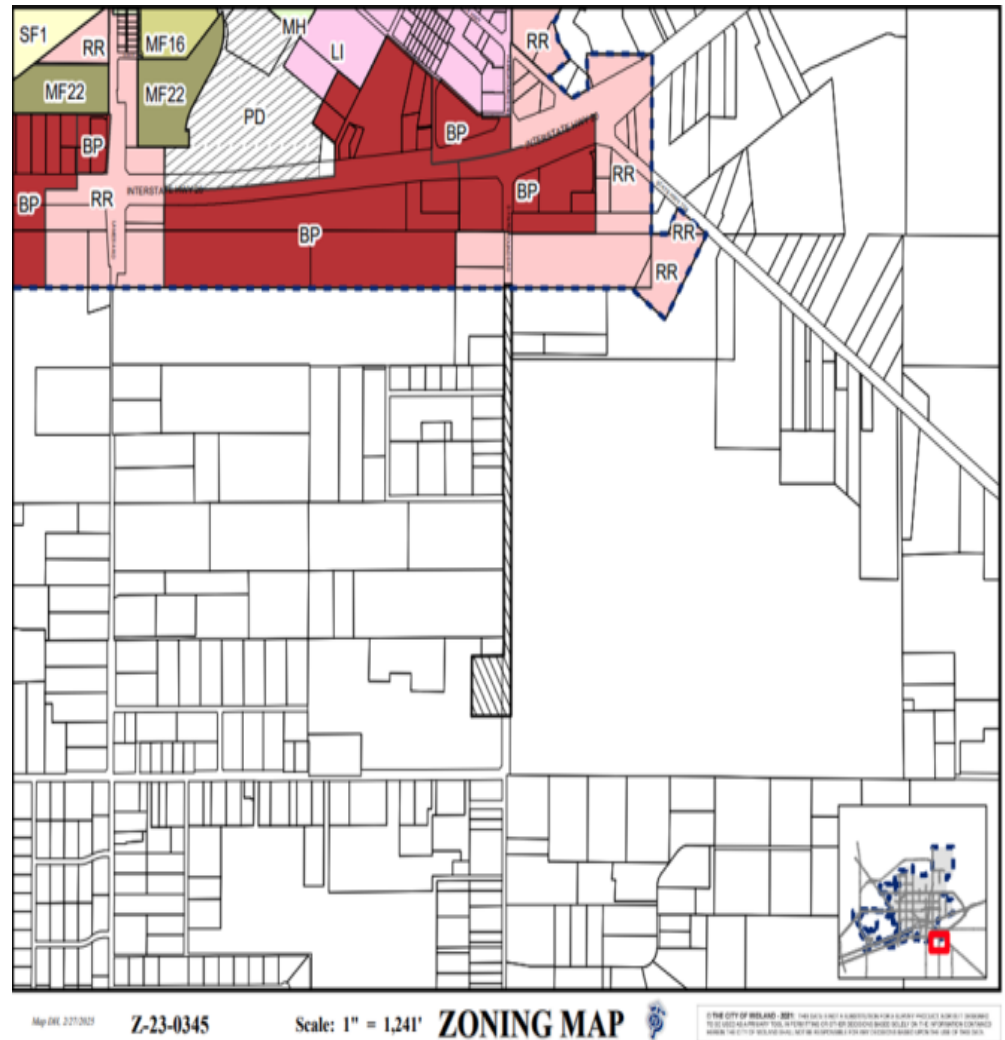
APPLICATION SUMMARY

- **Property Owner & Developer:** Midland County
- **Representative:** Terry Johnson, with Midland County
- **Application Type:** Initial Zoning
- **Location:** Generally located on the west side of Farm-to-Market Road 715, approximately 500 feet north of East County Road 120 (ETJ)



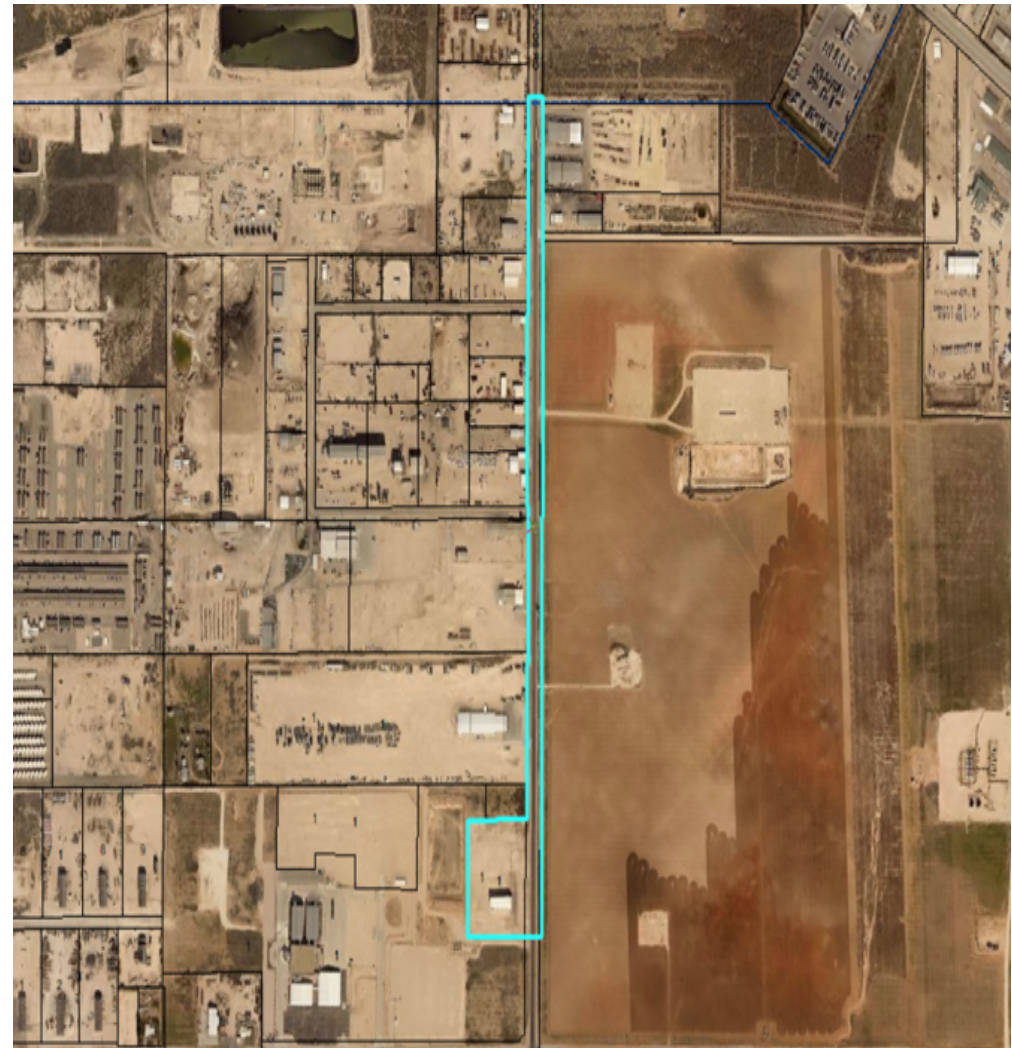
ZONING

- **Current Zoning:** None
- **Surrounding Zoning:**
 - **North:** RR, Regional Retail District
 - **South/East/West:** Extraterritorial Jurisdiction



LAND USE

- **Current Use:** Right-of-Way and industrial use
- **Surrounding Uses:**
 - **North:** Right-of-Way
 - **South/East/West:** Industrial uses

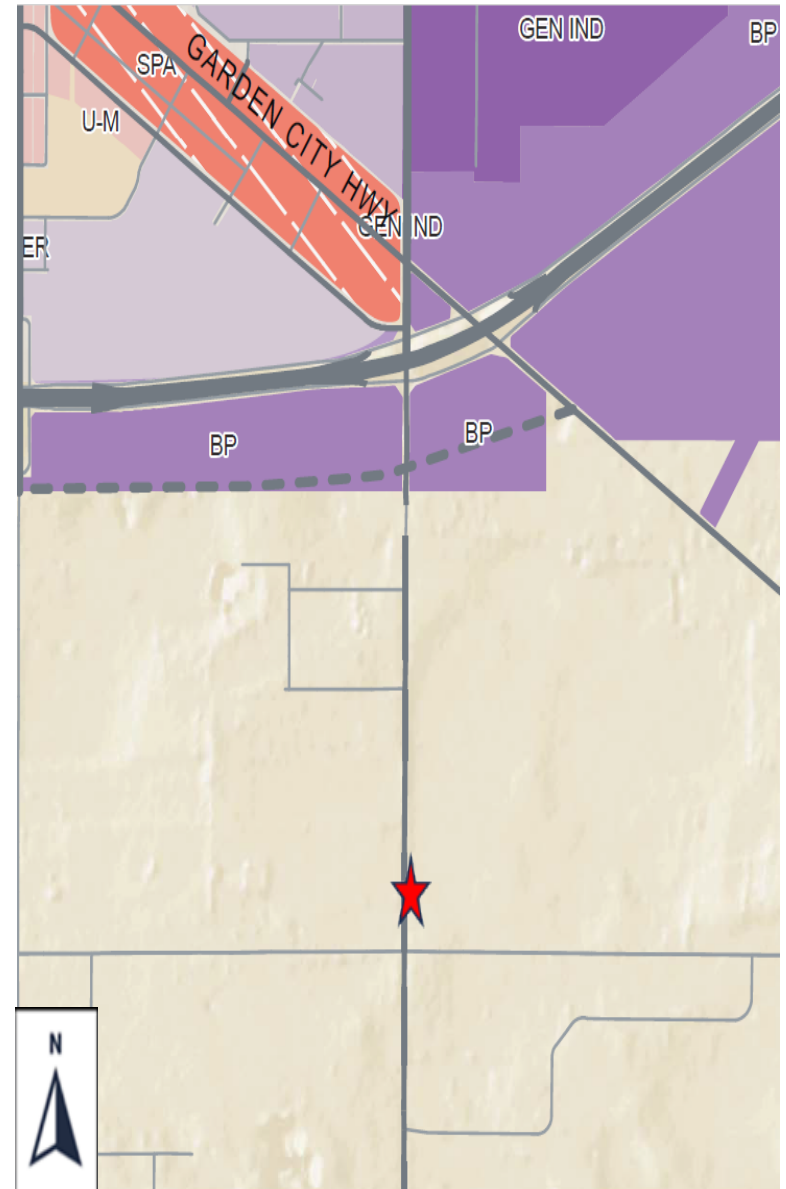




On Farm to-Market Road 715, Looking West

COMPREHENSIVE PLAN ANALYSIS

- **TCT Land Use Designation:**
 - No designation



RELATED ITEMS

- The initial zoning was deferred by the Planning and Zoning Commission on March 17, 2025. It is scheduled for the April 7, 2025 P&Z meeting.
- The associated annexation request is scheduled for the April 8, 2025, City Council meeting.



STAFF RECOMMENDATION

- No objections received.
- Staff recommends approval of this request for an initial zoning of RR, Regional Retail District.



MISSION

Deliver exceptional services and promote a high quality of life and place for ALL our citizens.



City Council Meeting

Item Number: 20
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Daniel Humbert, Senior Planner
Subject: AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITHOUT TERM FOR A 16.66-ACRE TRACT OF LAND OUT OF SECTION 10, BLOCK 39, T-2-S, T&P RR CO. SURVEY, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED AT THE NORTHEAST CORNER OF THE INTERSECTION OF COTTON FLAT ROAD AND ALTA VISTA DRIVE), WHICH IS PRESENTLY ZONED SF-1, SINGLE-FAMILY DWELLING DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR A VACATION TRAVEL TRAILER PARK; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION (DISTRICT 2) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)

Purpose:

Maverick Engineering, on behalf of Bull Mountain LLC, is requesting a Specific Use Designation without Term for a Vacation Travel Trailer Park with 122 RV parking spaces on a property located on Cotton Flat Road.

Recommended City Council Action:

Approve

Fiscal Impact:

None.

Strategic Priority:

Quality of Life and Place

Discussion:

Surrounding Zoning and Land Use:

The properties to the north are zoned RR, Regional Retail District, and BP, I-20 Business Park District. The property to the east is zoned SF-1, Single-Family Dwelling District. Zoning to the west includes SF-1, Single-Family Dwelling District, and RR, Regional Retail District. The properties to the south belong to the C, Commercial District, and ETJ, Extraterritorial Jurisdiction.

Uses to the north include oil field, single-family residential and vacant lots. The properties to the west are single-family residential use. Uses for the properties to the south include water well drilling services and vehicle dent repair services and the property to the east is a vacant lot.

Analysis:

The property is located the northeast corner of the intersection of Cotton Flat Road and Alta Vista Drive and is currently a vacant and undeveloped lot. The property is zoned SF-1, Single-Family Dwelling District, which allows for the use of *Vacation Travel Trailer Park*, with a Specific Use Designation without Term. Per the definition of *Vacation Travel Trailer Park*, as defined in Section 11-1-2.01.312:

A Vacation Travel Trailer Park is any tract of land under single ownership and where accommodation is provided for transient trailer use for a maximum of seven days. [11-1-2.01.312]

The hours of operation for the **Nomad RV Park** are:

Monday through Sunday, all day

The proposed hours of operation for the *Vacation Travel Trailer Park* are:

Monday through Sunday, all day

The request is in compliance with the Tall City Tomorrow Comprehensive Plan as the Tall City Tomorrow Plan designated this area as BP, Business Park I-20. The BP, Business Park I-20 designation supports larger scale visitor services. The Nomad RV Park and the *Vacation Travel Trailer Park* is a use that is complementary to the surrounding area.

The request is also in compliance with Chapter 6-Character Plan Goal 4, which is to “Create vibrant multi-use destinations that support activities and residential settings for multiple generations.” This Vacation Travel Trailer Park will create a destination for Midland residents or visitors to gather and socialize.

This project has been circulated to all City departments for review. Below are the department comments.

Fire: (Approved)

No objections. All future structures must adhere to the 2015 International Fire Code.

Engineering: (Approved)

No objection. [For the Applicant's information only.]

Transportation: (Approved)

No objection. [For the Applicant's information only.]

Building Code: (Approved)

No Objections.

Planning:

This request meets all requirements; therefore, staff recommends approval of the request of the Specific Use Designation without Term for a *Vacation Travel Trailer Park*, subject to Conditions A through F.

Conditions:

- A. That the use and development of the Property for the Establishment shall significantly conform to the site plan, which is attached hereto as Exhibit B and incorporated herein for all purposes. For the avoidance of doubt, this condition shall not apply to any portion of the land shown in Exhibit B that is not located within the boundaries of the City.**
- B. That the Establishment may be operated Monday through Sunday, 24 hours per day.**
- C. That a person shall not operate the Establishment on the Property without first applying for and obtaining a license in accordance with Section 11-1-4.04.A.2 of the City Code.**
- D. That a person shall not operate the Establishment on the Property unless the person complies with all applicable requirements of Section 11-1-4.04.A.2 of the City Code and all other applicable City ordinances and state laws, rules, and regulations.**

- E. That this ordinance does not permit, approve, authorize, or allow the extension of or the provision of City utilities, including water and wastewater, to any portion of the Establishment that is not located within the boundaries of the City.
- F. That the operator of the Establishment shall obtain a Certificate of Occupancy prior to using the Property for the Specific Use to ensure that the conditions of this Specific Use Designation Without Term are satisfied.

Letters of Objection:

As of March 31, 2025, staff has received 5 letters of objection. Due to the complexity of calculating the objection percentage for this particular property since some of the properties are partially outside City limits, an objection percentage has not been determined. But staff is working diligently to determine an objection percentage and will have the percentage calculated by the time of the meeting.

Attachments:

Application
Maps
Site Plan
PowerPoint
Objection Letters



City Manager's Office

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITHOUT TERM FOR A 16.66-ACRE TRACT OF LAND OUT OF SECTION 10, BLOCK 39, T-2-S, T&P RR CO. SURVEY, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED AT THE NORTHEAST CORNER OF THE INTERSECTION OF COTTON FLAT ROAD AND ALTA VISTA DRIVE), WHICH IS PRESENTLY ZONED SF-1, SINGLE-FAMILY DWELLING DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR A VACATION TRAVEL TRAILER PARK; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION

WHEREAS, the City Planning and Zoning Commission and the Governing Body of the City of Midland, Texas, in compliance with the City Charter, the City Code, and State law, have given the requisite notices by United States mail, publication and otherwise; and after holding due hearings affording a full and fair hearing to all of the property owners generally, and particularly to those interested persons situated in the affected area and in the vicinity thereof, the Governing Body of the City of Midland finds that the public convenience will be best served by granting a Specific Use Designation Without Term for a 16.66-acre tract of land out of Section 10, Block 39, T-2-S, T&P RR Co. Survey, City and County of Midland, Texas (the “Property”), said Property being more specifically described by metes and bounds in Exhibit A, which is attached hereto and incorporated herein, as set out hereinafter;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That the Zoning District Map of the City of Midland, Texas, is hereby amended to grant the Property a Specific Use Designation Without Term for a vacation travel trailer park (the “Establishment”), together with the uses permitted in the present SF-1, Single-Family Dwelling District.

SECTION TWO. That the Property shall be subject to the following conditions and restrictions:

- A. That the use and development of the Property for the Establishment shall significantly conform to the site plan, which is attached hereto as Exhibit B and incorporated herein for all purposes. For the avoidance of doubt, this condition shall not apply to any portion of the land shown in Exhibit B that is not located within the boundaries of the City.
- B. That the Establishment may be operated Monday through Sunday, 24 hours per day.
- C. That a person shall not operate the Establishment on the Property without first applying for and obtaining a license in accordance with Section 11-1-4.04.A.2 of the City Code.
- D. That a person shall not operate the Establishment on the Property unless the person complies with all applicable requirements of Section 11-1-4.04.A.2 of the City Code and all other applicable City ordinances and state laws, rules, and regulations.
- E. That this ordinance does not permit, approve, authorize, or allow the extension of or the provision of City utilities, including water and wastewater, to any portion of the Establishment that is not located within the boundaries of the City.
- F. That the operator of the Establishment shall obtain a Certificate of Occupancy prior to using the Property for the Specific Use to ensure that the conditions of this Specific Use Designation Without Term are satisfied.

SECTION THREE. The provisions of this ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances, inconsistent with or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FOUR. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The Council of the City of Midland hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FIVE. The penalty for violation of this ordinance shall be in accordance with the general penalty provisions contained in Section 1-3-1 of the City Code of Midland, Texas, which provides for a fine not exceeding two thousand dollars (\$2,000.00).

SECTION SIX. The City Secretary is hereby authorized and directed to publish the descriptive caption of this ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2025; and passed to second reading on motion of Council member _____, seconded by Council member _____, by the following vote:

Council members voting “AYE”:

Council members voting “NAY”:

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, seconded by Council member _____, on the _____ day of _____, A.D., 2025, at a regular meeting of the City Council:

Council members voting “AYE”:

Council members voting “NAY”:

PASSED AND APPROVED THIS _____ day of _____, A.D., 2025.

Lori Merritt Blong, Mayor

ATTEST:

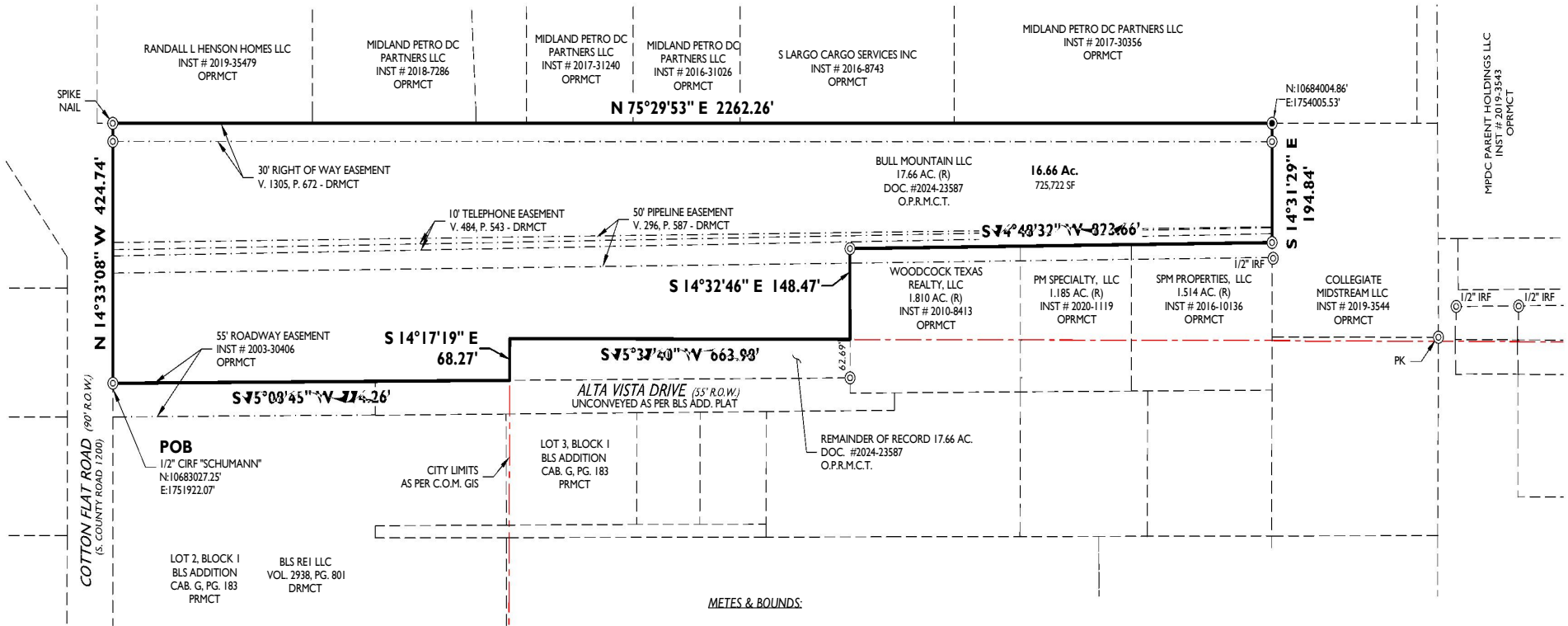
Marcia Bentley-German, City Secretary

APPROVED AS TO CONTENT
AND COMPLETENESS:

Elizabeth Triggs, Planning and Development Officer

APPROVED ONLY AS TO FORM:

Nicholas Toulet, Interim City Attorney

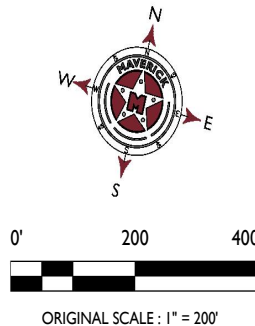


SURVEY NOTES:

- I. BASIS OF BEARING, COORDINATES, DISTANCES AND ACREAGE ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, CENTRAL ZONE, NORTH AMERICAN DATUM 1983, U.S. SURVEY FOOT, WITH A CONVERGENCE ANGLE (theta) OF -0°54'48.40\"

LEGEND

- FOUND 1/2\"



METES & BOUNDS:

FIELD NOTE DESCRIPTION OF A 16.66 ACRE TRACT OF LAND, SITUATED IN SECTION 10, BLOCK 39, TOWNSHIP 2 SOUTH, TEXAS AND PACIFIC RAILWAY COMPANY SURVEY, MIDLAND COUNTY, TEXAS AND BEING THE PORTION WITHIN THE CITY LIMITS OF THAT SAME TRACT AS DESCRIBED IN DOCUMENT NUMBER 2024-23587 OF THE OFFICIAL PUBLIC RECORDS (OPR) OF SAID MIDLAND COUNTY, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT N(10683027.25, E(1751922.07), A ONE HALF INCH IRON ROD WITH A YELLOW PLASTIC CAP MARKED "SCHUMANN" (YPC) FOUND IN THE EAST LINE OF COTTON FLAT ROAD (SOUTH COUNTY ROAD 1200) AT THE NORTHWEST CORNER OF LOT 2, BLOCK 1, BLS ADDITION, AS SHOWN ON A PLAT RECORDED IN CABINET G ON PAGE 183 OF THE PLAT RECORDS OF SAID MIDLAND COUNTY, FOR THE SOUTHWEST CORNER HEREOF;

THENCE N.14°33'08"W., ALONG SAID COTTON FLAT ROAD, AT 370.56 FEET PASSING A "YPC" FOUND AT THE SOUTHWEST CORNER OF A CALLED 30 FOOT RIGHT OF WAY EASEMENT AS DESCRIBED AND DEPICTED IN VOLUME 1305 ON PAGE 672 IN SAID "OPR", IN ALL 424.74 FEET TO A SPIKE NAIL FOUND FOR THE NORTHWEST CORNER HEREOF;

THENCE N.75°29'53"E., ALONG THE NORTH LINE OF SAID RIGHT OF WAY EASEMENT 2262.26 FEET TO A ONE HALF INCH IRON ROD WITH A RED PLASTIC CAP MARKED "MAVERICK FIRM #10194514" SET FOR THE NORTHWEST CORNER OF A CALLED 2.58 ACRE TRACT IN DOCUMENT NUMBER 2019-3544 IN SAID "OPR" FOR THE NORTHEAST CORNER OF SAID RIGHT OF WAY EASEMENT FOR THE NORTHEAST CORNER HEREOF;

THENCE S.14°31'29"E., ALONG THE WEST LINE OF SAID CALLED 2.58 ACRE TRACT, AT 30.00 FEET PASSING A "YPC" FOUND FOR THE SOUTHEAST CORNER OF SAID RIGHT OF WAY EASEMENT, IN ALL 194.84 FEET TO A "YPC" FOUND AT THE NORTHEAST CORNER OF A CALLED 1.514 ACRE TRACT IN DOCUMENT NUMBER 2016-10136 OF SAID "OPR" FOR THE EAST SOUTHEAST CORNER HEREOF;

THENCE S.74°48'32"W., ALONG THE NORTH LINE OF SAID CALLED 1.514 ACRE TRACT, A CALLED 1.185 ACRE TRACT (2020-1119) 823.66 FEET TO A "YPC" FOUND AT THE NORTHWEST CORNER OF A CALLED 1.81 ACRE TRACT IN DOCUMENT NUMBER 2010-8413 IN SAID "OPR" FOR AN INTERIOR CORNER HEREOF;

THENCE S.14°32'46"E., ALONG SAID CALLED 1.81 ACRE TRACT 148.47 FEET TO A POINT ON THE CITY LIMITS LINE FROM WHICH A "YPC" FOUND IN THE NORTH LINE OF THE UNCONVEYED ALTA VISTA DRIVE BEARS S.14°32'46"E., 62.69 FEET FOR AN EXTERIOR CORNER HEREOF;

THENCE S.75°37'40"W., ALONG SAID CITY LIMITS LINE, 663.98 FEET TO AN ANGLE POINT HEREOF;

THENCE S.14°17'19"E., ALONG SAID CITY LIMITS, 68.27 FEET TO A POINT ON THE NORTH LINE OF THE UNCONVEYED ALTA VISTA FOR AN EXTERIOR CORNER HEREOF;

THENCE S.75°08'45"W., ALONG SAID ALTA VISTA DRIVE, AT 262.97 FEET PASSING AT OR NEAR THE NORTHEAST CORNER OF SAID BLS ADDITION, IN ALL 774.26 FEET TO THE POINT OF BEGINNING, CONTAINING 16.66 ACRES OF LAND.



MAVERICK

CIVIL ENGINEERING / LAND SURVEYING

1909 West Wall Street, Suite "K"
Midland, Texas 79701
ENGINEER FIRM #: F-15089
SURVEY FIRM #: 10194514

Tel: (432) 262-0999 Fax: (432) 262-0989
www.maverick-eng.com

PACKET

JOB NO.: 240176 FIELD WORK: 10.24.2024 DRAWN BY: AD REV 1: REV 2:

I, GREGORY W. SHOULTS, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM FIELD NOTES AND/OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT AND NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY.

GREGORY W. SHOULTS, RPLS #5356
FIRM NO. TX #10194514

20.9

FEBRUARY 28, 2025

EXHIBIT A



NOMAD RV PARK

SUD BOUNDARY EXHIBIT

April 8, 2025

OF A 16.66 ACRE TRACT OF LAND, SITUATED IN SECTION 10, BLOCK 39, TOWNSHIP 2 SOUTH, TEXAS AND PACIFIC RAILWAY COMPANY SURVEY, CITY AND COUNTY OF MIDLAND, TEXAS



DEVELOPMENT NOTES:

- GENERAL: SITE PLAN IS FOR A PROPOSED ±4,000 SQUARE FOOT BUILDING AND A PROPOSED 17.66 TRACT OF LAND SHOWN IN SECTION 10, BLOCK 39, TOWNSHIP 2 SOUTH AND PACIFIC RAILWAY COMPANY SURVEY, COUNTY OF MIDLAND, TEXAS.
- NEIGHBORING THE SITE IS LOCATED NEAR THE INTERSECTION OF HIGHWAY 177 AND HIGHWAY 177.
- THE SITE IS CURRENTLY ZONED AS A LI.
- BUILDING CONSTRUCTION: STRUCTURE IS PLANNED TO BE 17,666 SQ. FT. WITH A MAXIMUM BUILDING HEIGHT OF 25' ET AND THE EAST STRUCTURE IS 17,666 SQ. FT. WITH A MAXIMUM BUILDING HEIGHT OF 25' ET.
- ACCESS: THE BUILDING IS PLANNED TO HAVE ONE (1) ACCESS POINT, OUT TO THE HIGHWAY AND ACCESS POINTS ARE PLANNED FOR BOTH INGRESS AND EGRESS.
- FIRE ACCESS: ACCESS FOR FIRE TRUCKS WILL BE ALONG THE HIGHWAY 177 AND HIGHWAY 177.
- PARKING: ON-SITE PARKING WILL BE PROVIDED WITH 22 STANDARD PARKING SPACES AND AN ADDITIONAL 2 ACCESSIBLE PARKING SPACES.
- TRASH: TRASH COLLECTION WILL BE COLLECTED BY THE CITY OF MIDLAND UTILIZING SIDE LOADING.
- UTILITIES: PUBLIC UTILITIES ARE PRESENT. NEW WATER & SEWER SERVICE TAPS WILL BE REQUIRED.
- DRAINAGE: STORM WATER RUNOFF WILL BE DETAINED SO AS NOT TO INCREASE EXISTING PEAK RUNOFF.

PARKING CALCULATIONS:

TRADITIONAL PARKING SPACES = 22
RV PARKING SPACES = 1
BURN COVERED PARKING SPACES PROVIDED = 11
TOTAL PARKING SPACES PROVIDED = 34

LANDSCAPE NOTES:

- LANDSCAPING ELEMENTS SHOWN ON THIS EXHIBIT ARE FOR ILLUSTRATIVE PURPOSES ONLY, AND ARE NOT TO BE CONSIDERED AS A REQUIREMENT FOR ANY LANDSCAPING APPROVAL.

Know what's

FEMA FIRM NOTES:

COMMUNITY NUMBER	PANEL NUMBER	SUFFIX	DATE OF FIRM	ZONE	BASE FLOOD ELEVATION
481239	0204	F	09/16/2003	X	N/A

THE PLAN MATERIALLY ADHERES TO ALL APPLICABLE ZONING, SITE DEVELOPMENT, AND BUILDING CODE REQUIREMENTS.

EXHIBIT B

MIDLAND, TEXAS

SITE LOCATION

VICINITY MAP

April 8, 2025

PACKET


**Specific Use Designation
Application (Non-Alcohol)**

Project Number:

Case Number: SUDwo-25-0046

Applicant (if acting as Agent, see affidavit on page 2) Printed Name: BULL MOUNTAIN LLC		Phone (254) 631-7787 Email: zachrobinson87@gmail.com	
Address 132 LEGACY CANYON DRIVE	City CISCO	State TX	Zip 76437

Property Owner Printed Name: SEE APPLICANT		Phone () Email:	
Address	City	State	Zip

Representative (if different from Applicant or Property Owner) Firm: MAVERICK ENGINEERING Printed Name: ASHLEE DEVINE		Phone (432) 262-0999 Email: adevine@maverick-eng.com	
Address 1909 W WALL STREET, SUITE K	City MIDLAND	State TX	Zip 79701

Type of Permit:	For Office Use Only ☐ with Term ☐ without Term
Is there any Code Enforcement action pending on property? ☐ Yes ☒ No	

Street Address: <u>N/A</u>
Legal Description Lot: Block: Subdivision: SEE ATTACHED

Current Zoning: SF1
Maximum Floor Area: N/A Maximum Occupancy: 122
Proposed hours and days of use or operation: <u>24/7</u>
Reason for request: <u>TO BE ABLE TO INSTALL LUXURY RV PARK</u>
Applicant's opinion as to why the request will not adversely affect the public safety, health, morals, general welfare, and convenience: <u>THE PROJECT IS SURROUNDED BY LIGHT INDUSTRIAL THE ACCESS FOR TRUCKS AND TRAILERS SHOULD NOT COMPROMISE THE BUSINESSES IN THE AREA</u>

Submittal and Fees Items to be submitted with this application form:
• Application Fee – Payable to the 'City of Midland' • Dimensioned Site Plan showing • Parking (if applicable) • Building Footprint • Digital Copies of Site Plan (PDF/JPEG)

Signatures

Signed by: [Signature] Date: 1/22/2025

Applicant (signature): [Signature]
 Applicant (printed): Zach Robinson

Property Owner (signature): SEE APPLICANT Date:

Property Owner (printed): SEE APPLICANT

The Specific Use Designation shall be considered officially received in the Planning office only when it has been submitted in full compliance with the provisions of Section 212 of the Texas Local Government Code and the Zoning Code of Ordinances of the City of Midland and when such required items for the application are also received.

All materials, including exhibits, submitted in support of an application, or displayed during a public hearing, shall remain the property of the City of Midland.

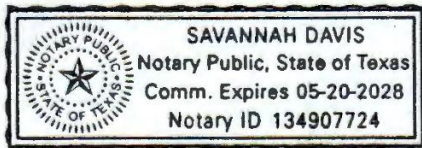
If an agent is authorized by the property owner to file and execute the application on behalf of the property owner, the agent must complete the affidavit below.

STATE OF TEXAS
 COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared Ashlee Devine who, being by me duly sworn, upon oath says: That (s)he is authorized by Zach Robinson, the owner of the above described property, to fully represent him/her in this application and that (s)he had the legal right, power and authority to sign said owner's name hereto as his/her attorney in fact.

Ashlee Devine
 Authorized Agent (signature)

Subscribed and sworn to before me, this 22nd day of January, 20 25, to certify which witness my hand and seal of office.



[Signature]
 NOTARY PUBLIC, MIDLAND COUNTY, TEXAS

FOR OFFICE USE ONLY

☒ Property Owner Authorization

☒ Dimensioned Site Plan

☒ Application Fee

☒ Site Plan in Digital Format (PDF/JPEG)

Check # 5161

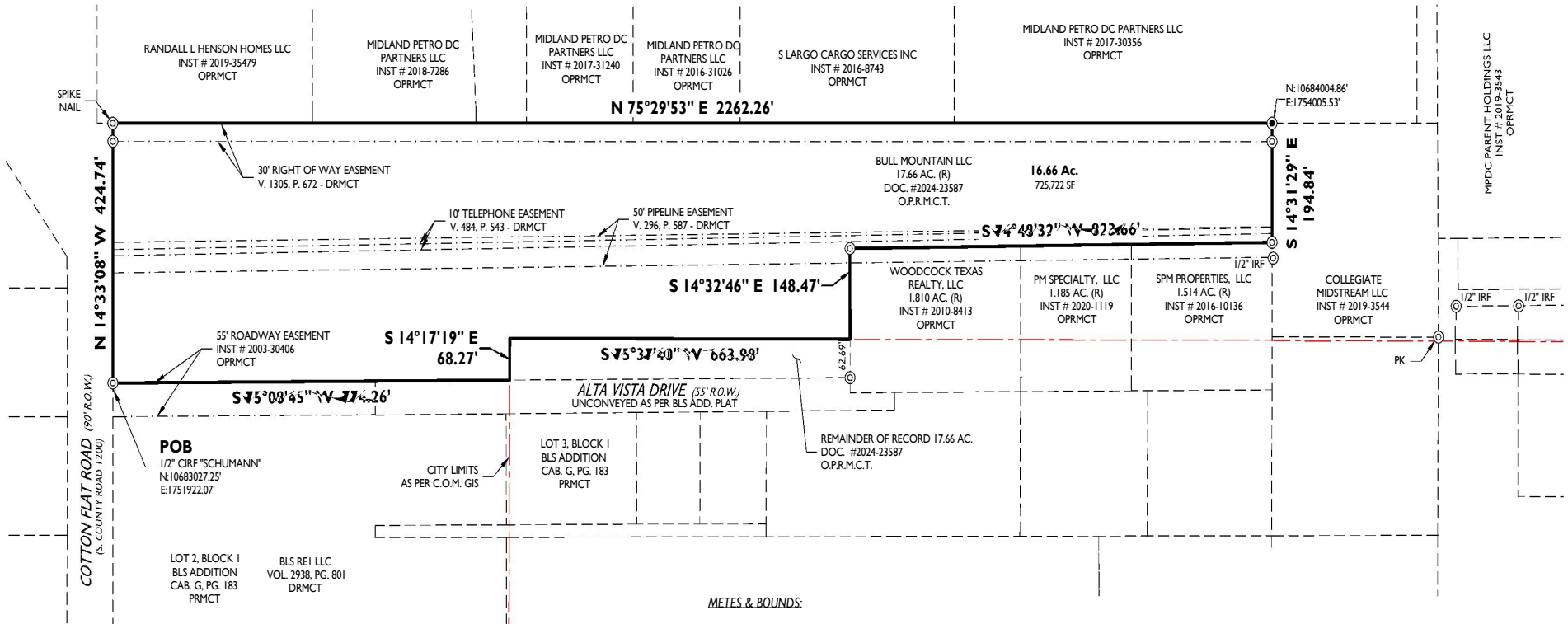
Received By: [Signature]

Date:

RECEIVED

JAN 23 2025

Initial: A.M.

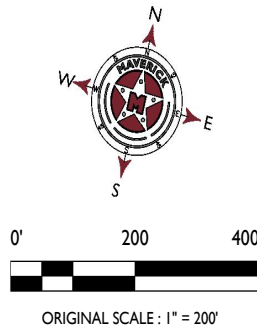


SURVEY NOTES:

- I. BASIS OF BEARING, COORDINATES, DISTANCES AND ACREAGE ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, CENTRAL ZONE, NORTH AMERICAN DATUM 1983, U.S. SURVEY FOOT, WITH A CONVERGENCE ANGLE (theta) OF -0°54'48.40" AND A COMBINED SCALE FACTOR OF 0.999896911 AT NGS MIDLAND.

LEGEND

-
-
-
-
-
-
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-



METES & BOUNDS:

FIELD NOTE DESCRIPTION OF A 16.66 ACRE TRACT OF LAND, SITUATED IN SECTION 10, BLOCK 39, TOWNSHIP 2 SOUTH, TEXAS AND PACIFIC RAILWAY COMPANY SURVEY, MIDLAND COUNTY, TEXAS AND BEING THE PORTION WITHIN THE CITY LIMITS OF THAT SAME TRACT AS DESCRIBED IN DOCUMENT NUMBER 2024-23587 OF THE OFFICIAL PUBLIC RECORDS (OPR) OF SAID MIDLAND COUNTY, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

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MAVERICK

CIVIL ENGINEERING / LAND SURVEYING

1909 West Wall Street, Suite "K"

Midland, Texas 79701

ENGINEER FIRM #: F-15089

SURVEY FIRM #: 10194514

Tel: (432) 262-0999 Fax: (432) 262-0989

www.maverick-eng.com

PACKET

I, GREGORY W. SHOULTS, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM FIELD NOTES AND/OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT AND NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY.

GREGORY W. SHOULTS, RPLS #5356
FIRM NO. TX #10194514

20.13

FEBRUARY 28, 2025



NOMAD RV PARK

SUD BOUNDARY EXHIBIT

April 8, 2025

OF A 16.66 ACRE TRACT OF LAND, SITUATED IN SECTION 10, BLOCK 39, TOWNSHIP 2 SOUTH, TEXAS AND PACIFIC RAILWAY COMPANY SURVEY, CITY AND COUNTY OF MIDLAND, TEXAS

JOB NO.: 240176 FIELD WORK: 10.24.2024 DRAWN BY: AD REV 1: REV 2:



DEVELOPMENT NOTES:

- GENERAL: SITE PLAN IS FOR A PROPOSED ±4,000 SQUARE FOOT BUILDING AND A PROPOSED 400' MAINTENANCE BUILDING LOCATED ON A 17.66 TRACT OF LAND SHOWN IN SECTION 10, BLOCK 39, TOWNSHIP 2 SOUTH AND PACIFIC RAILWAY COMPANY SURVEY, COUNTY OF MIDLAND, TEXAS. THE MAIN DEVELOPMENT SITE IS LOCATED NEAR THE INTERSECTION OF STATE HIGHWAY 163 AND COUNTY ROAD 183. THE SITE IS CURRENTLY ZONED AS A LI. BUILDING.
- BUILDING CONSTRUCTION: THE WEST STRUCTURE IS PLANNED TO BE 2-STORY WITH A MAXIMUM BUILDING HEIGHT OF 25' ET AND THE EAST STRUCTURE IS 1-STORY WITH A MAXIMUM BUILDING HEIGHT OF 10' ET.
- ACCESS: THE BUILDING IS PLANNED TO HAVE ONE (1) ACCESS POINT, OUT TO THE NORTH. NO ACCESS POINTS ARE PLANNED FOR BOTH INGRESS AND EGRESS.
- FIRE ACCESS: ACCESS FOR FIRE TRUCKS WILL BE ALONG THE PROPERTY LINE TO THE NORTH OR ALONG THE ROAD.
- PARKING: ON-SITE PARKING WILL BE PROVIDED WITH 22 STANDARD PARKING SPACES AND AN ADDITIONAL 2 ACCESSIBLE PARKING SPACES.
- TRASH: TRASH COLLECTION WILL BE COLLECTED BY THE CITY OF MIDLAND UTILIZING SIDE LOADING.
- UTILITIES: PUBLIC UTILITIES ARE PRESENT. NEW WATER & SEWER SERVICE TAPS WILL BE REQUIRED.
- DRAINAGE: STORM WATER RUNOFF WILL BE DETAINED SO AS NOT TO INCREASE EXISTING PEAK RUNOFF.

FEMA FIRM NOTES:

COMMUNITY NUMBER	PANEL NUMBER	SUFFIX	DATE OF FIRM	ZONE	BASE FLOOD ELEVATION
481239	0204	F	09/16/2003	X	N/A

THE PLAN MATERIALLY ADHERES TO ALL APPLICABLE ZONING, SITE DEVELOPMENT, AND BUILDING CODE REQUIREMENTS.

PARKING CALCULATIONS:

TRADITIONAL PARKING SPACES = 22
RV PARKING SPACES = 1
BURN COVERED PARKING SPACES PROVIDED = 11
TOTAL PARKING SPACES PROVIDED = 34
TOTAL RV PARKING SPACES PROVIDED = 11

LANDSCAPE NOTES:

- LANDSCAPING ELEMENTS SHOWN ON THIS EXHIBIT ARE FOR ILLUSTRATIVE PURPOSES ONLY, AND ARE NOT TO BE CONSIDERED AS A REQUIREMENT FOR LANDSCAPING. APPROVAL WILL BE IN COMPLIANCE WITH CITY STANDARDS.

Know what's

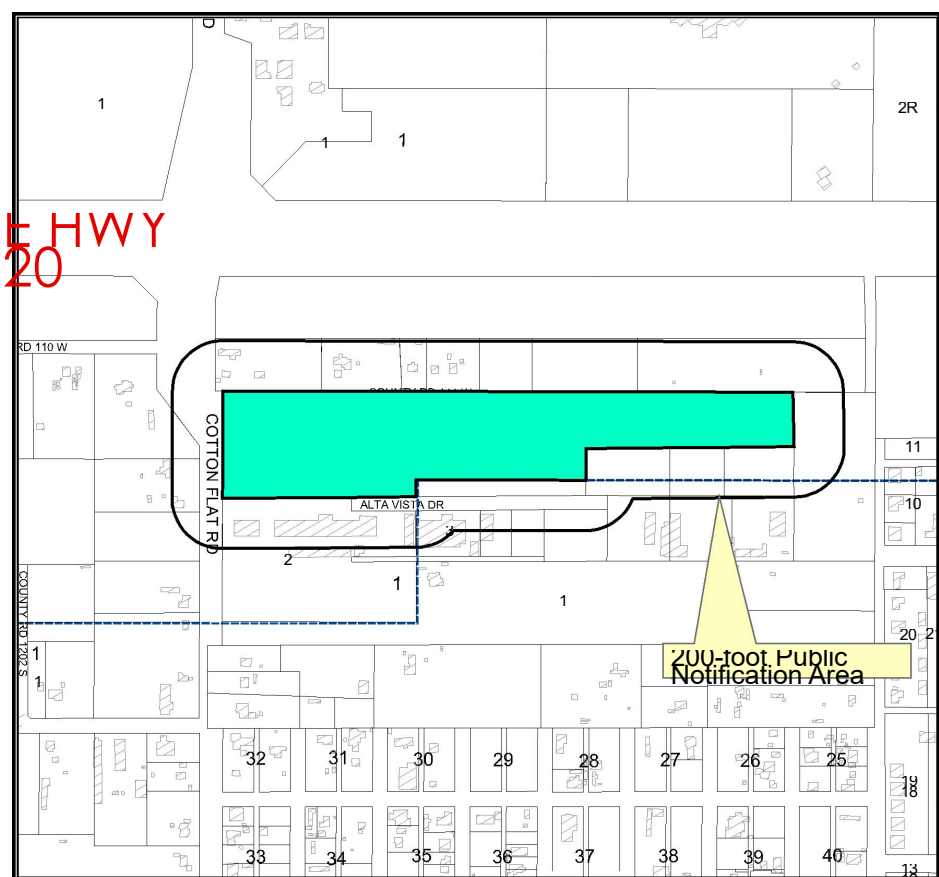
MIDLAND, TEXAS

SITE LOCATION

VICINITY MAP

April 8, 2025

PACKET



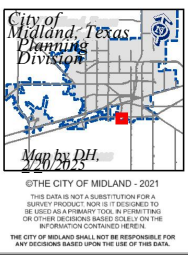
5

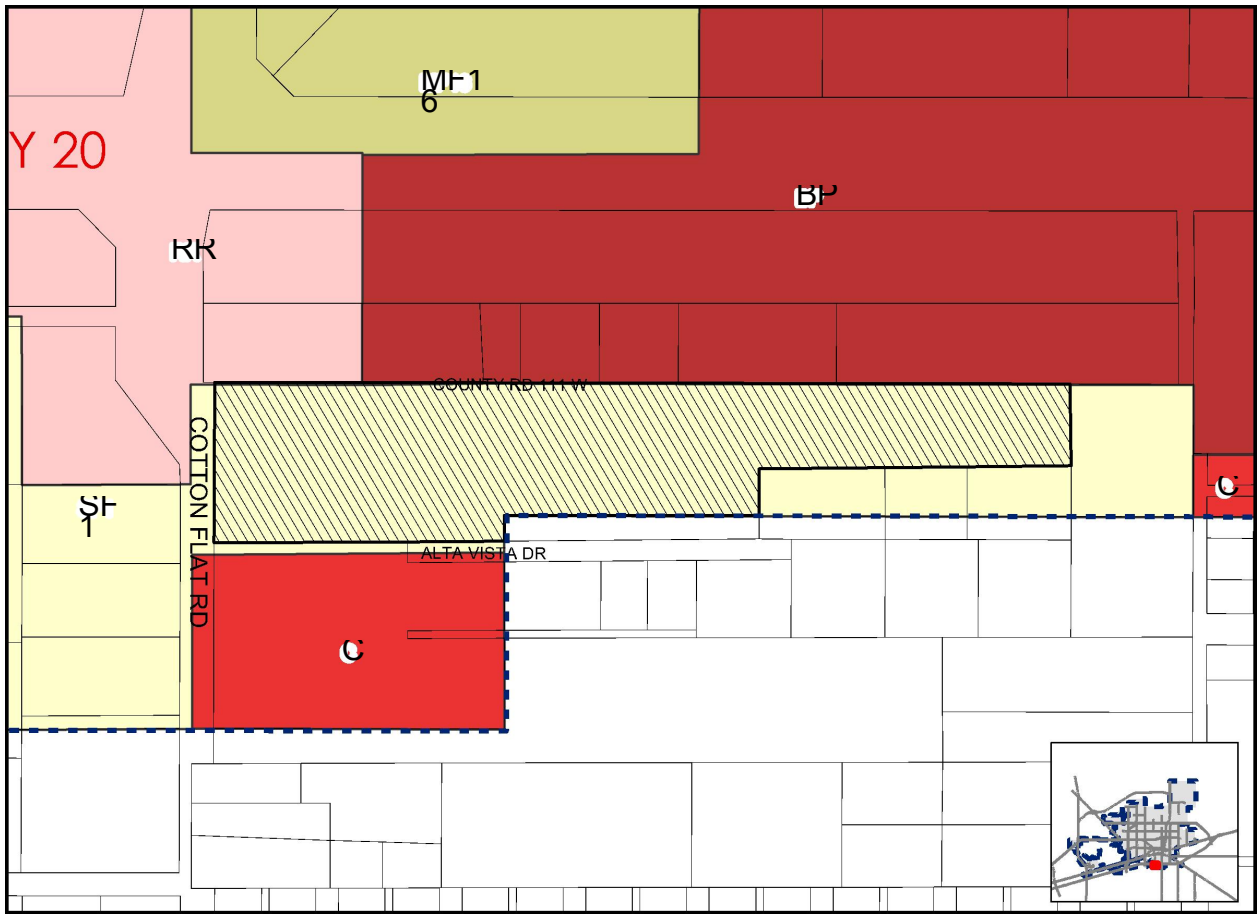
Location Map

SUDwo-25-0046
 Consider a request by Maverick Engineering, on behalf of Bull Mountain LLC, for a Specific Use Designation without Term for a Vacation Travel Trailer Park, on a 16.66-acre tract of land located at the northwest corner of Section 10, intersection of Cotton Flat Road and Alta Vista Drive and County of Midland (Council District 2)

Scale: 1" = 465'

LEGEND
 CITY LIMITS
 PARCEL
 PRIVATE BLDGS





Map 12/15

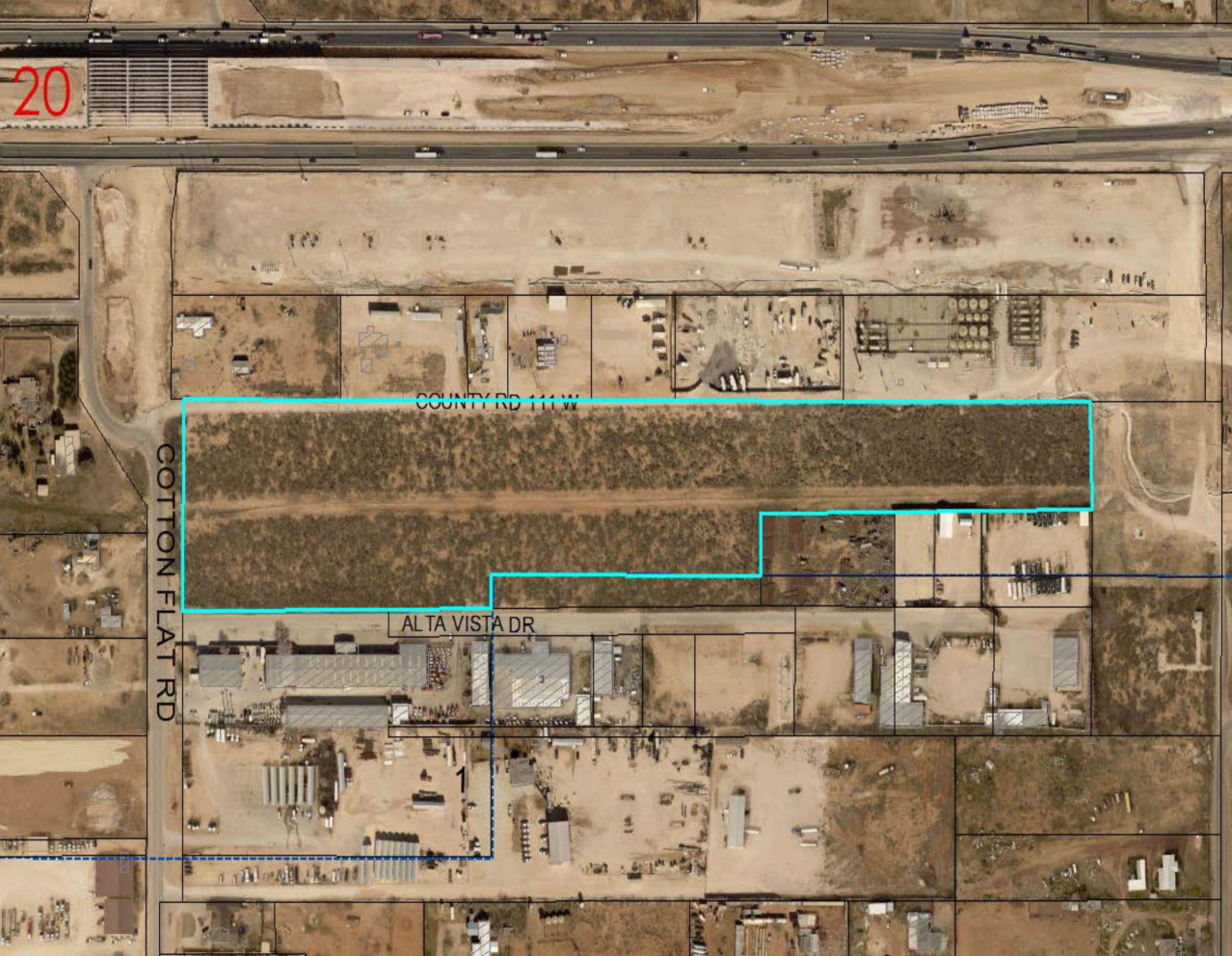
SUDwo-
25-0046

Scale: 1" = 310'

**ZONING
MAP**



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BULL MOUNTAIN LLC (RV PARK)

ITEM

SPECIFIC USE DESIGNATION WITHOUT TERM



Visit Our Website

MIDLANDTEXAS.GOV

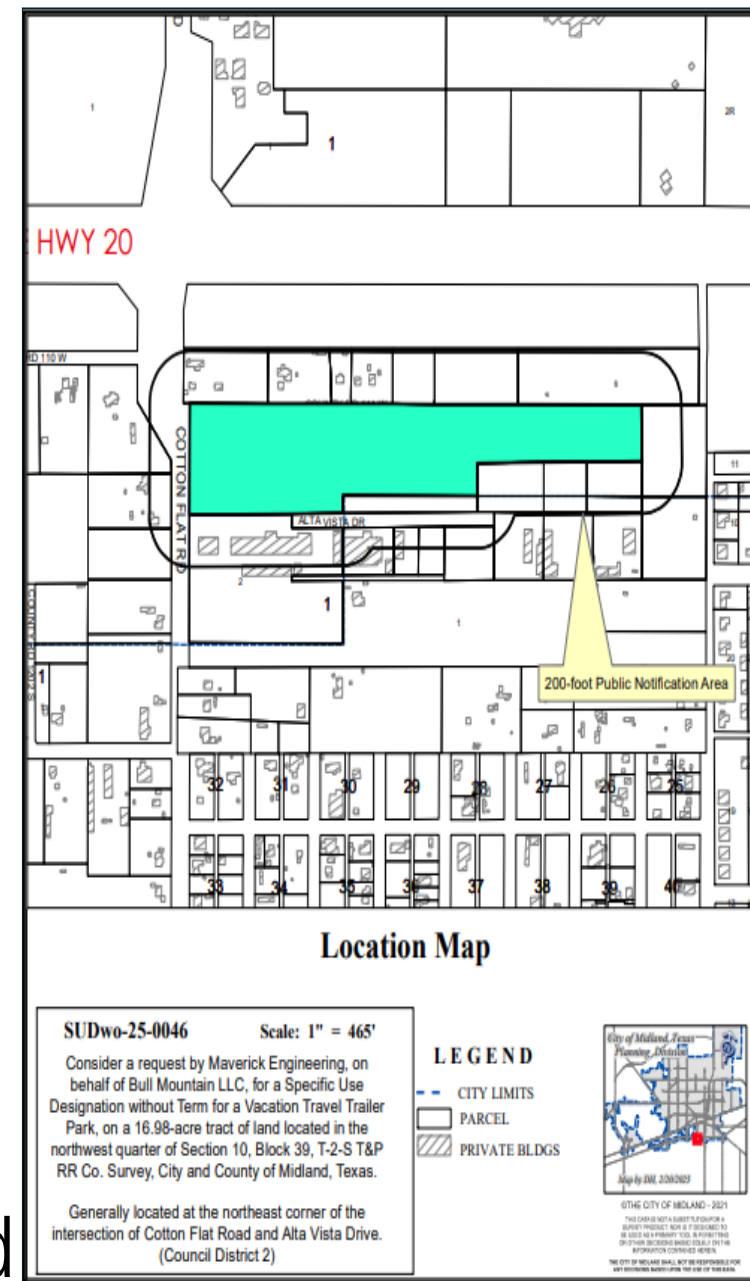
PACKET

20.19

April 8, 2025

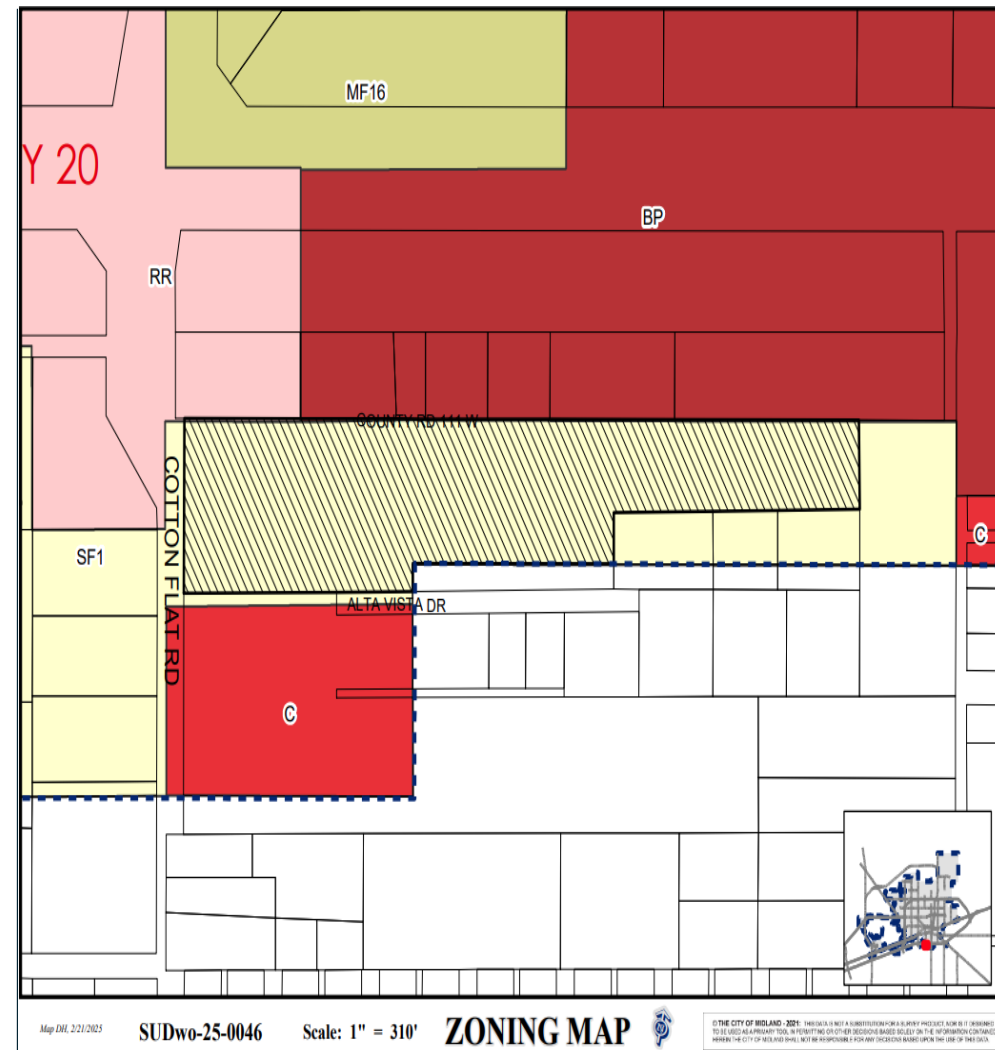
APPLICATION SUMMARY

- **Property Owner & Developer:** Bull Mountain LLC
- **Representative:** Ashlee Devine, with Maverick Engineering
- **Application Type:** Specific Use Designation Without Term
- **Address:** Generally located at the northeast corner of the intersection of Cotton Flat Road and Alta Vista Drive (District 2 and ETJ)



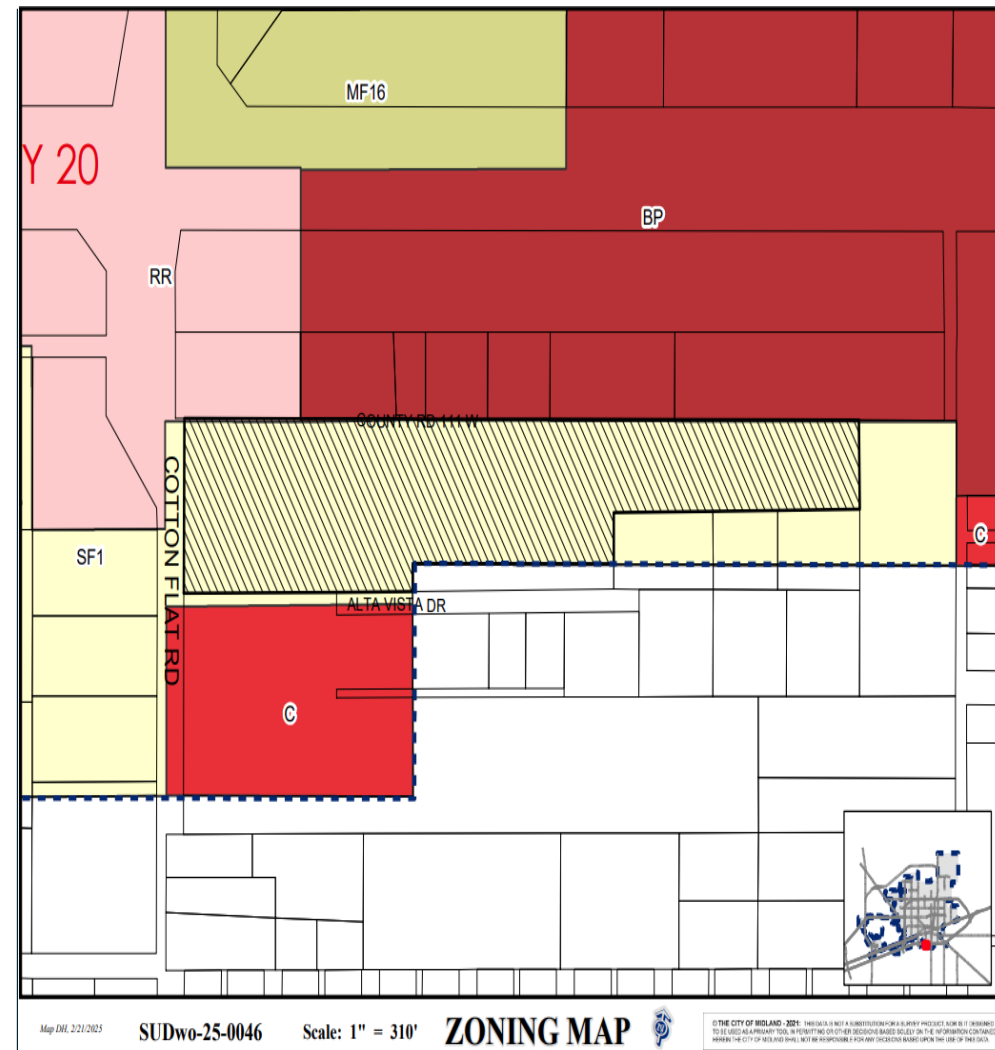
ZONING

- **Current Zoning:** SF-1, Single-Family Dwelling District
- **Surrounding Zoning:**
 - **North:** RR, Regional Retail District, and BP, I-20 Business Park District
 - **South:** C, Commercial District and ETJ, Extraterritorial Jurisdiction



ZONING

- **East:** SF-1, Single-Family Dwelling District and ETJ, Extraterritorial Jurisdiction
- **West:** SF-1, Single-Family Dwelling District and RR, Regional Retail District



INFORMATION

• Proposed Days and Hours of Operation:

- Monday - Sunday all day

• Proposed Days and Hours of SUDwo:

- Monday - Sunday all day

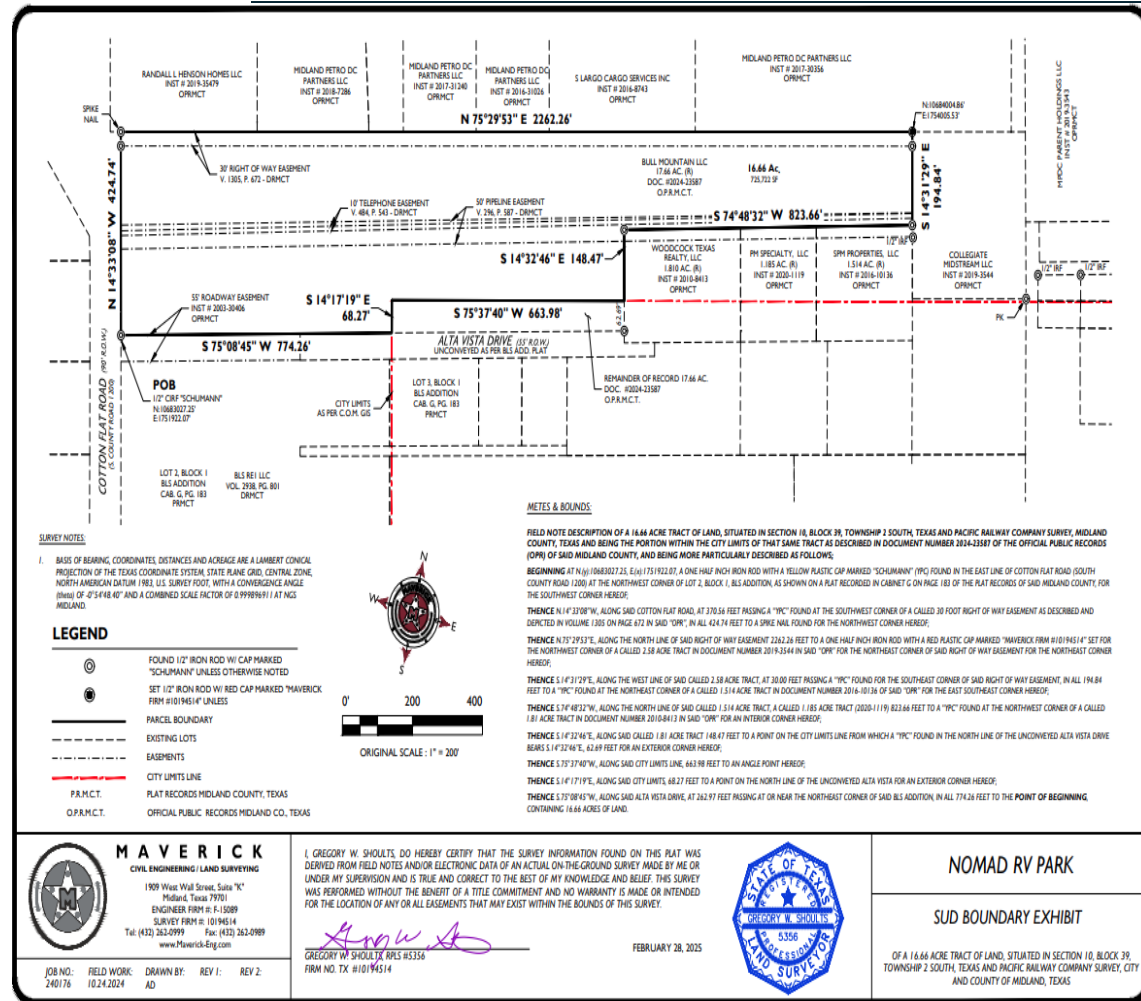
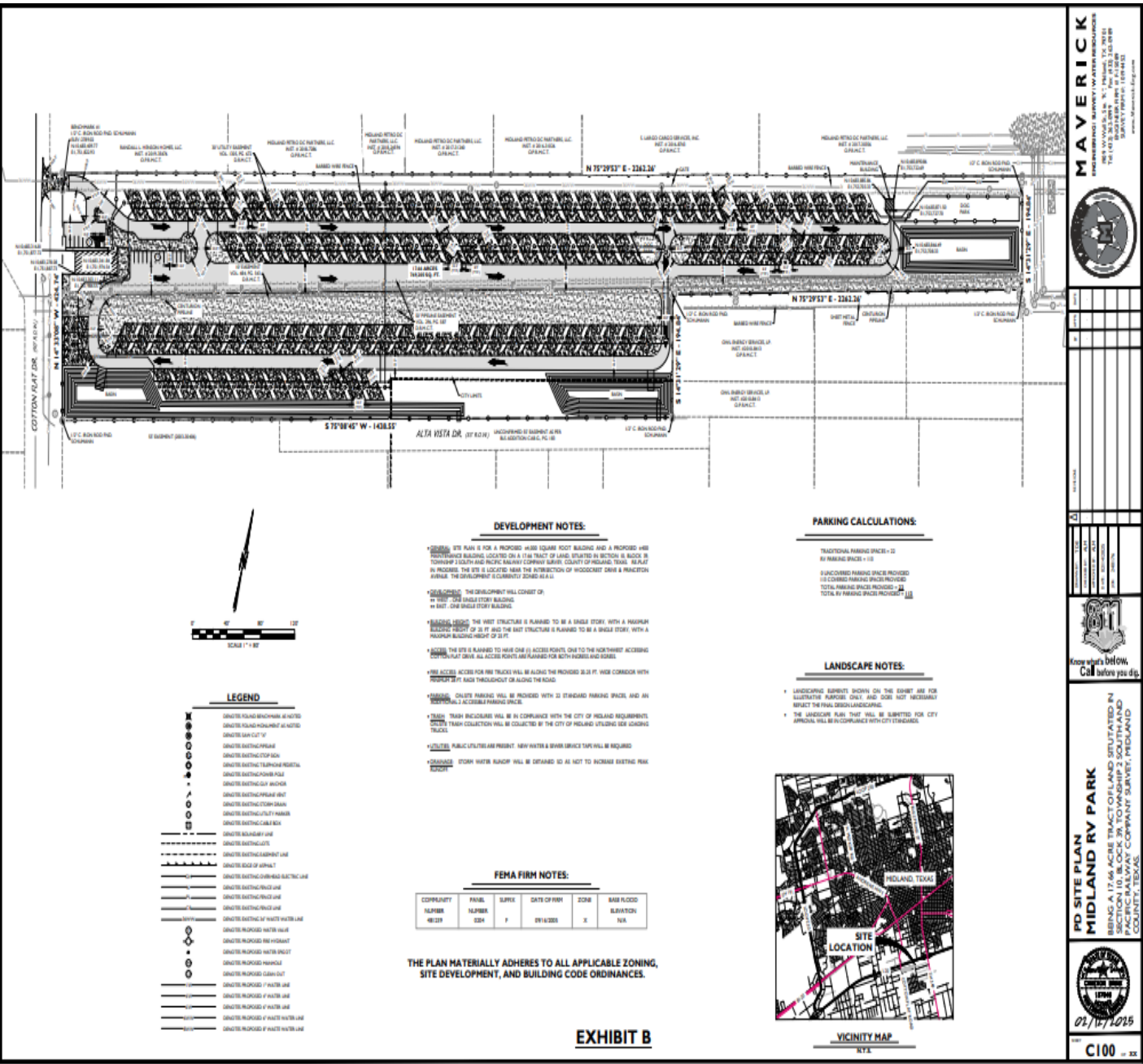


EXHIBIT B



MAVERICK
REGISTERED SURVEYOR & LAND SURVEYOR
10000 N. MIDLAND AVE. SUITE 100
MIDLAND, TEXAS 79701
PHONE: (806) 733-1111
FAX: (806) 733-1112
WWW.MAVERICKSURVEYING.COM

NO SITE PLAN
MIDLAND RV PARK
BEING A 17.46 ACRE TRACT OF LAND SITUATED IN SECTION 10, BLOCK 29, TOWNSHIP 2 SOUTH AND RANGE 12 WEST, COUNTY OF MIDLAND, TEXAS.

01/16/2025

C100 OF 22

LAND USE

- **Current Use:** Vacant lot
- **Proposed Use:** Vacation Travel Trailer Park
- **Surrounding Uses:**
 - **North:** Oil field, single-family residential and vacant lots
 - **South:** Water well drilling services and vehicle dent repair services
 - **East:** Vacant lot
 - **West:** Single-family residential



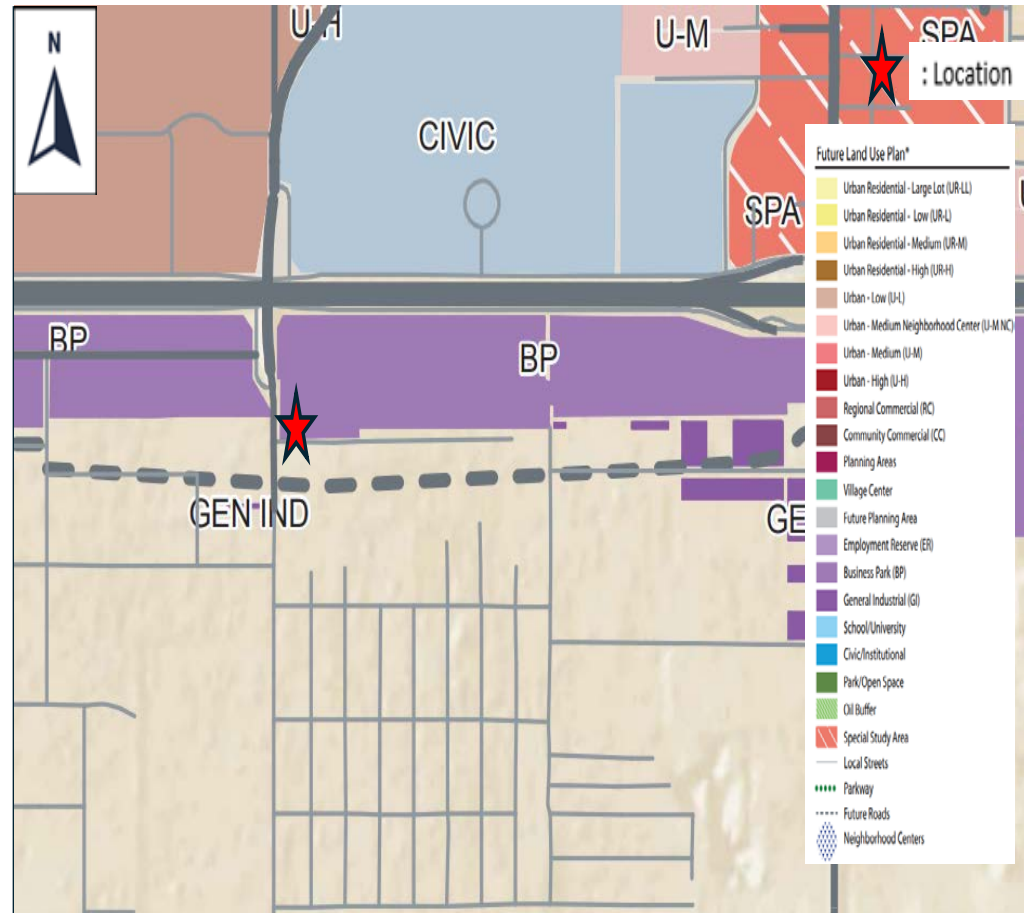
LAND USE



On Alta Vista Drive, Looking North

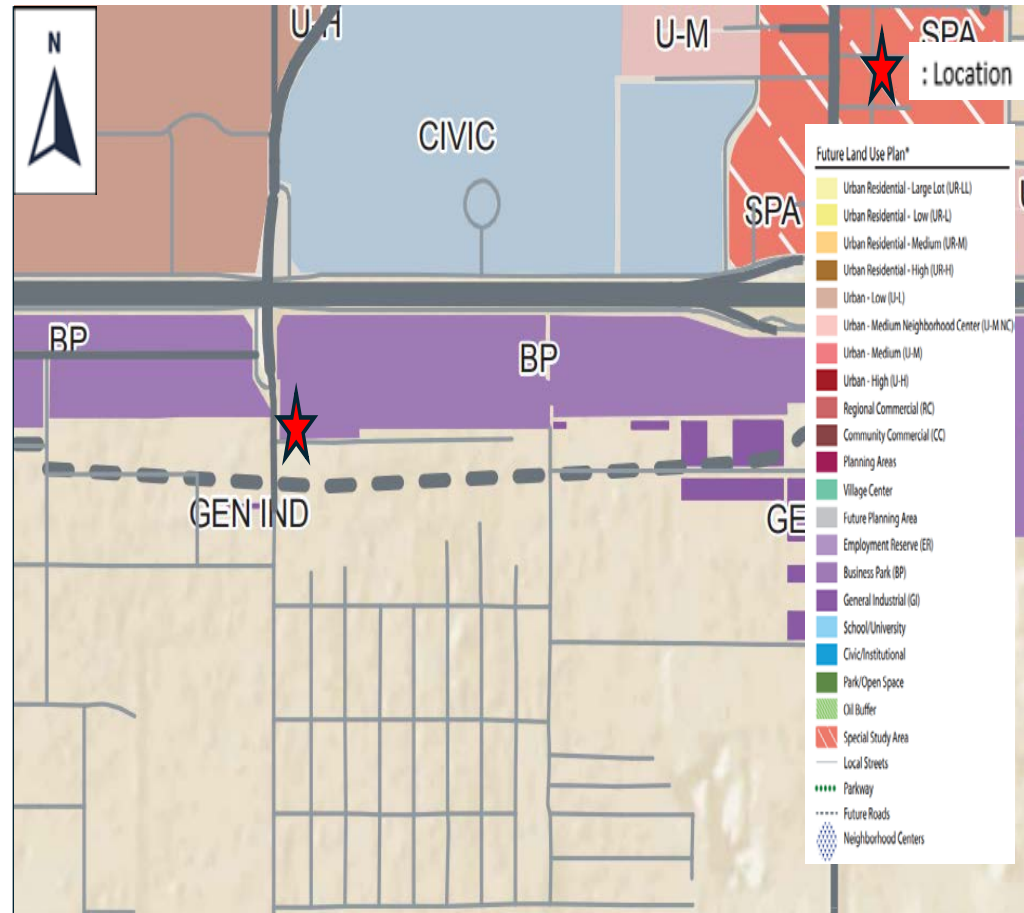
COMPREHENSIVE PLAN ANALYSIS

- **TCT Land Use Designation:**
 - Business Park I-20 (BP)
- **Supported Uses:**
 - Warehousing and distribution
 - Larger scale visitor services located at the major intersections



COMPREHENSIVE PLAN ANALYSIS

- Multifamily may be appropriate when integrated as part of a holistic development that incorporates retail and office uses.
- Land use is **compatible** with surrounding area & TCT Plan



RELATED ITEMS

- The sketch plat associated with this request was submitted on January 24, 2025.
- This request was recommended for approval by the Planning & Zoning Commission on March 3, 2025.



STAFF'S RECOMMENDATION

- Staff has received 5 objections.
- Staff recommends approval of the request of the Specific Use Designation without Term for a Vacation Travel Trailer Park, subject to Conditions A through F.



STAFF'S RECOMMENDATION

- A. That the use and development of the Property for the Establishment shall significantly conform to the site plan, which is attached hereto as Exhibit B and incorporated herein for all purposes. For the avoidance of doubt, this condition shall not apply to any portion of the land shown in Exhibit B that is not located within the boundaries of the City.
- B. That the Establishment may be operated Monday through Sunday, 24 hours per day.



STAFF'S RECOMMENDATION

- C. That a person shall not operate the Establishment on the Property without first applying for and obtaining a license in accordance with Section 11-1-4.04.A.2 of the City Code.
- D. That a person shall not operate the Establishment on the Property unless the person complies with all applicable requirements of Section 11-1-4.04.A.2 of the City Code and all other applicable City ordinances and state laws, rules, and regulations.



STAFF'S RECOMMENDATION

- E. That this ordinance does not permit, approve, authorize, or allow the extension of or the provision of City utilities, including water and wastewater, to any portion of the Establishment that is not located within the boundaries of the City.
- F. That the operator of the Establishment shall obtain a Certificate of Occupancy prior to using the Property for the Specific Use to ensure that the conditions of this Specific Use Designation Without Term are satisfied.



MISSION

Deliver exceptional services and promote a high quality of life and place for ALL our citizens.



City Council Meeting

Item Number: 26
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Britton Murry, Planner
Subject: AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITHOUT TERM FOR THE WEST HALF OF LOT 6 AND ALL OF LOTS 7 AND 8, BLOCK 3, PARKLEA ADDITION, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED ON THE NORTH SIDE OF WEST WALL STREET, APPROXIMATELY 80 FEET EAST OF WEST CIRCLE DRIVE), WHICH IS PRESENTLY ZONED RR, REGIONAL RETAIL DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR AUTOMOBILE OR OTHER MOTORIZED VEHICLE SALES AND SERVICE; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION (DISTRICT 2) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)

Purpose:

Heliodoro Gaytan is requesting a Specific Use Designation without Term for an Automobile or Other Motorized Vehicle Sales and Service on a property located at 2810 West Wall Street.

Recommended City Council Action:

Approve

Fiscal Impact:

None.

Strategic Priority: Quality

of Life and Place

Discussion:

Surrounding Zoning and Land Use:

The surrounding zoning to the north is SF-2, Single-Family Dwelling District. The surrounding properties to the south, east and west are zoned RR, Regional Retail District.

Surrounding land uses to the north consist of a residential neighborhood and a tire shop. Land use to the south consists of a residential neighborhood and a bakery store. Surrounding land use to the east and south consist of a moving company and an auto parts store.

Analysis:

The property is located at 2810 West Wall Street and is currently being developed into an *Automobile or Other Motorized Vehicle Sales and Service*. The property is zoned RR, Regional Retail District which allows for the use of *Automobile or Other Motorized Vehicle Sales and Service* with a Specific Use Designation with a 10-Year Term. Per the definition of *Automobile or Other Motorized Vehicle Sales and Service* defined in Section 11-1-2.01.33:

A business providing sales, display and service of new and used motorized vehicles, including motorcycles, RVs, and boats – not including semi-truck or heavy truck sales. [11-1-2.01.33]

The hours of operation for the Doksa Motors Dealership are:

Monday through Saturday from 9:00 a.m. to 7:00 p.m.

The proposed hours of operation for the Automobile or Other Motorized Vehicle Sales and Service are:

Monday through Saturday from 9:00 a.m. to 7:00 p.m.

The Tall City Tomorrow Comprehensive Plan designated this area as a Special Study Area. The special study area designation has no specific policies established for future land use. The Doksa Motors Dealership and the Automobile or Other Motorized Vehicle Sales and Service is a use that is complementary to the surrounding land use.

The request is also in compliance with Chapter 6-Character Plan Goal 4, which is to “Identify partnerships to produce neighborhood and commercial centers that are attractive, functional, and of high quality.” This Automobile or Other Motorized Vehicle Sales and Service will contribute to the production of more quality products that meet the needs of today’s residents, reflect the pride residents have in their community, and that will last well into the future.

This project has been circulated to all City departments for review. Below are the department comments.

Fire: (Approved)

No objections

Engineering: (Approved)

No objection. [For the Applicant's information only.]

Transportation: (Approved)

No objection. [For the Applicant's information only.]

Building Code: (Approved)

No objections

Oil and Gas: (Approved)

No Oil & Gas issues

Planning:

The Planning & Zoning Commission recommended approval of this request on March 17, 2025.

This request meets all requirements; therefore, staff recommends approval of the request for the Specific Use Designation without Term for an *Automobile or Other Motorized Vehicle Sales and Service*, subject to Conditions A through C.

Conditions:

- A. That the use and development of the Property for the Specific Use shall significantly conform to the site plan, which is attached hereto as Exhibit "A" and incorporated herein for all purposes.
- B. That the use and development of the Property for the Specific Use shall conform to standards set forth in Section 11-1-4.04.A.6 of the City Code.
- C. That the operator of the Specific Use shall obtain a Certificate of Occupancy prior to using the Property for the Specific Use to ensure that the conditions of this Specific Use Designation Without Term are satisfied.

Letters of Objection:

As of April 4, 2025, staff no objections have been received.

Attachments:

Application

Maps

Photos

PowerPoint

For E. Out

City Manager's Office

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITHOUT TERM FOR THE WEST HALF OF LOT 6 AND ALL OF LOTS 7 AND 8, BLOCK 3, PARKLEA ADDITION, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED ON THE NORTH SIDE OF WEST WALL STREET, APPROXIMATELY 80 FEET EAST OF WEST CIRCLE DRIVE), WHICH IS PRESENTLY ZONED RR, REGIONAL RETAIL DISTRICT, ALLOWING SAID PROPERTY TO BE USED FOR AUTOMOBILE OR OTHER MOTORIZED VEHICLE SALES AND SERVICE; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION

WHEREAS, the City Planning and Zoning Commission and the Governing Body of the City of Midland, Texas, in compliance with the City Charter, the City Code, and State law, have given the requisite notices by United States mail, publication and otherwise; and after holding due hearings affording a full and fair hearing to all of the property owners generally, and particularly to those interested persons situated in the affected area and in the vicinity thereof, the Governing Body of the City of Midland finds that the public convenience will be best served by granting a Specific Use Designation Without Term for the west half of Lot 6 and all of Lots 7 and 8, Block 3, Parklea Addition, City and County of Midland, Texas (the “Property”), as set out hereinafter;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That the Zoning District Map of the City of Midland, Texas, is hereby amended to grant the Property a Specific Use Designation Without Term for automobile or other motorized vehicle sales and service (the “Specific Use”), together with the uses permitted in the present RR, Regional Retail District.

SECTION TWO. That the Property shall be subject to the following conditions and restrictions:

- A. That the use and development of the Property for the Specific Use shall significantly conform to the site plan, which is attached hereto as Exhibit “A” and incorporated herein for all purposes.
- B. That the use and development of the Property for the Specific Use shall conform to standards set forth in Section 11-1-4.04.A.6 of the City Code.
- C. That the operator of the Specific Use shall obtain a Certificate of Occupancy prior to using the Property for the Specific Use to ensure that the conditions of this Specific Use Designation Without Term are satisfied.

SECTION THREE. The provisions of this ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances, inconsistent with or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FOUR. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The Council of the City of Midland hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FIVE. The penalty for violation of this ordinance shall be in accordance with the general penalty provisions contained in Section 1-3-1 of the City Code of Midland, Texas, which provides for a fine not exceeding two thousand dollars (\$2,000.00).

SECTION SIX. The City Secretary is hereby authorized and directed to publish the descriptive caption of this ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2025; and passed to second reading on motion of Council member _____, seconded by Council member _____, by the following vote:

Council members voting “AYE”:

Council members voting “NAY”:

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, seconded by Council member _____, on the _____ day of _____, A.D., 2025, at a regular meeting of the City Council:

Council members voting “AYE”:

Council members voting “NAY”:

PASSED AND APPROVED THIS _____ day of _____, A.D., 2025.

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary
APPROVED AS TO CONTENT
AND COMPLETENESS:

Elizabeth Triggs, Planning and Development Officer

APPROVED ONLY AS TO FORM:

Nicholas Toulet, Interim City Attorney

PARKLEA ADDITION
CAB. B, PG. 116
P.R.M.C.T.

ALLEY (20' R.O.W.)

N 38°53'00" E 125.00' (RECORD)

CHAIN LINK FENCE

W/2 LOT 6
LOTS 7-8
BLOCK 3

CHAIN LINK FENCE

EXISTING
BUILDING
±600 SF

CHAIN LINK FENCE

ASPHALT DRIVE

EXISTING BUILDING
±3,750 SF
11 PARKING SPACES
PROVIDED

CHAIN LINK FENCE

N 51°10'00" W 132.64' (RECORD)

S 51°10'00" E 132.64' (RECORD)

ASPHALT DRIVE

S 38°53'00" W 125.00' (RECORD)

W. WALL STREET

PACKET

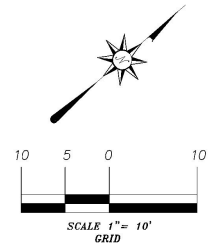
21.8

SITE PLAN 2810 W. WALL ST.

WEST-HALF OF LOT SIX (6) AND ALL OF LOTS
SEVEN (7) AND EIGHT (8), BLOCK THREE (3),
PARKLEA ADDITION, AN ADDITION TO THE CITY
OF MIDLAND, MIDLAND COUNTY, TEXAS
ACCORDING TO THE MAP OR PLAT THEREOF,
RECORDED IN CABINET B, PAGE 116, PLAT
RECORDS, MIDLAND COUNTY, TEXAS

EXHIBIT

A



April 8, 2025
SAM

15 Smith Road
Suite 2000
Midland, Texas 79705
Ofc: 432.520.2400
Fax: 432.520.2404
email: info@sam.biz

Texas Firm Registration No. 10064300



**Specific Use Designation
Application (Non-Alcohol)**

Case Number: Sub 200-25-0047

Ord. Number: _____

Applicant (if acting as Agent, see affidavit on page 2)

Printed Name: _____

Phone ()
Email _____

Address _____

City _____

State _____

Zip _____

Property Owner

Printed Name: Helialoro Gaytan

Phone (432) 528-1670
Email h.gaytan@yahoo.com

Address 1318 E Jax

City Midland

State TX

Zip 79701

Representative (if different from Applicant or Property Owner)

Firm: _____

Printed Name: _____

Phone ()
Email _____

Address _____

City _____

State _____

Zip _____

Type of Permit:

For Office Use Only

☐ with Term

☐ without Term

Is there any Code Enforcement action pending on property? ☐ Yes ☐ No

Street Address: 2810 W WALL ST

Legal Description

Lot: 7 & 8 Block: 003 Subdivision: Parklea

Current Zoning:

Maximum Floor Area: _____

Maximum Occupancy: _____

Proposed hours and days of use or operation: 9-7

Reason for request: Required By zoning

Applicant's opinion as to why the request will not adversely affect the public safety, health, morals, general welfare, and convenience: NO

Submittal and Fees

Items to be submitted with this application form:

- Application Fee – Payable to the 'City of Midland'
- Dimensioned Site Plan showing
 - Parking (if applicable)
 - Building Footprint
- Digital Copies of Site Plan (PDF/JPEG)

Signatures

Applicant (signature):

Anita Martinez

Date:

1/22/25

Applicant (printed):

Anita Martinez

Property Owner (signature):

Heliodoro Graytan

Date:

1/22/25

Property Owner (printed):

Heliodoro Graytan

The Specific Use Designation shall be considered officially received in the Planning office only when it has been submitted in full compliance with the provisions of Section 212 of the Texas Local Government Code and the Zoning Code of Ordinances of the City of Midland and when such required items for the application are also received.

All materials, including exhibits, submitted in support of an application, or displayed during a public hearing, shall remain the property of the City of Midland.

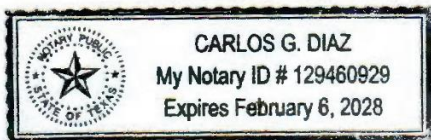
If an agent is authorized by the property owner to file and execute the application on behalf of the property owner, the agent must complete the affidavit below.

STATE OF TEXAS
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared Anita Martinez who, being by me duly sworn, upon oath says: That (s)he is authorized by Heliodoro Graytan, the owner of the above described property, to fully represent him/her in this application and that (s)he had the legal right, power and authority to sign said owner's name hereto as his/her attorney in fact.

Authorized Agent (signature)

Subscribed and sworn to before me, this 22nd day of January, 2025, to certify which witness my hand and seal of office.



NOTARY PUBLIC, MIDLAND COUNTY, TEXAS

FOR OFFICE USE ONLY

☐ Property Owner Authorization

☐ Dimensioned Site Plan

☐ Application Fee

☐ Site Plan in Digital Format (PDF/JPEG)

Check # _____

Received By: _____

Date: _____

****Application will not be considered for scheduling until reviewed by a planner.****

PACKET

21.10

April 8, 2025

PARKLEA ADDITION
CAB. B, PG. 116
P.R.M.C.T.

ALLEY (20' R.O.W.)

N 38°53'00" E 125.00' (RECORD)

CHAIN LINK FENCE

W/2 LOT 6
LOTS 7-8
BLOCK 3

CHAIN LINK FENCE

EXISTING
BUILDING
±600 SF

CHAIN LINK FENCE

ASPHALT DRIVE

EXISTING BUILDING
±3,750 SF
11 PARKING SPACES
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N 51°10'00" W 132.64' (RECORD)

CHAIN LINK FENCE

S 51°10'00" E 132.64' (RECORD)

ASPHALT DRIVE

S 38°53'00" W 125.00' (RECORD)

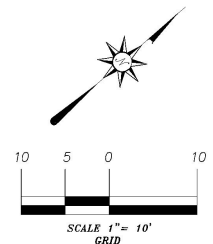
W. WALL STREET

PACKET

21.11

SITE PLAN 2810 W. WALL ST.

WEST-HALF OF LOT SIX (6) AND ALL OF LOTS
SEVEN (7) AND EIGHT (8), BLOCK THREE (3),
PARKLEA ADDITION, AN ADDITION TO THE CITY
OF MIDLAND, MIDLAND COUNTY, TEXAS
ACCORDING TO THE MAP OR PLAT THEREOF,
RECORDED IN CABINET B, PAGE 116, PLAT
RECORDS, MIDLAND COUNTY, TEXAS



51' 11 - 3/4

70' 7 - 7/8

GARAGE DOOR
12X12

WAREHOUSE
34X50

RESTROOM
3'2"

RESTROOM
7'2"

WATER HEATER
4'X5'

OFFICE
13'X9'

10'X10'

OFFICE
13.5'X18'

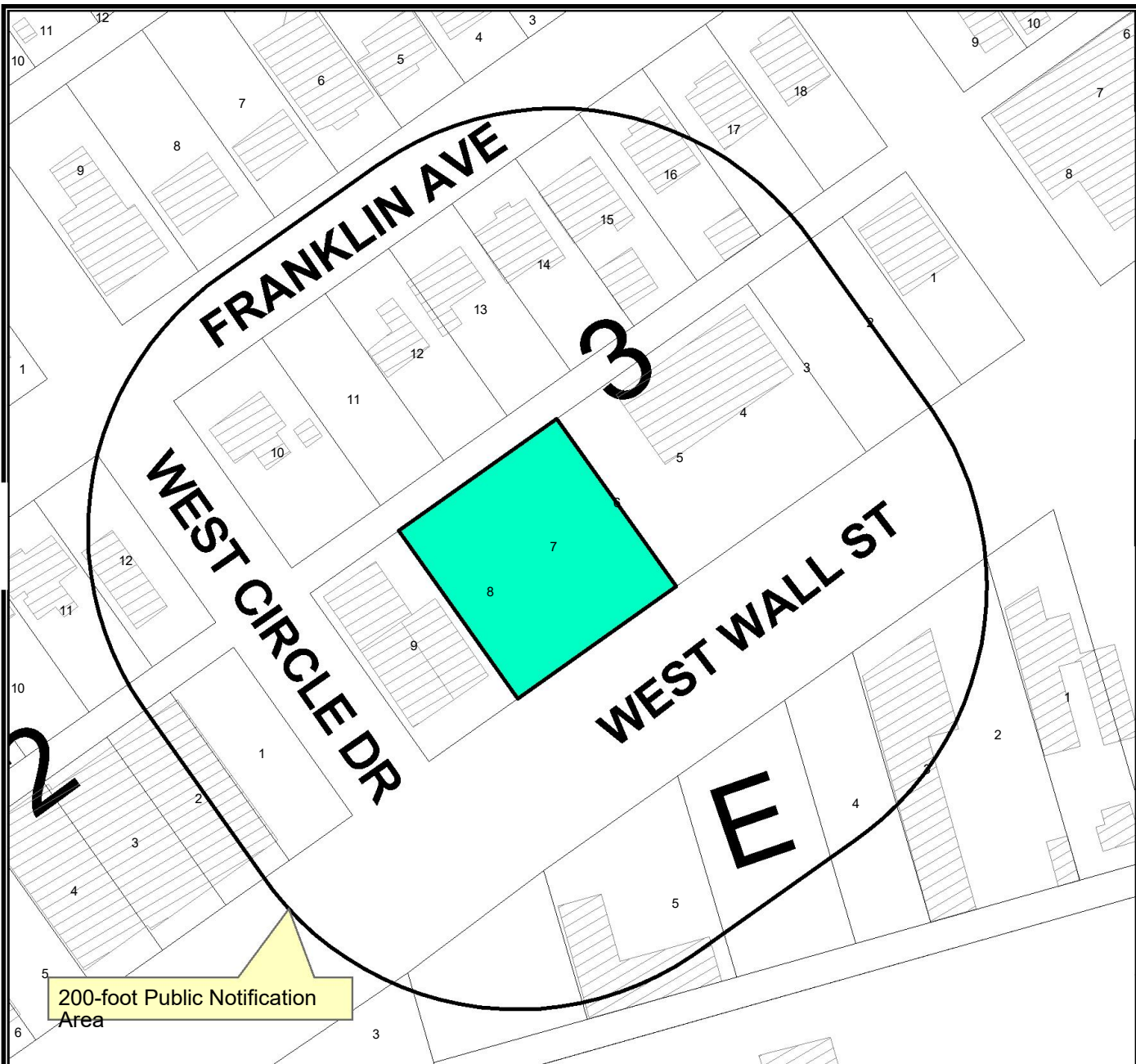
BREAKROOM
8.5'X18'

13'X14'

OFFICE
10'X8.5'

SHOWROOM
35'X26'

2810 W. WALL ST.
MIDLAND, TX 79701



Location Map

SUDwo-25-0047

Scale: 1" = 93'

Consider a request by Heliodoro Gaytan, for a Specific Use Designation without Term for Automobile or Other Motorized Vehicle Sales and Service on all of Lots 7 and 8, and the western quarter of lot 6, Block 3, Parklea Addition, City and County of Midland, Texas. Generally located on the north side of West Wall Street, approximately 80 feet east of West

LEGEND

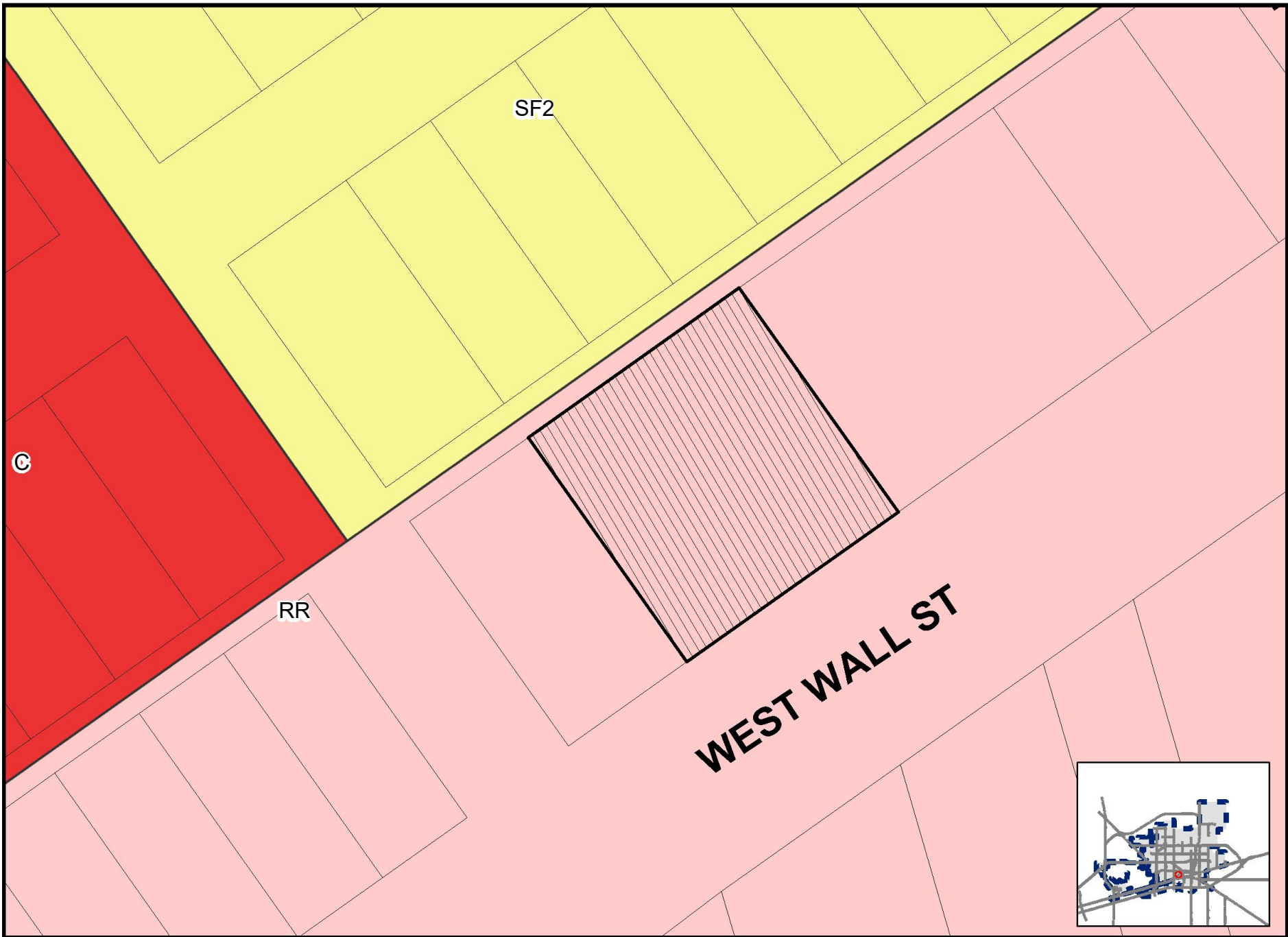
- CITY LIMITS
- PARCEL
- PRIVATE BLDGS



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Circle Drive. (Council District 2)



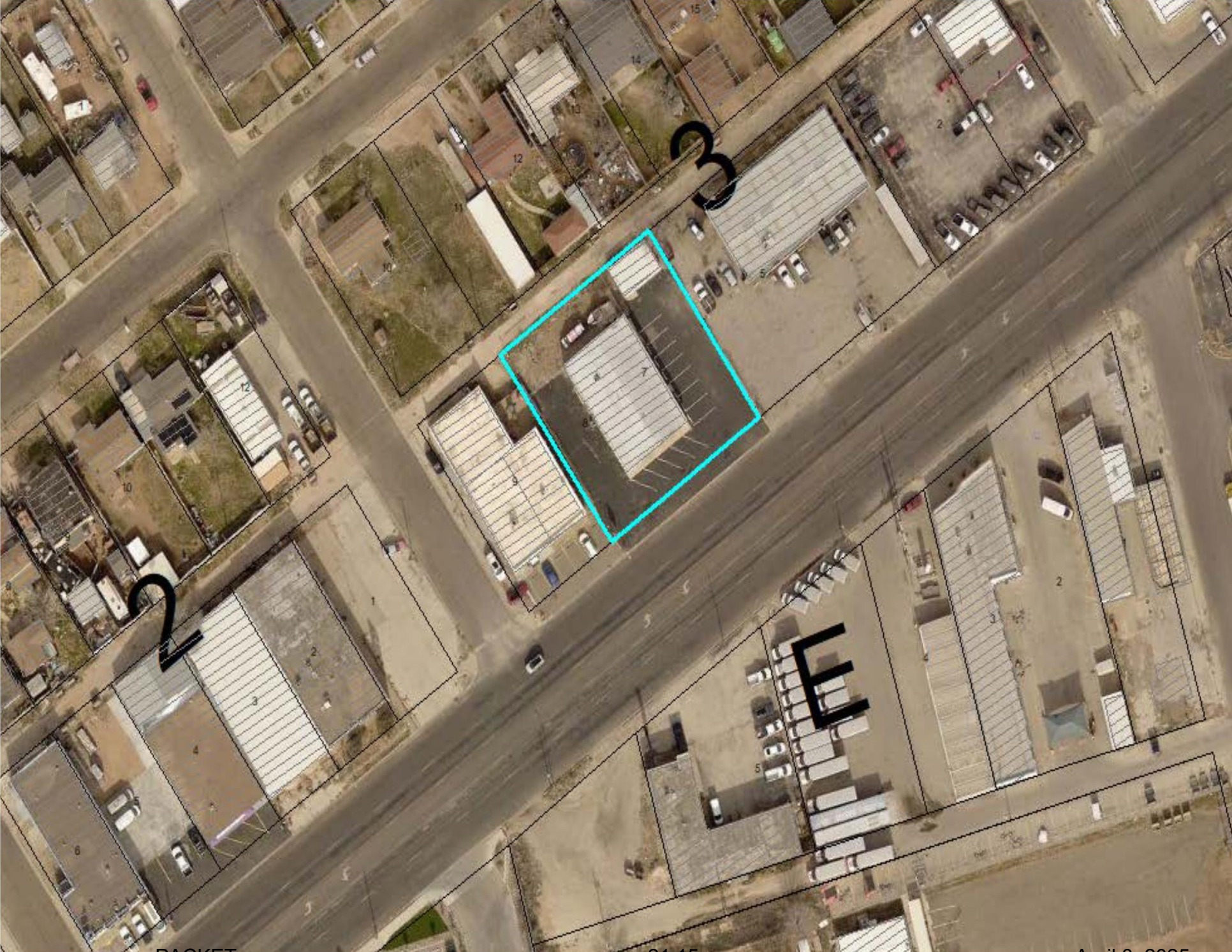
Map BM, 2/10/2025

SUDwo-25-0047
PACKET

Scale: 1" = 58'

ZONING
MAP 21.14

April 8, 2025







2810 WEST WALL STREET

SPECIFIC USE DESIGNATION WITHOUT TERM



Visit Our Website

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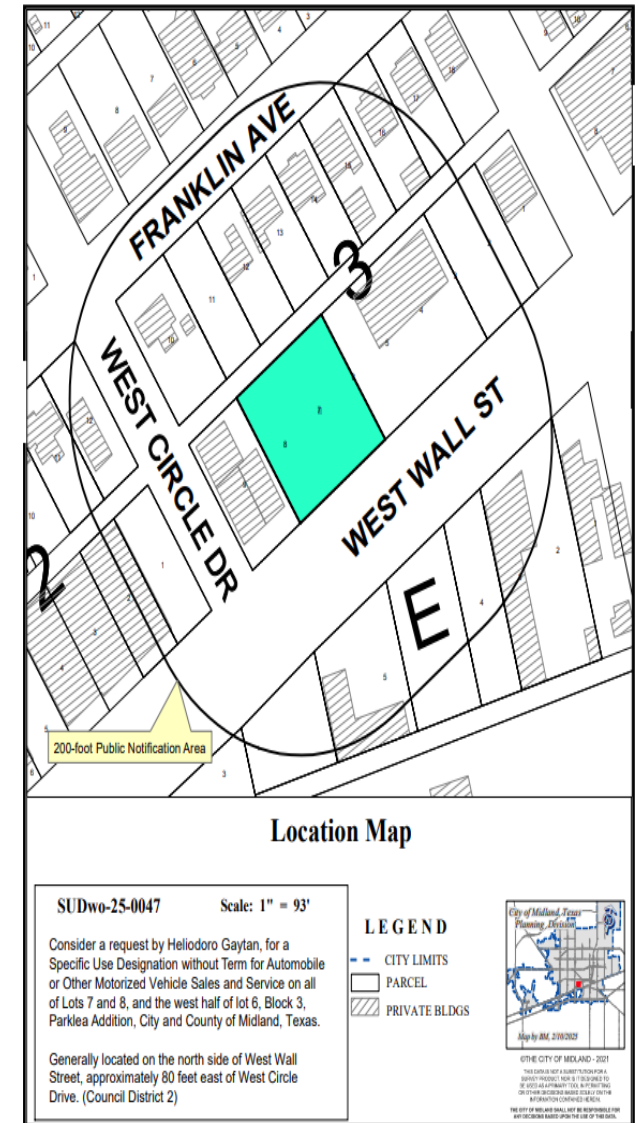
PACKET

21.17

April 8, 2025

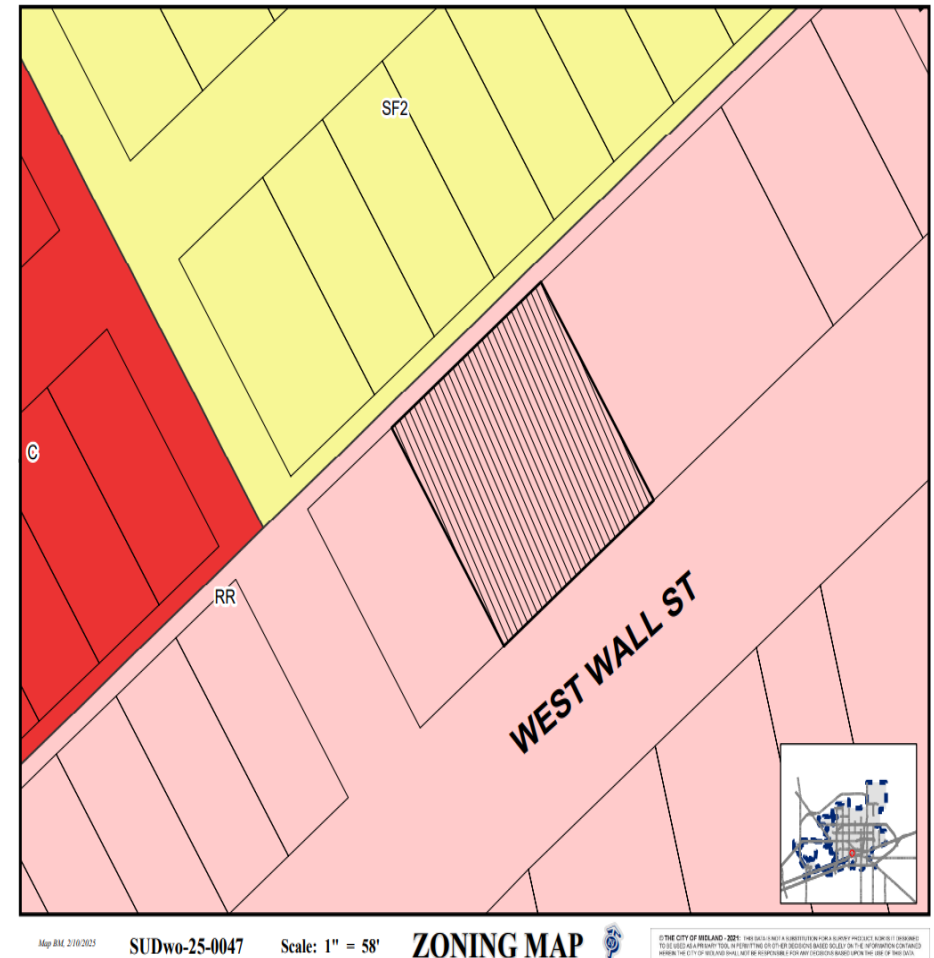
APPLICATION SUMMARY

- **Property Owner/Applicant:** Heliodoro Gaytan
- **Type:** SUD Without Term for an Automobile or Other Motorized Vehicle Sales and Service
- **Address:** 2810 West Wall Street (District 2)



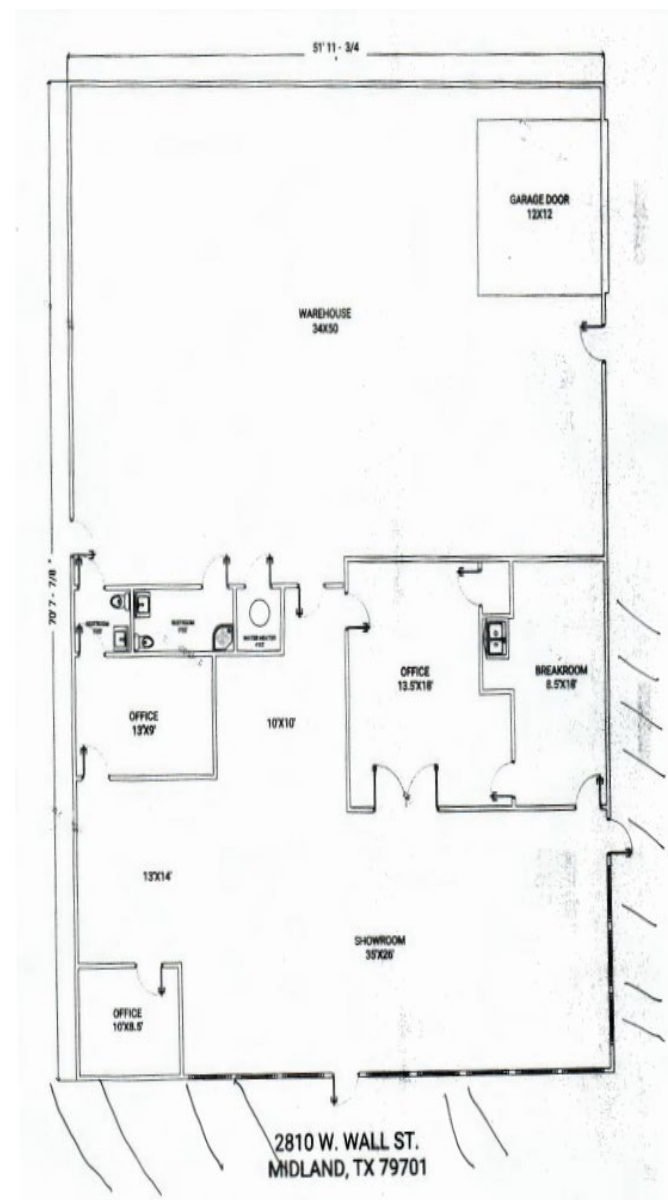
ZONING

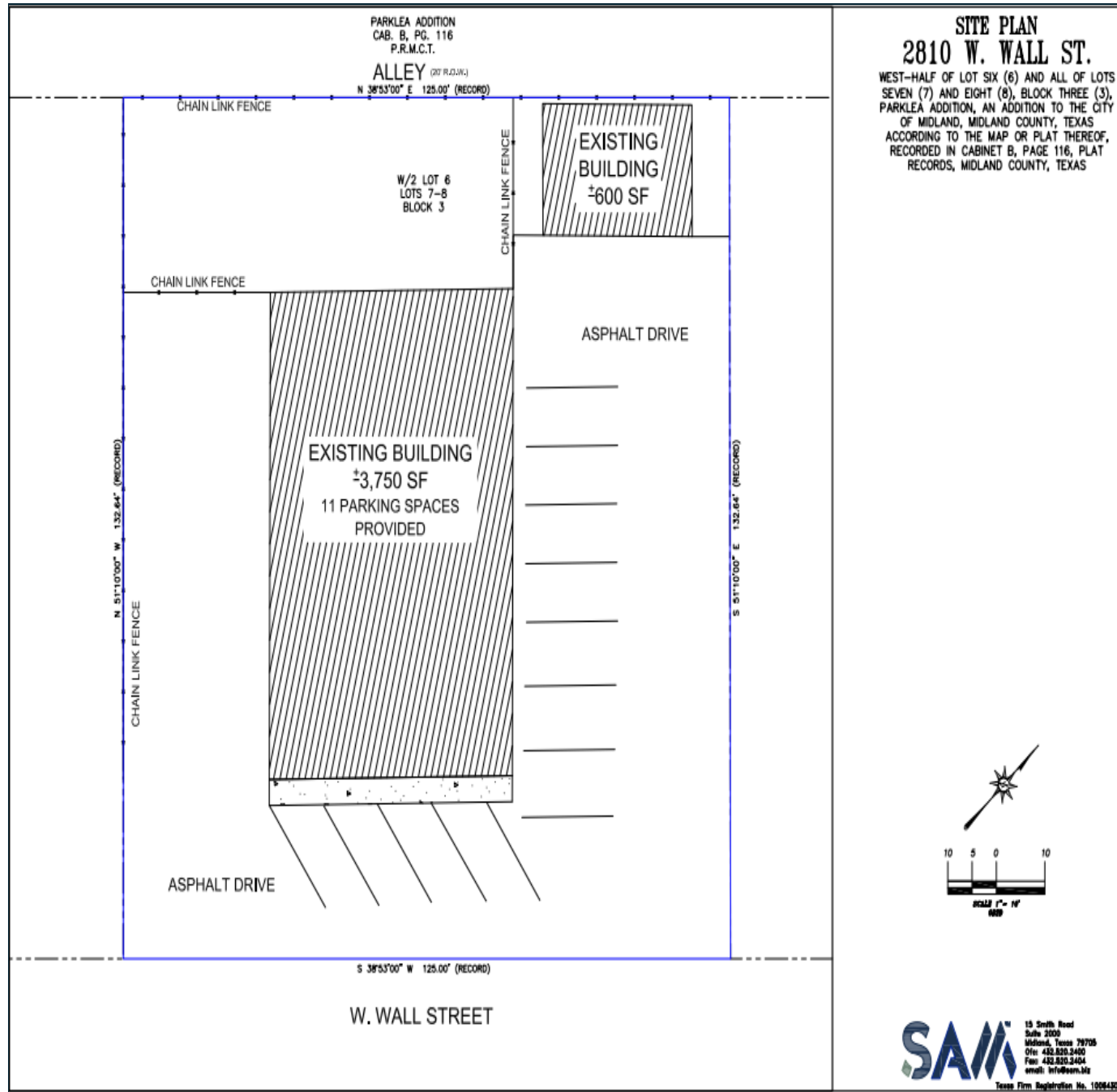
- **Current Zoning:** RR, Regional Retail District
- **Surrounding Zoning:**
 - **North:** SF-2, Single-Family Dwelling District
 - **South/East/West:** RR, Regional Retail District



INFORMATION

- **Proposed Days and Hours of Operation:**
 - Monday – Saturday, 9:00 a.m. to 7:00 p.m.
- **Proposed Days and Hours of SUDwo:**
 - Monday – Saturday, 9:00 a.m. to 7:00 p.m.

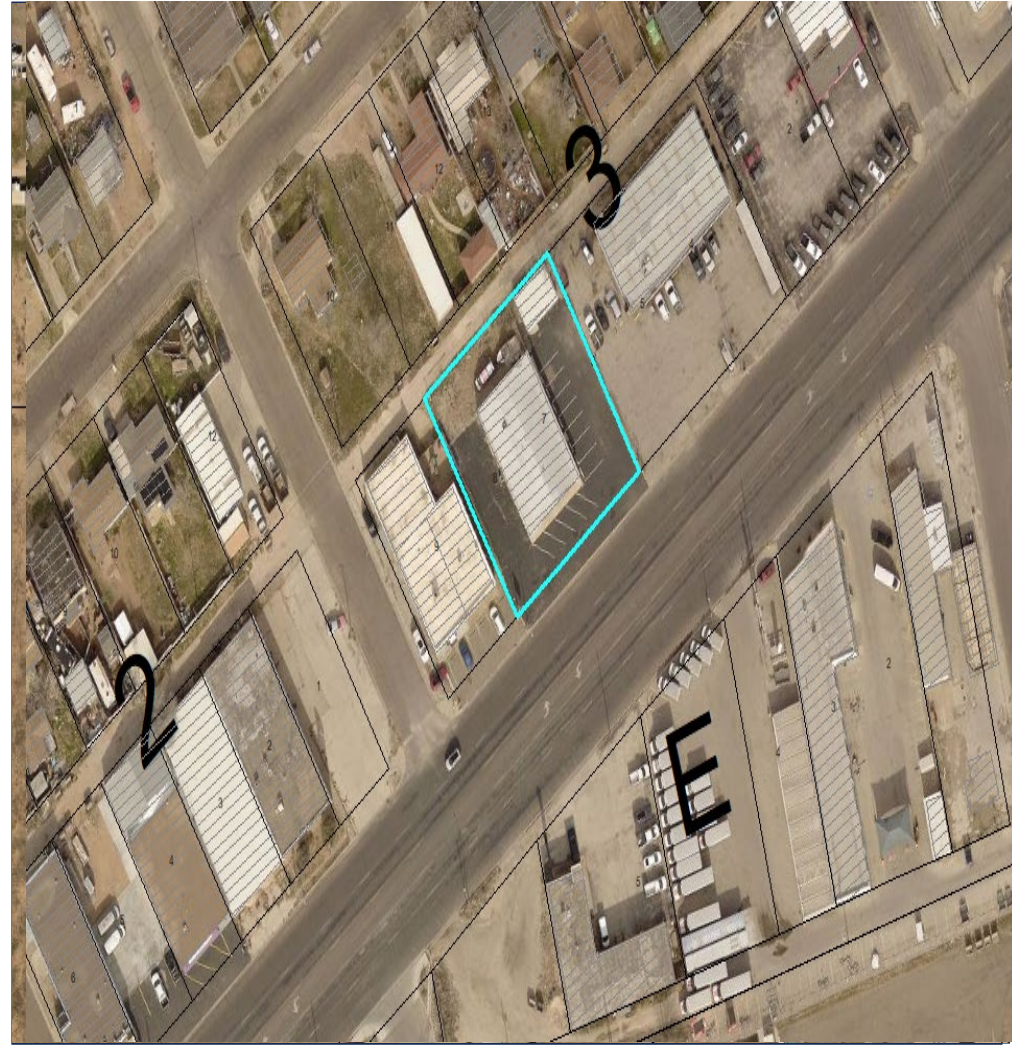




SITE PLAN

LAND USE

- **Current Use:** Vacant Building
- **Proposed Use:** Automobile sales and service center
- **Surrounding Uses:**
 - **North:** Neighborhood and tire shop
 - **South:** Auto parts shop
 - **West:** Neighborhood and bakery
 - **East:** Moving company



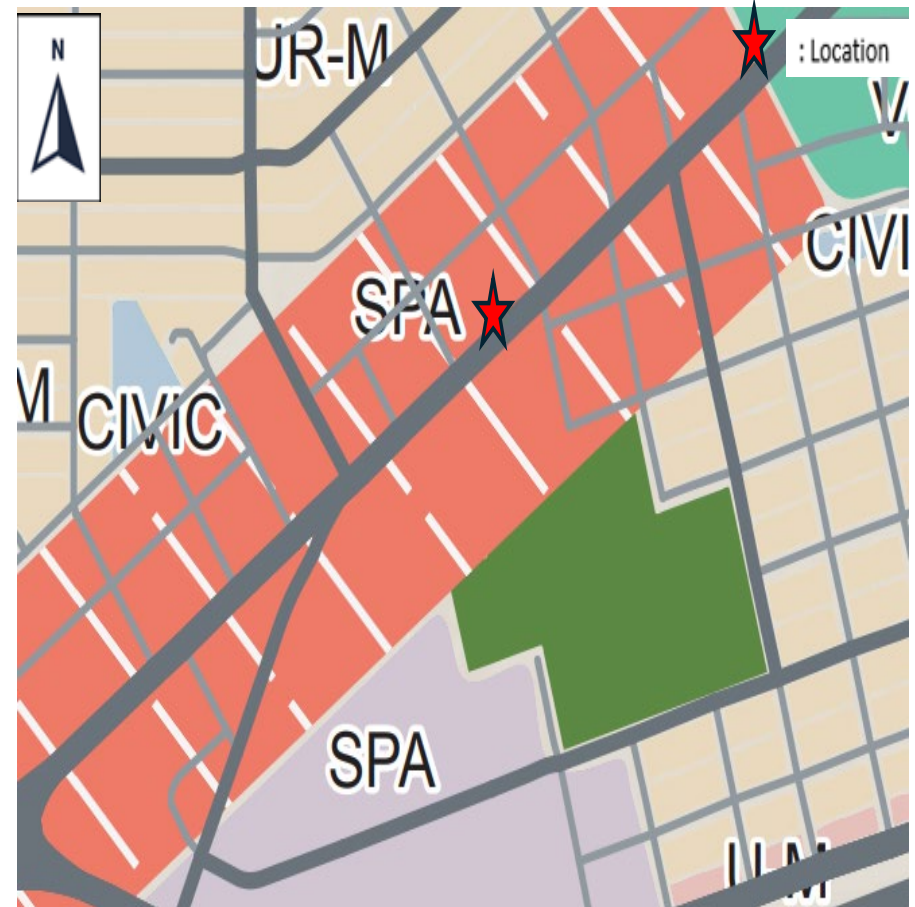
Site Photo



On West Wall Street, Looking north

COMPREHENSIVE PLAN ANALYSIS

- **TCT Land Use Designation:**
Special Study Area
- **Supported Uses:**
 - This is a special study area and there are no policies established for this location.
- Request is compatible with the surrounding area and the Tall City Tomorrow Plan.



RELATED ITEMS

- The Planning & Zoning Commission recommended approval of this request on March 17, 2025.



STAFF'S RECOMMENDATION

- No objections received.
 - Staff recommends **APPROVAL** of the request of the Specific Use Designation Without Term for an Automobile or Other Motorized Vehicle Sales and Service, subject to Conditions A through C.
- A. That the use and development of the Property for the Specific Use shall significantly conform to the site plan, which is attached hereto as Exhibit “A” and incorporated herein for all purposes.**



STAFF'S RECOMMENDATION

- B. That the use and development of the Property for the Specific Use shall conform to standards set forth in Section 11-1-4.04.A.6 of the City Code.**
- C. That the operator of the Specific Use shall obtain a Certificate of Occupancy prior to using the Property for the Specific Use to ensure that the conditions of this Specific Use Designation Without Term are satisfied.**



MISSION

Deliver exceptional services and promote a high quality of life and place for ALL our citizens.



City Council Meeting

Item Number: 22
Meeting Date: April 8, 2025
To: City Council / City Manager
From: Alexis M. Martinez, Associate Planner
Subject: AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITH TERM ON LOT 8, BLOCK 44, FAIRMONT PARK ADDITION, SECTION 27, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED ON THE EAST SIDE OF WEST LOOP 250 NORTH, APPROXIMATELY 230 FEET SOUTH OF HENRY KOONTZ BOULEVARD.), WHICH IS PRESENTLY ZONED PD, PLANNED DEVELOPMENT DISTRICT FOR A SHOPPING CENTER, ALLOWING SUCH PROPERTY TO BE USED FOR THE SALE OF ALL ALCOHOLIC BEVERAGES IN A RESTAURANT FOR ON-PREMISES CONSUMPTION, MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION (DISTRICT 1) (DEVELOPMENT SERVICES) (QUALITY OF LIFE AND PLACE)

Purpose:

The applicant, Rudy's New Mexico Bar-B-Q, LLC, is requesting a Specific Use Designation (SUD) with Term for Alcoholic Beverages Sales for On-Premises Consumption in a restaurant on the property located at 4711 West Loop 250 North for Rudy's Country Store and Bar-B-Q.

Recommended City Council Action:

Approve

Fiscal Impact:

This proposal does not have a significant financial impact to the City.

Strategic Priority:

(Quality of Life & Place)

Current Zoning:

PD, Planned District for a Shopping Center

Surrounding Zoning and Land Use:

The properties to the north and south are zoned PD, planned district for shopping center and the location of Chuck E. Cheese and an old movie theater. The properties to the east and west are zoned PD, planned district for shopping center and the location of Home Depot and a hotel

Analysis:

The property is zoned PD, Planned District for a shopping center, with an underlying zone of RR, Regional Retail District. RR zoning allows Alcoholic Beverages Sales for On-Premises Consumption in a restaurant with the approval of an SUD. The total area of the restaurant, Rudy's Country Store and Bar-B-Q, is 8,013 square feet and the proposed alcohol serviceable area is 4,711 square feet.

The proposed hours of operation:

***Monday through Saturday from 7 a.m. to 10 p.m.
Sundays from 10 a.m. to 10 p.m.***

The proposed hours of alcohol service:

***Monday through Saturday from 7 a.m. to 10 p.m.
Sundays from 10 a.m. to 10 p.m.***

Per Midland City Code, Section 5-4-4, Prohibited Places of Business:

The sale of any alcoholic beverage is hereby prohibited by any person, where the place of business of any such dealer is within 300 feet of any church, public-school, public-school ground, athletic stadium used by any public school or public hospital, the measurements to be along the property lines of the street fronts and from front door to front door and in a direct line across intersections where they occur.

There are no churches, private schools, public schools, public school grounds, athletic stadium, public hospital within 300 feet measurement along the property lines of the street fronts, and from the front door in a direct line across intersection where they occur within this site.

The request is in compliance with the Tall City Tomorrow Comprehensive Plan, Chapter 6-Character Plan Goal 4, which is to "Encourage the development of places where Midland residents can gather and socialize to build connections." Rudy's Country Store and BBQ, is a

destination where Midland residents will gather and socialize.

This project has been circulated to all City departments for review. Below are the department comments.

Fire: (Approved)

No objections. The structure must meet the IFC 2015 standards.

Engineering: (Approved)

No objection.

Transportation: (Approved)

No objection.

Building Code: (Approved)

The SUD for Rudy's is acceptable. The property must adhere to the maximum occupant load of 286 persons for the alcohol serviceable area. Occupancy loads must be posted in accordance with section 1004.3 of the 2015 International Fire Code.

Planning: (Approved with Conditions)

This request meets all requirements; therefore, staff recommends approval of the request of the Specific Use Designation with Term for the sale of all alcoholic beverages, for on-premises consumption, in a lounge, subject to Condition A through G.

Conditions:

- A. That the serviceable area of the establishment shall be limited to approximately 4,711 square feet as shown in Exhibit "A".**
- B. That the sale and on-premises consumption of alcoholic beverages shall conform to all applicable state and local laws.**
- C. That the permitted hours of the sale of alcoholic beverages sales and consumption shall be limited to:**

***Monday through Saturday from 7 a.m. to 10 p.m.
Sunday from 10 a.m. to 10 p.m.***

- D. That the occupancy of the Establishment shall not exceed the maximum occupancy determined by the Building Code and Fire Code.**

E. That the Establishment shall meet all requirements of the Fire Department and Code Administration.

F. That the operator of the Establishment shall obtain a Certificate of Occupancy prior to the commencement of the sale of alcoholic beverages for on premises consumption to ensure that the conditions of this Specific Use Designation with Term are satisfied.

G. That in accordance with Section 11-1-9.07. E.3 of the zoning ordinance, the establishment shall be in operation within 120 days from the final adoption date of

Letters of Objection:

As of April 2, 2024, staff received three letters of objections.

Attachments:

Application
Floor Plan (Exhibit A)
Site Plan
Maps
PowerPoint



City Manager's Office

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE ZONING DISTRICT MAP OF THE CITY OF MIDLAND TO GRANT A SPECIFIC USE DESIGNATION WITH TERM FOR LOT 8, BLOCK 44, FAIRMONT PARK ADDITION, SECTION 27, CITY AND COUNTY OF MIDLAND, TEXAS (GENERALLY LOCATED ON THE EAST SIDE OF WEST LOOP 250 NORTH, APPROXIMATELY 230 FEET SOUTH OF HENRY KOONTZ BOULEVARD), WHICH IS PRESENTLY ZONED PD, PLANNED DEVELOPMENT DISTRICT FOR A SHOPPING CENTER, ALLOWING SAID PROPERTY TO BE USED FOR THE SALE OF ALL ALCOHOLIC BEVERAGES IN A RESTAURANT FOR ON-PREMISES CONSUMPTION; MAKING SAID DESIGNATION SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS CONTAINED HEREIN; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2,000.00); AND ORDERING PUBLICATION

WHEREAS, the City Planning and Zoning Commission and the Governing Body of the City of Midland, Texas, in compliance with the City Charter, the City Code, and State law, have given the requisite notices by United States mail, publication and otherwise; and after holding due hearings affording a full and fair hearing to all of the property owners generally, and particularly to those interested persons situated in the affected area and in the vicinity thereof, the Governing Body of the City of Midland finds that the public convenience will be best served by granting a Specific Use Designation With Term for Lot 8, Block 44, Fairmont Park Addition, Section 27, City and County of Midland, Texas (the “Property”), as set out hereinafter;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That the Zoning District Map of the City of Midland, Texas, is hereby amended to grant the Property a Specific Use Designation With Term for the sale of all alcoholic beverages in a restaurant (the “Establishment”) for on-premises consumption, together with the uses permitted in the present PD, Planned Development District for a Shopping Center.

SECTION TWO. That the Property shall be subject to the following conditions and restrictions:

- A. That the serviceable area of the Establishment shall be limited to approximately 4,711 square feet as shown in Exhibit "A", which is attached hereto and incorporated herein for all purposes.
- B. That the sale and on-premises consumption of alcoholic beverages shall conform to all applicable state and local laws.
- C. That the days and hours of alcoholic beverage sales and consumption shall be limited to the following:

Monday through Saturday from 7:00 a.m. to 10:00 p.m.; and
Sunday from 10:00 a.m. to 10:00 p.m.
- D. That the occupancy of the Establishment shall not exceed the maximum occupancy determined by the Building Code and Fire Code.
- E. That the Establishment shall meet the requirements of the Fire Department and the Code Administration Division.
- F. That the operator of the Establishment shall obtain a Certificate of Occupancy prior to the commencement of the sale of alcoholic beverages for on-premises consumption to ensure that the conditions of this Specific Use Designation With Term are satisfied.
- G. That in accordance with Section 11-1-9.07.E.3 of the City Code, the Establishment shall be in operation within 120 days from the final adoption date of this ordinance.

SECTION THREE. The provisions of this ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances, inconsistent with or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FOUR. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The Council of the City of Midland hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FIVE. The penalty for violation of this ordinance shall be in accordance with the general penalty provisions contained in Section 1-3-1 of the City Code of Midland, Texas, which provides for a fine not exceeding two thousand dollars (\$2,000.00).

SECTION SIX. The City Secretary is hereby authorized and directed to publish the descriptive caption of this ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2025; and passed to second reading on motion of Council member _____, seconded by Council member _____, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, seconded by Council member _____, on the _____ day of _____, A.D., 2025, at a regular meeting of the City Council:

Council members voting "AYE":

Council members voting "NAY":

PASSED AND APPROVED THIS _____ day of _____, A.D., 2025.

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley-German, City Secretary

PACKET

22.7

April 8, 2025

APPROVED AS TO CONTENT
AND COMPLETENESS:

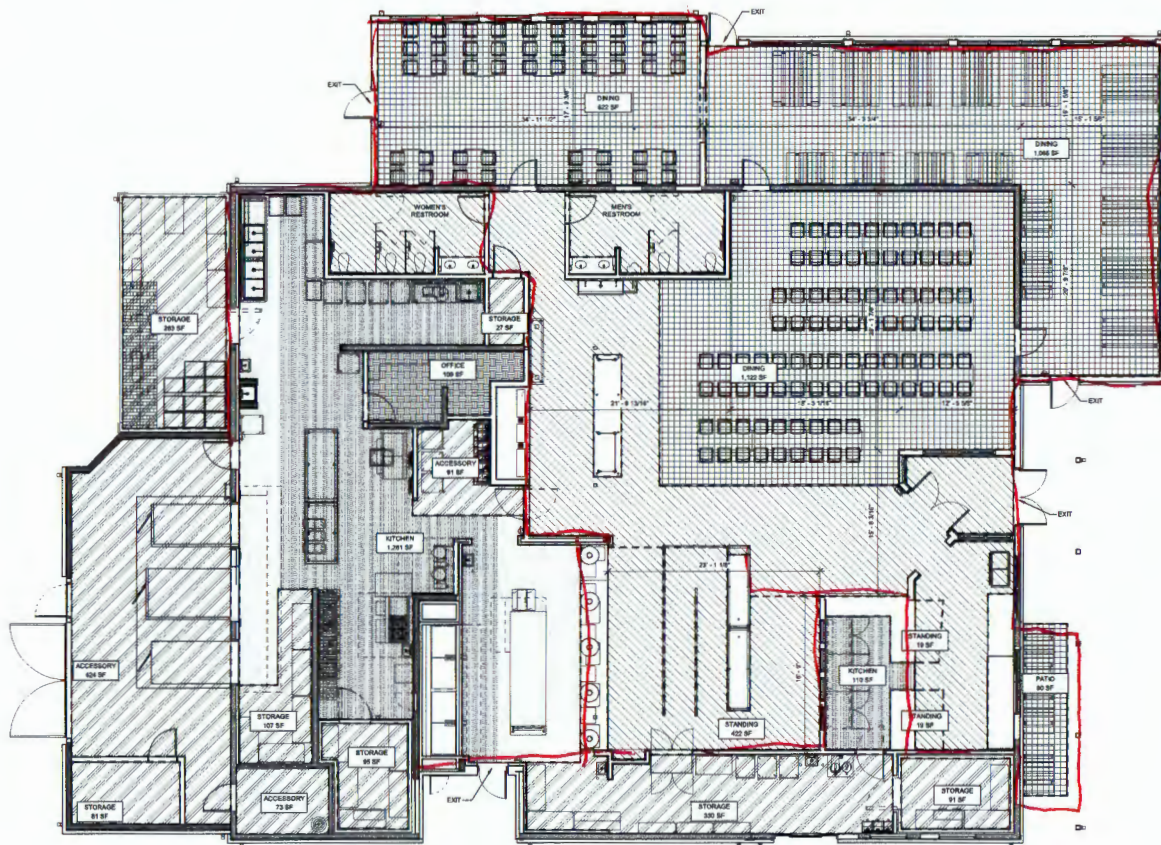
Elizabeth Triggs, Planning and Development Officer

APPROVED ONLY AS TO FORM:

Nicholas Toulet, Interim City Attorney

EXHIBIT "A"

Total - 8,013 sq ft
 Servicable area - 4,711 sq ft



FLOOR PLAN
 3/10/10
 PACKET

22.9

OCCUPANCY LOAD (PER 2010 INTERNATIONAL FIRE PREVENTION CODE, TABLE 1004.5)			
ASSEMBLY AREAS	TOTAL	CALCULATED OCCUPANT LOAD	ACTUAL BEAT COUNTRY EMPLOYEES
DINING (ASSEMBLY) TWO FIXED SEATING - UNCONCENTRATED: 1.67 NET SF PER OCCUPANT	3,614 SF	186	306
STANDING SPACE ASSEMBLY TWO FIXED SEATING: 3 NET SF PER OCCUPANT	488 SF	86	-
KITCHENS COMMERCIAL: 300 GROSS SF PER OCCUPANT	1,391 SF	7	8
ACCESSORY STORAGE: 300 GROSS SF PER OCCUPANT	1,800 SF	6	-
OFFICE BUSINESS AREAS: 100 GROSS SF PER OCCUPANT	108 SF	1	-
TOTAL INTERIOR OCCUPANTS		284	314
TOTAL EXTERIOR OCCUPANTS		6	6
TOTAL OCCUPANTS		290	320
CIRCULATION SPACE: 0.5 SF PER OCCUPANT	1,422 SF	-	-
TOTAL SQUARE FOOTAGE	8,013 SF	-	-
ACCESSIBLE SEATING CALCULATIONS			
TOTAL SEATING: 306 INT. 6 EXT.			
TOTAL REQUIRED ACCESSIBLE INTERIOR SEATING (5% OF TOTAL)	15		
REQUIRED ACCESSIBLE INTERIOR SEATING (5% OF TOTAL)	15		

April 8, 2025

150 West Main Street
 Suite 2, #104
 1704 West Street
 Dallas, TX 75208
 Phone: 817-552-4155
 Fax: 817-552-4155
 www.lmb-usa.com

1. This drawing is prepared in accordance with the requirements of the International Fire Prevention Code, 2010 Edition, and the International Building Code, 2010 Edition.



PROJECT: 4711
 DRAWN: [Signature]
 CHECKED: [Signature]

10/10/10, PERMIT SET
 [Checkboxes for various codes]

RELATED SEE PLAN CABLE, 80



4711 LOOP 250
 FRONTAGE RD.
 MIDLAND, TX 79707

REVISIONS

Floor Plan

SHEET NUMBER

1



**Specific Use Designation with
Term for the Sale of Alcoholic
Beverages for On-Premises
Consumption**

Project Number: _____

Case Number: SWD-25-0193

Applicant (if acting as Agent, see affidavit on page 2)

Printed Name: Rudy's New Mexico Bar-B-Q, LLC

Phone 512-263-0929

Email hfordrehme@frg99.com

Address 22101 W. State HWY 71

City Spicewood

State TX

Zip 78669

Property Owner

Printed Name: Moondance Investments Ltd.

Phone 512-263-0929

Email hfordrehme@frg99.com

Address 22101 W. State Hwy 71

City Spicewood

State TX

Zip 78669

Representative (if different from Applicant or Property Owner)

Firm: _____

Printed Name: _____

Phone 512-263-0929

Email

hfordrehme@frg99.com

Address _____

City _____

State _____

Zip _____

Street Address: 4711 W. Loop 250, Midland, TX 79707

Business Name: Rudy's "Country Store" and Bar-B-Q

Legal Description

Lot: 8

Block: 44

Subdivision: Fairmont Park Addition, Section 27

Current Zoning: PD288 Restaurant

Reason for Request: Liquor License

Type of Business (restaurant, bar, lounge, nightclub, etc.): Restaurant

Proposed/Current Days and Hours of Operation: 7 days/week, 7am to 10pm

Proposed Days and Hours of Alcohol Service: 7 days/week, 7am to 10pm

Total Square Footage of Business: 8013 sf

Square Footage of Alcohol Serviceable Area: 4711 sf

Restroom Fixtures:

Men

Toilets/Urinals: 2

/ 3

Bathroom Sinks: 2

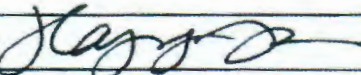
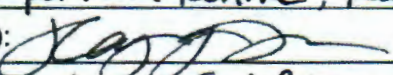
Women

Toilets: 3

Bathroom Sinks: 2

Submittal and Fees**Items to be submitted with this application form:**

- Application Fee – Payable to the 'City of Midland'
- Dimensioned Floor Plan showing:
 - Seating
 - Exits
 - Restrooms
 - Kitchen (if applicable)
 - Total Square Footage
 - Serviceable Square Footage
- Dimensioned Site Plan showing:
 - Parking
 - Business Footprint
- Digital Copies of Floor Plan & Site Plan (PDF/JPEG)

SignaturesApplicant (signature):  Date: 1-22-2025Applicant (printed): Rudy's New Mexico Bar-B-Q LLCProperty Owner (signature):  Date: 1-22-2025Property Owner (printed): Moondance Investments, Ltd

The Specific Use Designation with Term for the sale of all alcoholic beverages shall be considered officially received in the Planning office only when it has been submitted in full compliance with the provisions of Section 212 of the Texas Local Government Code and the Zoning Code of Ordinances of the City of Midland and when such required items for the application are also received.

All materials, including exhibits, submitted in support of an application, or displayed during a public hearing, shall remain the property of the City of Midland.

If an agent is authorized by the property owner to file and execute the application on behalf of the property owner, the agent must complete the affidavit below.

STATE OF TEXAS
COUNTY OF MIDLAND

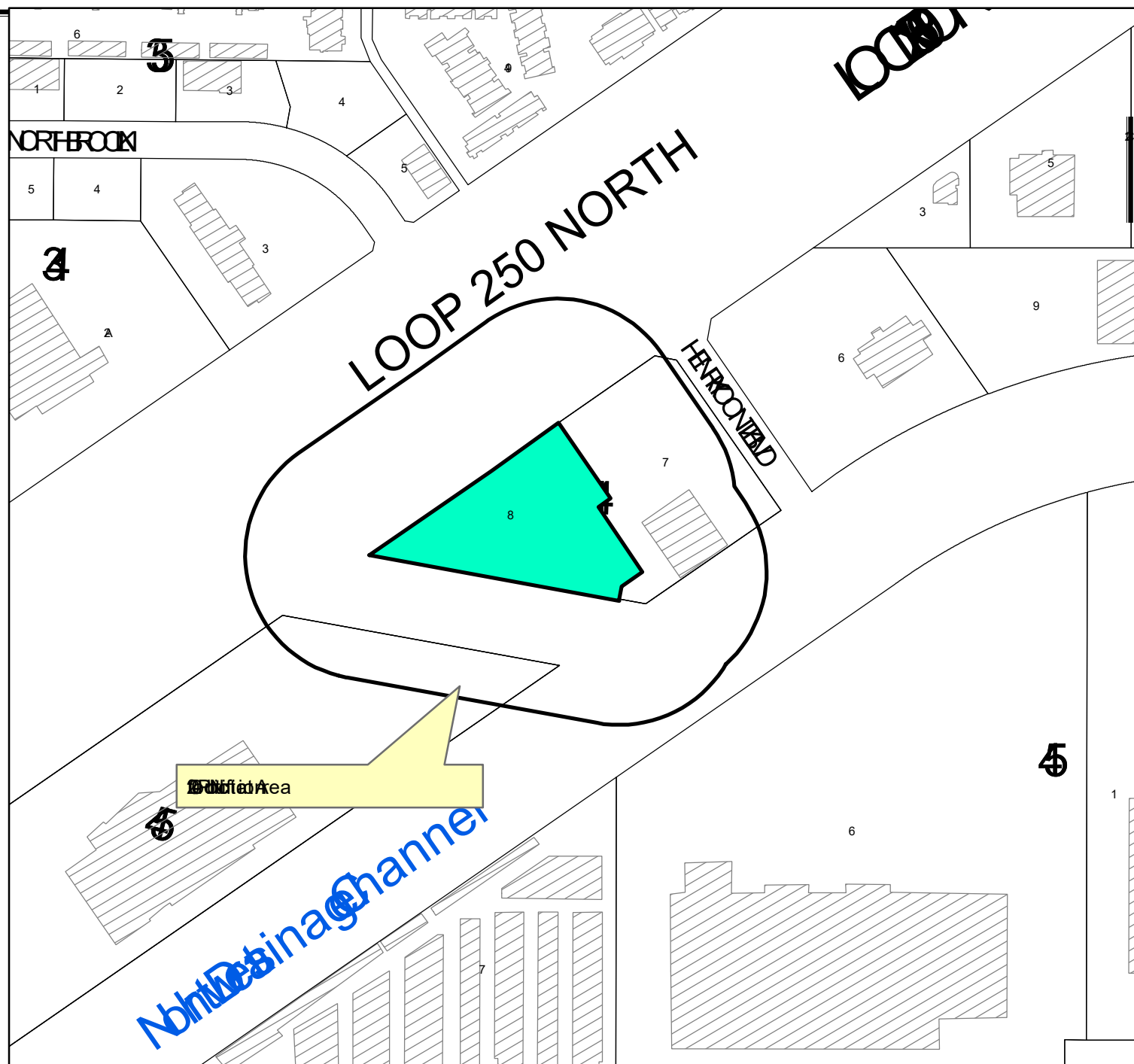
Before me, the undersigned authority, on this day personally appeared _____ who, being by me duly sworn, upon oath says: That (s)he is authorized by _____, the owner of the above described property, to fully represent him/her in this application and that (s)he had the legal right, power and authority to sign said owner's name hereto as his/her attorney in fact.

Authorized Agent (signature)

Subscribed and sworn to before me, this _____ day of _____, 20 __, to certify which witness my hand and seal of office.

NOTARY PUBLIC, MIDLAND COUNTY, TEXAS

FOR OFFICE USE ONLY	
☐ Property Owner Authorization	☐ Dimensioned Floor Plan
☐ Application Fee	☐ Site Plan
Check # _____	☐ Plans in Digital Format (PDF/JPEG)
Received By: _____	Date: _____



Location Map

SUD-25-0193

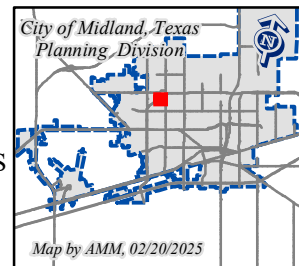
Scale: 1" = 792'

Consider a request by Rudy's New Mexico Bar-B-Q, LLC for a Specific Use Designation with Term for the Sale of all Alcoholic Beverages for on premises consumption in a restaurant on Lot 8, Block 44, Fairmont Park Addition, Section 27, City and County of Midland, Texas.

Generally located on the east side of West Loop 250 North, approximately 230 feet south of Henry Koontz Boulevard. (Council District 1)

LEGEND

- CITY LIMITS
- PARCEL
- PRIVATE BLDGS

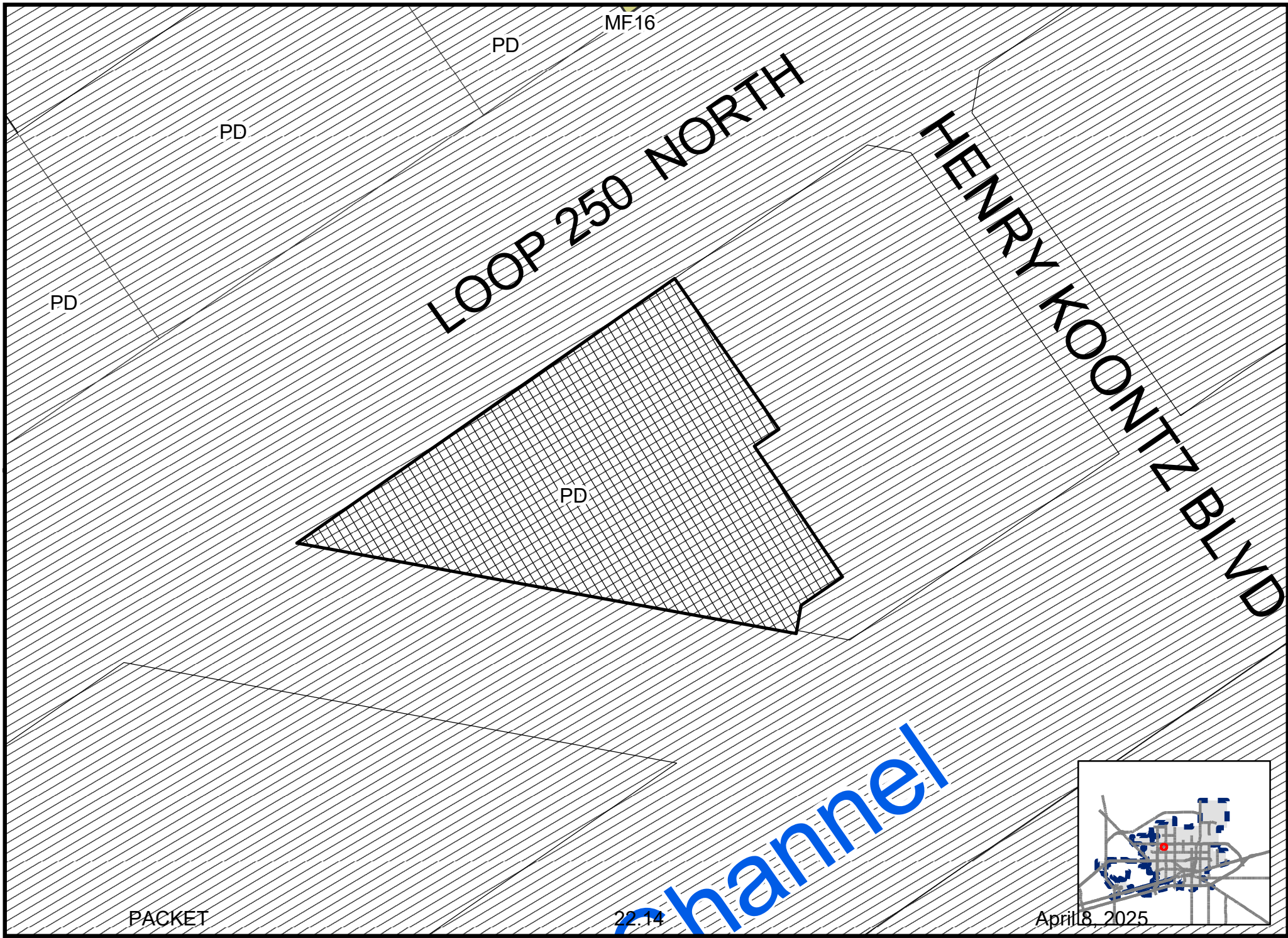


©THE CITY OF MIDLAND - 2021

April 8, 2025

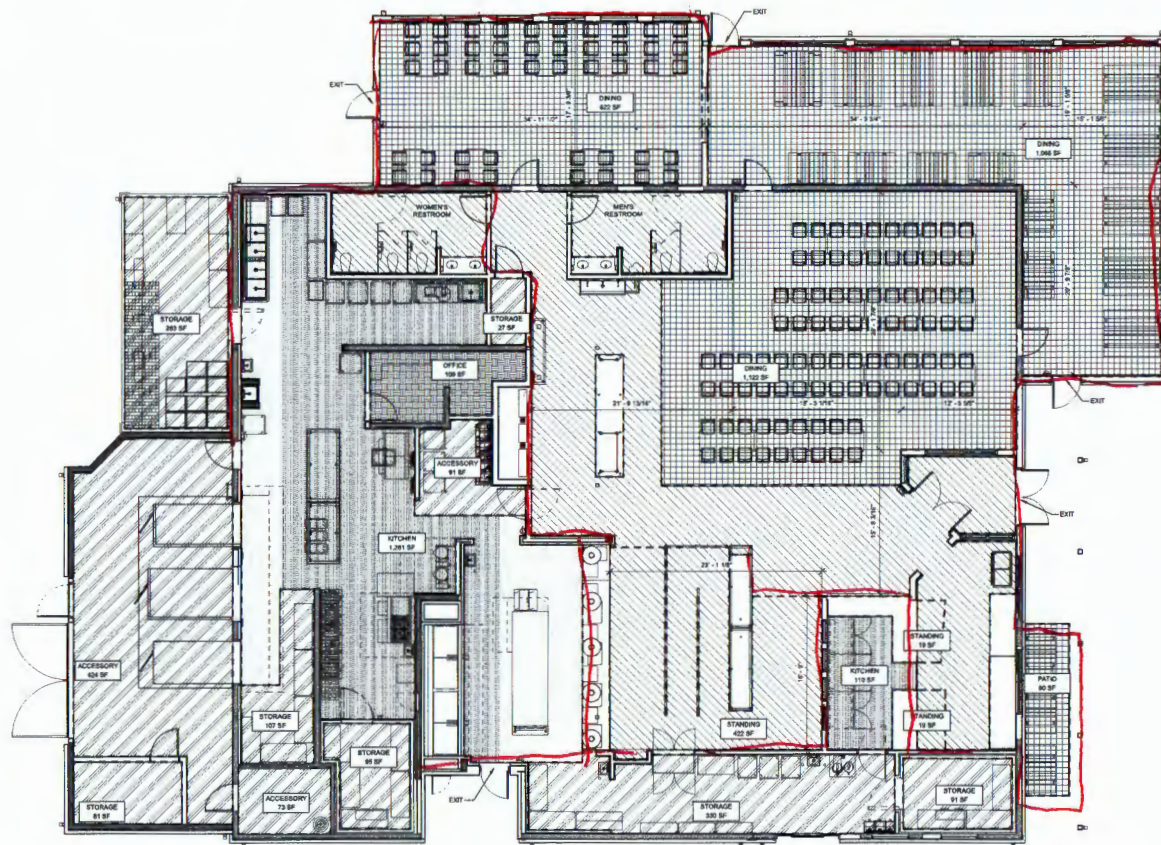
THIS DATA IS NOT A SUBSTITUTION FOR A SURVEY OR FOR IS IT DESIGNED TO BE USED AS A TOOL IN PERMITTING OR OTHER DECISIONS BASED SOLELY ON THE INFORMATION CONTAINED HEREIN.

THE CITY OF MIDLAND SHALL NOT BE RESPONSIBLE FOR ANY DECISIONS BASED UPON THE USE OF THIS DATA.





Total - 8,013 sq ft
 Servicable area - 4,711 sq ft



OCCUPANCY LOAD (PER 2010 INTERNATIONAL FIRE PREVENTION CODE, TABLE 1004.5)			
ASSEMBLY AREAS	TOTAL	CALCULATED OCCUPANT LOAD	ACTUAL BEAT COUNTRY EMPLOYEES
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TOTAL OCCUPANTS		290	320
CIRCULATION SPACE: 0.5 SF PER OCCUPANT	1,422 SF	-	-
TOTAL SQUARE FOOTAGE	8,013 SF	-	-
ACCESSIBLE SEATING CALCULATIONS			
TOTAL SEATING: 306 INT. 6 EXT.			
TOTAL REQUIRED ACCESSIBLE INTERIOR SEATING (5% OF TOTAL)	15		
REQUIRED ACCESSIBLE INTERIOR SEATING (5% OF TOTAL)	15		

NORTHBROOK LN

34

HENRY KOONTZ BLVD

44

Drainage Channel

PACKET

45

2217

45

April 6, 2025



RUDY'S BAR-B-Q

ITEM

SPECIFIC USE DESIGNATION WITH

TERM



Visit Our Website

MIDLANDTEXAS.GOV

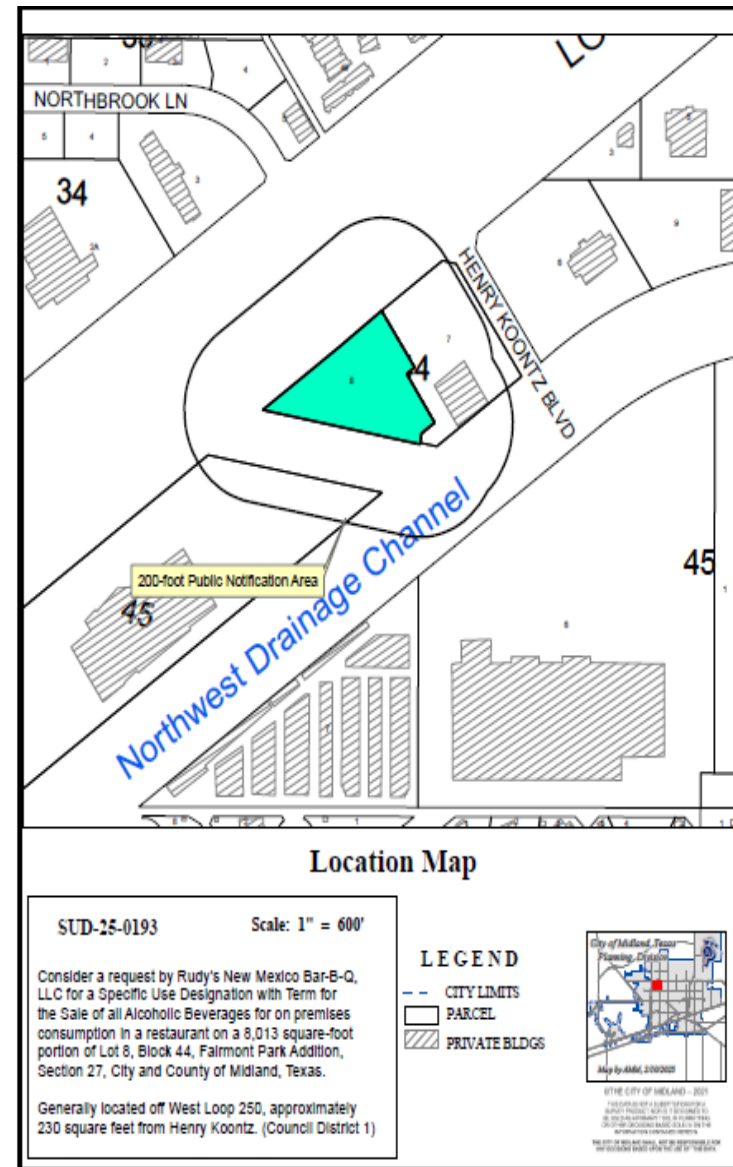
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April 8, 2025

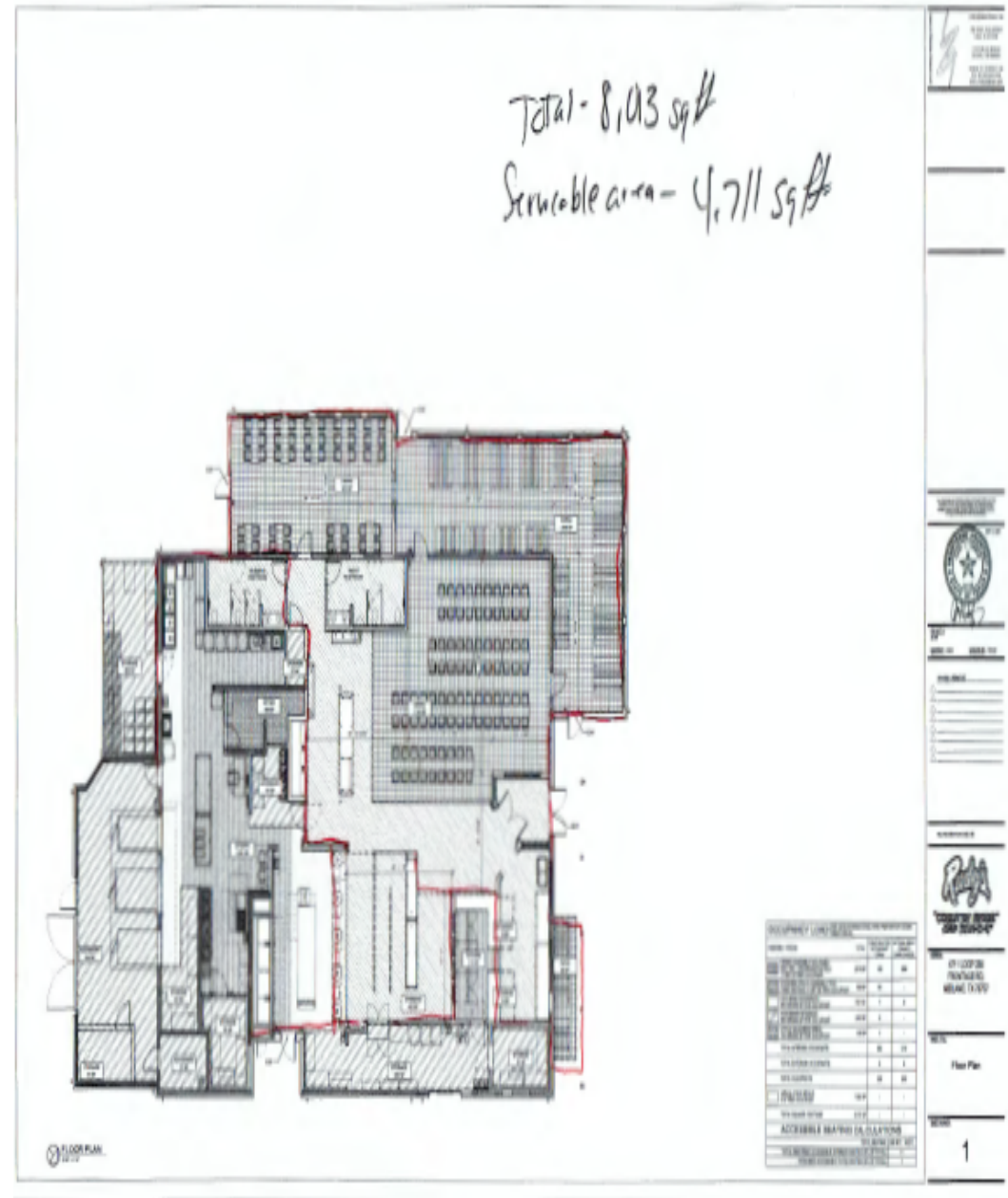
APPLICATION SUMMARY

- **Property owner:** Moondance Investments Ltd.
- **Applicant:** Rudy's New Mexico Bar-B-Q, LLC
- **Application Type:** Specific Use Designation With Term
- **Address:** 4711 West Loop 250 North. (District 1)



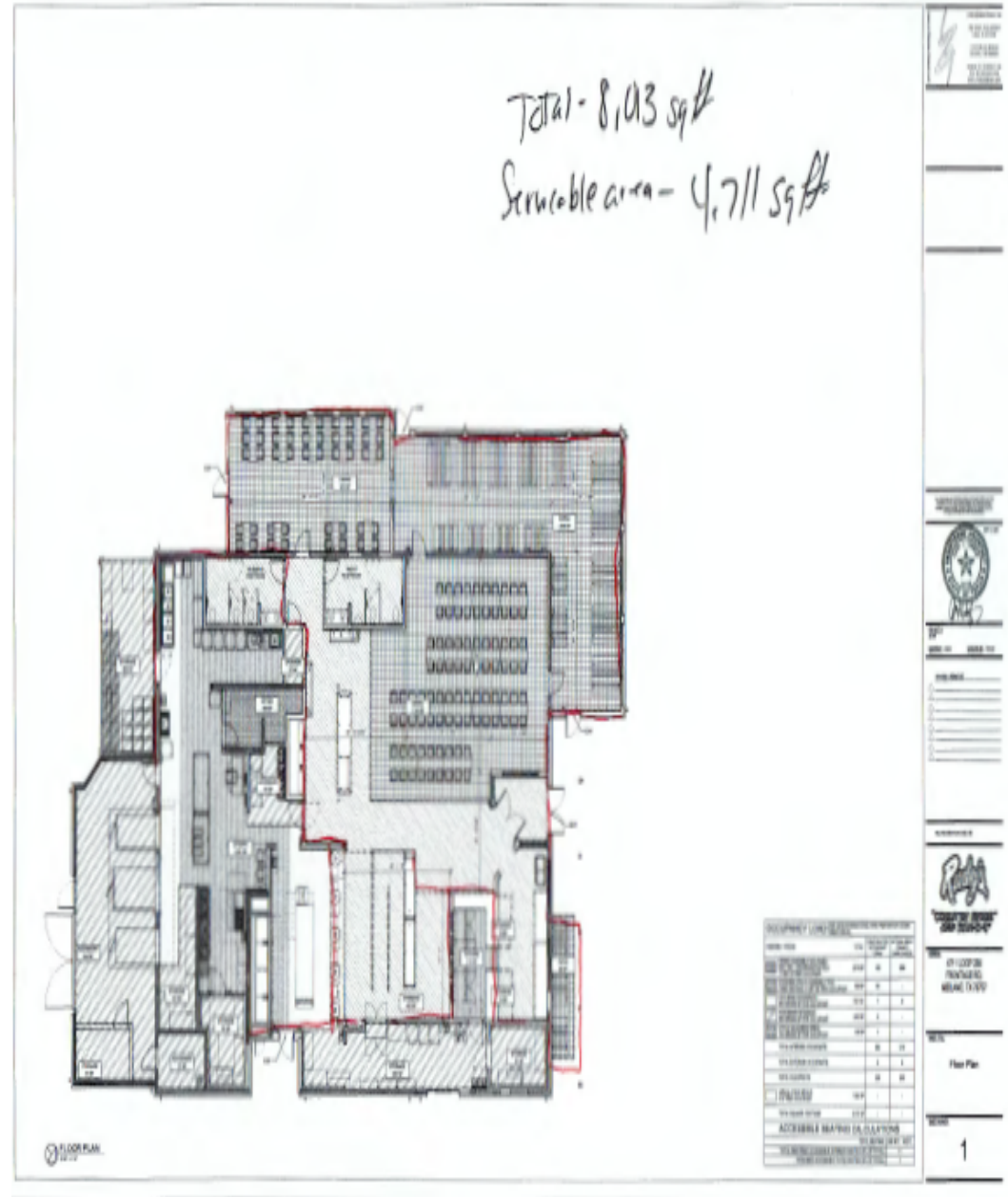
SUD DETAILS

- **Square Footage of SUD:** 8,013 sq feet
- **Alcohol Serviceable Area:** 4,711 sq ft
- **Proposed Days and Hours of Operation:**
 - Monday through Saturday from 7 a.m. to 10 p.m.
 - Sundays from 10 a.m. to 10 p.m.



SUD DETAILS

- **Proposed Days and Hours of SUD:**
 - Monday through Saturday from 7 a.m. to 10 p.m.
 - Sundays from 10 a.m. to 10 p.m.

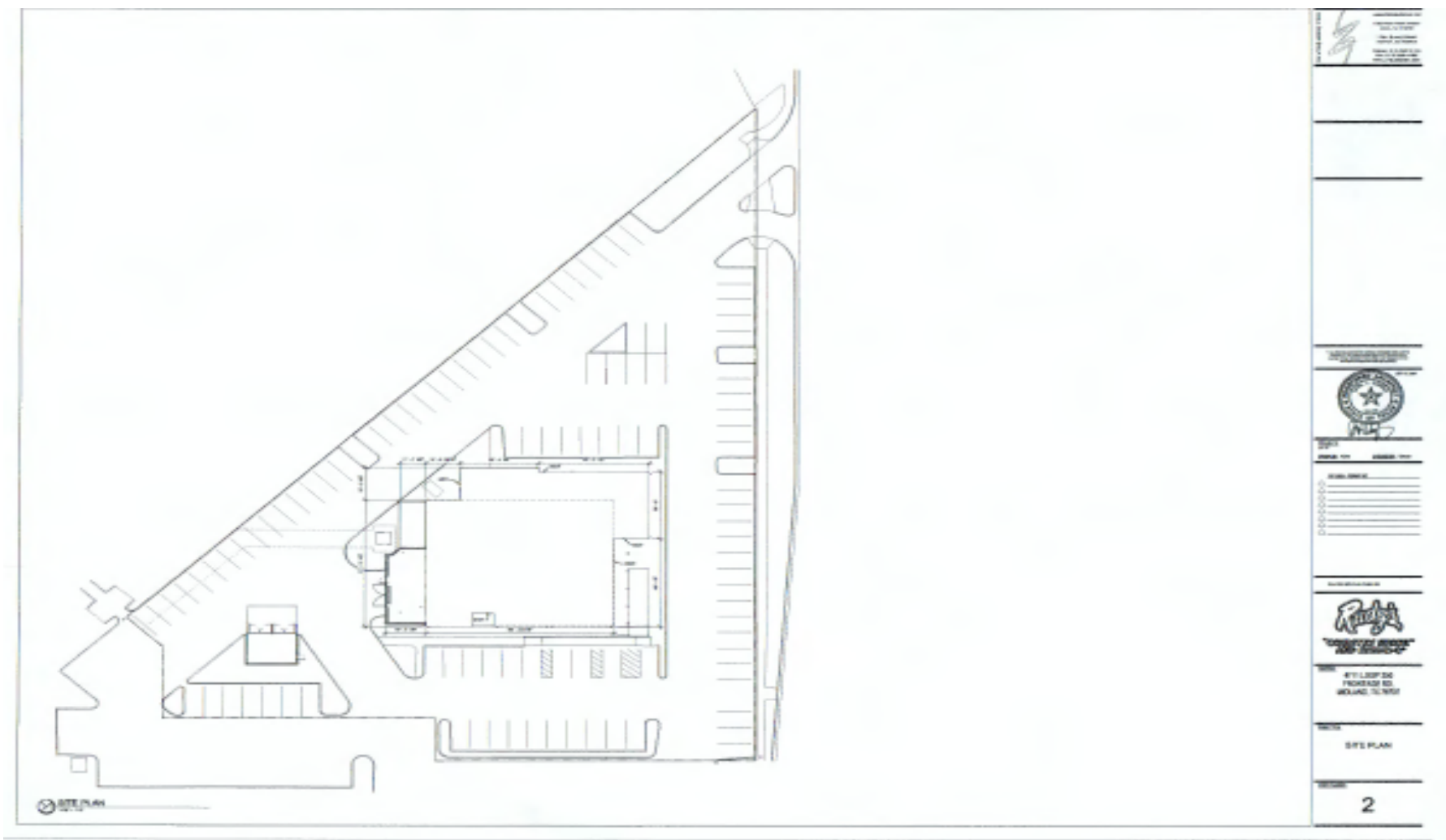


SUD DETAILS

Section 5-4-4 Compliance: There is no church, public school, public school ground, athletic stadium used by any public school, or public hospital within 300 ft of the building of the subject property.

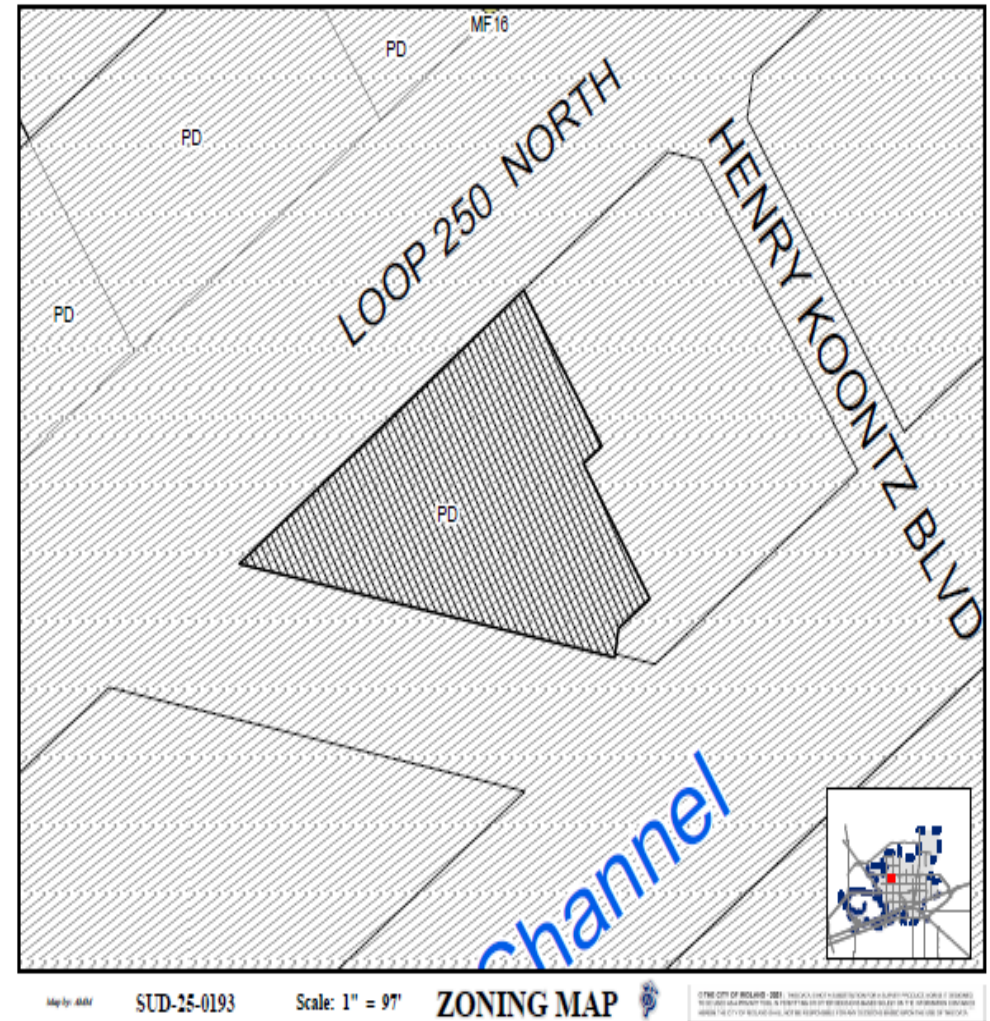


SITE PLAN



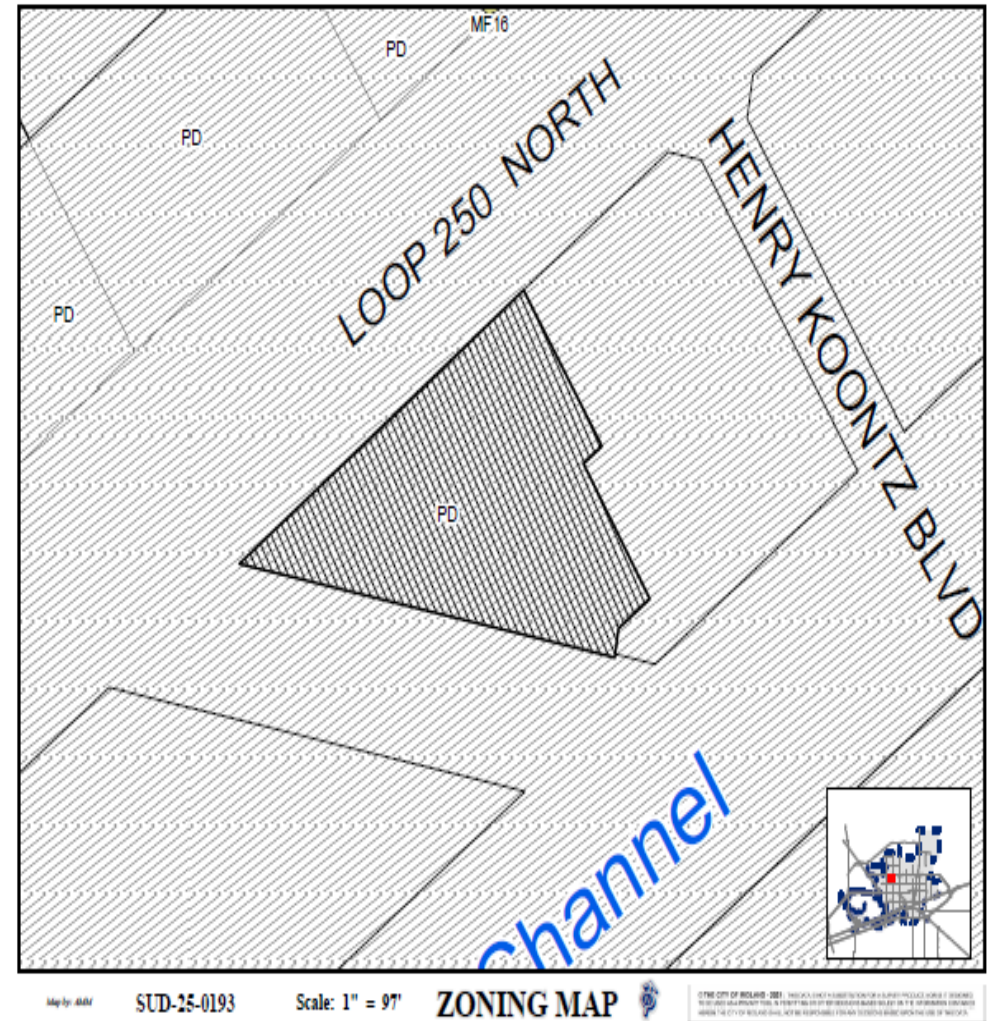
ZONING

- **Current Zoning:** PD, Planned Development District for a shopping center with an underlying zone of RR, Regional Retail District
- **Surrounding Zoning:** PD, Planned Development District for a shopping center.



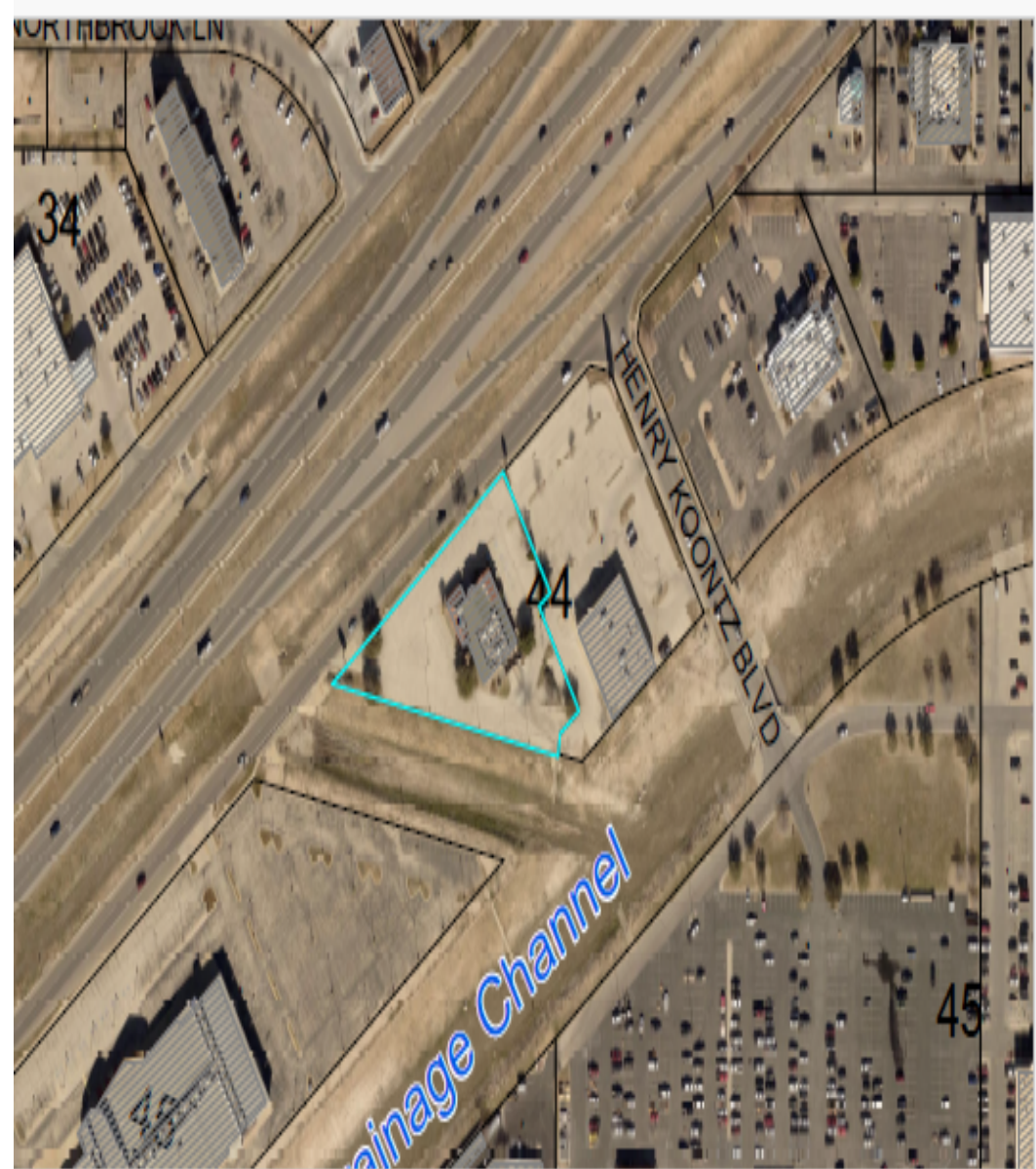
ZONING

- **Current Use of the Property:**
A Restaurant: The use of Alcohol is allowed with a Specific Use Designation per the Use Chart in Section 11-1-4.03



LAND USE

- **Surrounding Uses:**
 - North: Chuck E. Cheese.
 - South: Movie Theater
 - East: Home Depot
 - West: Hotel



SITE PHOTO



10

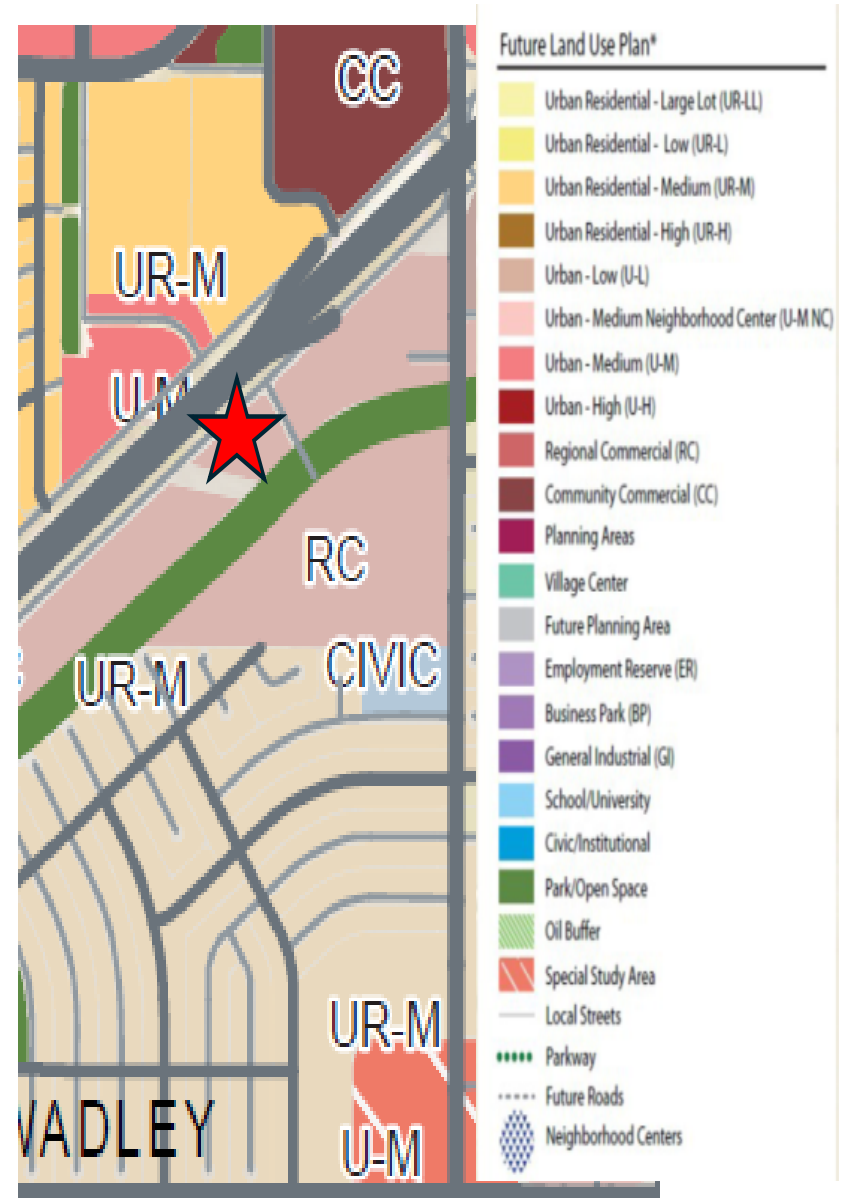
PACKET

On West Loop 250 North, Looking East

22127

COMPREHENSIVE PLAN

- **TCT Land Use Designation: RC,**
Regional Commercial
- **Supported Uses**
 - A broad range of retail services, including large-scale stores and services, auto related services, and large offices. Shopping and commercial uses total at least 150,000 sq. ft. Multi-family uses can be mixed in with commercial, but commercial would be the dominate use.



STAFF RECOMMENDATION

- No objections have been received.
- Staff recommends **APPROVAL** of this Specific Use Designation With Term for a restaurant subject to the following conditions.

A. That the serviceable area of the establishment shall be limited to approximately 4,711 square feet as shown in Exhibit “A”.

B. That the occupancy of the establishment shall not exceed the maximum occupancy determined by the Building Code and Fire Code.

STAFF RECOMMENDATION

C. That the permitted hours of the sale of alcoholic beverages sales and consumption shall be limited to:

Monday through Saturday from 7 a.m. to 10 p.m.

Sundays from 10 a.m. to 10 p.m.

D. That the sale and on-premises consumption of alcoholic beverages shall conform to applicable state and local laws.

E. That the establishment shall meet all requirements of the Fire Department and Code Administration.

STAFF RECOMMENDATION

F. That the operator of the Establishment shall obtain a Certificate of Occupancy prior to the commencement of the sale of alcoholic beverages for on-premises consumption to ensure that the conditions of this Specific Use Designation With Term are satisfied.

G. That in accordance with Section 11-1-9.07.E.3 of the City Code, the Establishment shall be in operation within 120 days from the final adoption date of this ordinance.

MISSION

Deliver exceptional services and promote a high quality of life and place for ALL our citizens.