CITY COUNCIL
AGENDA

A Special Meeting of the City Council of the City of Pearsall, Texas will be held on Thursday, August 6, 2020 at 7:00 PM at the Pearsall City Hall, 215 S. Ash Street, Pearsall, Texas.

Please click the link below to join the webinar:
https://us02web.zoom.us/j/84042355539
Or iPhone one-tap :
US: +13462487799,,84042355539# or +16699009128,,84042355539#
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 646 558 8656
Webinar ID: 840 4235 5539
International numbers available: https://us02web.zoom.us/u/klbJ4q4lM

COUNCIL MEMBERS
Mary Moore, Mayor
Julian Hernandez, Mayor Pro Tem
Richard Gandara, Council Member
Sonia Hernandez, Council Member
Brenda Treviño, Council Member
Abel Nieto, Council Member
Roland Segovia, Council Member
Davina Rodriguez, Council Member

1. Call To Order

2. Roll Call and Announcement of a Quorum

3. Invocation and Pledge of Allegiance

4. New Business

   A. Discuss and consider proposals related to the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act for the City of Pearsall. - Action Item

   B. Presentation and discussion of Water, Wastewater, and Solid Waste rate recommendations for the 2020-21 fiscal year and beyond.

   C. Discuss and Consider acceptance of 2020 certified tax roll for the City of Pearsall. - Action Item

   D. Discuss and Consider appointing Santos Alarcon, Finance Director for the City of Pearsall, to calculate the City's effective, rollback and debt service rate for the 2020-2021 Fiscal Year. - Action Item

   E. Discuss and Consider the adoption of the 2020-2021 No New Revenue/Voter Approval Rate and Debt Service Rate for the City of Pearsall. - Action Item

   F. Discuss and consider addendum number 2 to pandemic leave policy. - Action Item

5. Executive Session

A. Discussion regarding the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of the City Manager.

6. Open Session

A. Discussion and Consideration regarding the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of the City Manager. - Action Item

7. General Announcements

8. Adjournment

Posted for Public Inspection on this Monday, August 3, 2020, at 4:30 PM.

By: ______________________
Federico Reyes, Jr., City Manager

I certify that the above notice of meeting was posted on the bulletin board of the Pearsall City Hall, 215 S. Ash Street, Pearsall, Texas, on August 3, 2020, at 4:30 PM.

By: ______________________
Krystal Garcia, City Clerk

This meeting location is wheelchair-accessible. Parking for mobility-impaired persons is available. Any request for sign interpretive services must be made forty-eight hours in advance of the meeting. To make arrangements, call the City Clerk at (830) 334-3676.

A Guide to Operation Connectivity:
How Municipalities and Counties Can Help

Texas Education Agency

1.8 million students lack technology to learn from home

With the rise of COVID-19 in Texas, **remote learning has become an essential** part of schools' academic offering. Yet, it is estimated that **over 1.8 million students in Texas lack the connectivity technology to learn from their homes**. This connectivity gap is a significant barrier to academic success and economic empowerment for these students.

In response to this critical need, Governor Abbott and Texas legislative leaders have allocated $200M in CARES Act Coronavirus Relief Fund (CRF) funding to match $200M in local district funding. This combined $400M in bulk buying power will be used to cover the purchases of internet solutions such as hotspots and e-learning devices for Texas' School districts, with the goal of providing connectivity technology for all students who would not otherwise have them.

$200M in CARES Act CRF funding + **$200M** in local district funding = **$400M** bulk buying power for connectivity technology

1 million e-learning devices

The Operation Connectivity bulk order program may leverage the majority of these funds to put over 1 million e-learning devices and nearly 500,000 hotspots in students' homes to enable learning, significantly reducing the connectivity gap.

Even with this historic investment, **we may still have hundreds of thousands of Texas students who lack reliable internet access.**

500,000 hotspots

Texas received $11.24 billion in federal CARES Act CRF funding, of which over $5 billion has been given to counties and cities to determine how they should be spent.

$11.24B in CARES Act CRF funding → **$5B** to City and County CRF grants → Allocate some portion to "facilitate distance learning"

We are asking our cities and counties to allocate some portion of their local CRF funds to help us provide devices and internet to facilitate remote learning.[1]

By assisting school systems with their local match **funding right now**, CRF contributions can enable purchases of devices and hotspots at **steeply discounted rates** that vendors have made available specifically for orders placed through Operation Connectivity.

Local governments will see a **dramatic return on this investment**, including smart procurement, increased access to online learning for students, and access to urgent family telehealth care.

1. U.S. Department of the Treasury's guidance on use of CARES funding lists examples of eligible use of funds, including "Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions." Source: Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments, Updated June 30, 2020

OPERATION CONNECTIVITY
INTERLOCAL ACQUISITION AGREEMENT

Entered between Region 4 Education Service Center ("Region 4") and Local Education Agency ("LEA") pursuant to Tex. Gov't Code, Chapter 791.

Local education agency name: PEARSALL ISD, (082903)
County district number: 82903
Point of contact: Nobert Rodriguez
Date: July 29th, 2020

This Operation Connectivity Interlocal Acquisition Agreement ("Agreement") contains key information and terms regarding your LEA's participation in the Operation Connectivity bulk purchase process. The following addendums are incorporated into this Agreement:

1. State Funding Allocation Methodology Addendum *(attached)*
2. EDGAR Certification Addendum *(attached – to be executed by Region 4)*
3. Grant Program Guidelines *(attached)*
4. LEA Order Logistics Confirmation *(separate document)*
5. Additional Quantity Request *(separate document)*

Due the urgency required to maintain our position within our vendors' supply chain, **please submit the completed and signed copy of this Agreement [as well as your Additional Quantity Request Addendum] through DocuSign by COB Tuesday, August 4, 2020**. Should your LEA not be able to provide signed approval of this Agreement by this date, your order will unfortunately have to be cancelled, and this Agreement will automatically terminate without further action by the parties.

Below you will find your LEA's allocated quantities per provider / OEM ("Vendor") and model. These quantities are based on two inputs: 1) your LEA's requested quantities as included in your LEA's bulk order survey / form, 2) the total dollar value for which the state funding program is able to cover 50% of your LEA hotspot / device costs, as based on the state's allocation methodology (see State Funding Allocation Methodology Addendum).

Any change to the quantities allocated below must be requested by emailing customerservice@teabulkorder.com with your revisions. We will then review requested revisions and send you an updated Agreement. Please note that allocated quantities can only be decreased. Any proposed revisions to increase quantities for any Vendor or model will be rejected.

For quantity needs above what the state has allocated your LEA [capped at your LEA's *remaining quantity* as listed in your Additional Quantity Request Addendum], please include this in your LEA's Additional Quantity Request Addendum. If your submitted Additional Quantity Request Addendum is accepted, it will become a binding part of the Agreement. Your Additional Quantity Request Form must be submitted by Tuesday, August 4, 2020. Failure to submit by the deadline will result in your Additional Quantity Request Addendum being rejected.

Mobile broadband hotspots:

Vendor	AT&T	T-Mobile	Verizon
Data limit	Unlimited	Unlimited	Unlimited
Hotspot type	Category 4	Category 4	Category 4
Contract length	1 year	1 year	1 year
Warranty length	1 year	1 year	1 year

Device costs/unit	$60	$0	$60
Monthly rate/unit	$15	$15	$10
Asset tagging cost/unit	$0	$0	$5
Custom CIPA filtering enablement monthly rate/unit	$0	$0	$2
Total 1-year hotspot costs/unit	$240	$180	$209
Original LEA quantity request (through bulk order survey)	0	0	70
Allocated quantity	0	0	70
Total hotspot order costs	$0	$0	$14630
LEA portion of hotspot order costs	$0	$0	$7315

Learning devices:

	Middle & elementary laptops			**High school laptops**		**Chromebooks**		**iPad**
Vendor	**Dell**	**HP**	**Lenovo**	**Dell**	**HP**	**Dell**	**HP**	**Apple**
Model number	3190	9ru44ut	100e	3410	PB11x360	3100 Chrome	1A764UT	iPad 7th Generation
CPU processor	Celeron 4120	Celeron 4020	Celeron	I3	Pentium 5030	N/A	N/A	N/A
RAM	4 GB	4 GB	4 GB	4 GB	8 GB	4 GB	4 GB	N/A
Hard drive size	64 GB	64 GB	64 GB	500 GB	128 GB	16 GB	32 GB	32 GB
Screen size	11.6”	11.6”	11.6”	14”	11.6”	11.6”	11.6”	10.2”
Wi-Fi protocol	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard
Touch Screen	No	Yes	No	No	Yes	No	Yes	Yes
Convert to tablet	No	Yes	No	No	Yes	No	No	Yes
External keyboard (Y/N)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Y
Warranty	1 year on-site	1 year mail in	1 year mail in	1 year on site	1 year mail in	1 year on site	1 year mail in	N/A
Additional features	Windows 10, custom tagging	Windows 10, custom tagging	Windows 10, custom tagging	Windows 10, custom tagging	Windows 10, custom tagging	Google license, custom tagging	Google license, custom tagging	iPadOS, custom engraving
Price	$237	$266	$205	$323	$369	$228	$237	$386
Original LEA quantity request (through bulk order survey)	0	0	0	0	0	0	900	0
Allocated quantity	0	0	0	0	0	0	900	0
Total device order costs	$0	$0	$0	$0	$0	$0	$213300	$0
LEA portion of device order costs	$0	$0	$0	$0	$0	$0	$106650	$0

Total costs:

Total hotspot order costs	$14630
Total device order costs	$213300
LEA portion of hotspot order costs	$7315
LEA portion of device order costs	$106650
Total order costs (hotspots and devices)	$227930
Total LEA portion of order costs (hotspots and devices)	$113965

Payment terms:
Payment for your LEA's portion of the order costs will be due immediately upon receipt of the order invoice that your LEA will be receiving via email. Please note that payment is required before hotspots / devices will be asset tagged and shipped to your LEA. Specific payment instructions will be provided with your issued invoice.

LEA orders will be tagged and shipped in the order in which invoice payment is received. Delay in payment will result in a delay of devices to your LEAs. Any LEA whose payment has not been received by Region 4 within 3 business days from the invoice date will have their order cancelled, resulting in an automatic termination of this Agreement. LEAs must provide a completed LEA Order Logistics Confirmation by Friday, August 7, 2020. Failure to complete and provide this confirmation timely may result in the delay or cancellation of your order and termination of this Agreement.

Matching Funds Allocation:

Funding allocation:
You will find below your LEA's state matching award. This allocation is based on two inputs, 1) your LEA's requested quantities as included in your LEA's bulk order survey/form, 2) the state's allocation methodology (see State Funding Allocation Methodology Addendum).

Total state matching (hotspots and devices)	$113965

Please note that this amount includes only the 1:1 matching of the funds that are expected to be contributed by your LEA. By executing this Agreement, your LEA is committing to pay the amounts set forth herein.

Incorporation of Vendor Warranties and Terms/Disclaimer and Release of Region 4 Liability:

LEA ACKNOWLEDGES AND AGREES THAT ANY PRODUCTS OR SERVICES ACQUIRED THROUGH THIS AGREEMENT ARE SUBJECT TO ANY VENDORS' TERMS AND CONDITIONS ("VENDOR TERMS") PROVIDED SEPARATELY BY VENDOR TO LEA. THIS AGREEMENT SHALL CONTROL IN THE EVENT OF ANY CONFLICT WITH VENDOR TERMS. THE PROVISIONS OF ANY MANUFACTURER OR OTHER VENDOR WARRANTIES AND OBLIGATIONS UNDER THE VENDOR TERMS ARE HEREBY EXTENDED TO LEA. THE LEA'S EXCLUSIVE REMEDY FOR BREACH OF ANY SUCH WARRANTY OR OTHER VENDOR OBLIGATIONS RELATED TO THE PRODUCTS OR SERVICES WILL BE THE ENFORCEMENT OF ANY RIGHTS UNDER THE VENDOR TERMS, AND REGION 4 SHALL HAVE NO LIABILITY TO LEA RELATED TO SAME. THE LEA ACKNOWLEDGES AND AGREES AS A STRICT TERM OF THIS AGREEMENT THAT REGION 4 DOES NOT ASSUME BUT, RATHER, EXPRESSLY DISCLAIMS ALL WARRANTIES OR OTHER OBLIGATIONS SET FORTH IN THE VENDOR TERMS, AND REGION 4 DOES NOT MAKE AND EXPRESSLY DISCLAIMS ANY ADDITIONAL WARRANTIES, OBLIGATIONS OR LIABILITY IN CONNECTION WITH THE

PRODUCTS AND SERVICES. LEA HEREBY RELEASES REGION 4 FROM ALL LIABILITY RELATED TO THE VENDOR PRODUCTS AND SERVICES. LEA IS RESPONSIBLE FOR ENSURING COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS, INCLUDING THOSE RELATED TO PROCUREMENT.

Acknowledgement of Federal Funding:

The source of all matching funds pursuant to this Agreement are federal funds made available through the 2020-2021 Remote Learning Operation Connectivity-CV19 grant ("Grant") awarded to Region 4. All fund matches and other obligations under this Agreement for the acquisition of products or services are subject to appropriation of funds to Region 4. As such, if Region 4 does not receive sufficient Grant funding, Region 4 may immediately terminate this Agreement without penalty or further obligation to LEA upon written notice. This Agreement is further subject to and incorporates all terms of Region 4's Grant agreement with the TEA, including the Grant Program Guidelines issued by TEA related to the Grant, and LEA is subject to and agrees to follow any relevant terms set forth in the Grant Program Guidelines. The parties acknowledge and agree to follow all applicable federal, state and local laws, rules, ordinances and regulations related to the expenditure of the Grant funds ("Applicable Laws"). Region 4 specifically acknowledges and agrees to all applicable terms contained in the EDGAR Certification Addendum. All participating Vendors will be required to follow Applicable Laws, the applicable conditions in the Grant Program Guidelines and similarly will agree to applicable EDGAR certifications.

Execution:

This Agreement and the listed addendums and Vendor Terms constitute the entire agreement between the parties, and no part of the Agreement may be modified unless expressed in writing and signed by both parties. Neither party waives or relinquishes any immunity or defense that either party is entitled to by law. All payments made pursuant to this Agreement will be made from current revenues. Each party warrants that it has authority to enter into this Agreement and perform its obligations. The signatory below shall have authority to act on all matters related to this Agreement.

By signing below, the parties are binding themselves to the terms of this Agreement, subject only to any necessary approvals and actions by the parties' governing boards. By execution of this Agreement, the LEA gives Region 4 permission to move forward with purchasing the above quantity of hotspots and devices on the LEA's behalf.

For LEA

Nobert Rodriguez	Superintendent
(Printed name/title)	(Title)
(Signature)	(Date)

For Region 4 Education Service Center

Dr. Pamela Wells, Executive Director

______________________________________ ______________________________________

(Signature) (Date)

ADDENDA

1. State Matching Allocation Methodology
2. EDGAR Certifications
3. Program Guidelines

ADDENDUM ONE

State Matching Allocation Methodology

Overview

On July 17, 2020, Governor Abbott, Lt. Governor Patrick, Speaker Bonnen, Senate Finance, and House Appropriations Committee Chairs announced eLearning funding For Texas students. The State of Texas will allocate $200 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to the Texas Education Agency (TEA) for the purchase of eLearning devices and home internet solutions to enable remote learning during the COVID-19 pandemic for Texas students that lack connectivity.

The majority of the $200 million in CARES Act funding will be allocated to LEAs through matching funds for purchases of hotspots (with data plans) and devices through a statewide bulk purchasing event. This document provides the methodology for the allocation of these CARES Act funds. Additional state dollars may be available through a reimbursement program. More details will be released as this is designed. The TEA is the passthrough agency for this grant. Region 4 Education Service Center shall serve as the grant recipient and shall conduct the bulk purchases on behalf of LEAs.

Funding Allocation – Bulk Purchase Matching Funds

LEAs will be eligible for fund matching of 50% of the expenditures incurred through the statewide bulk purchasing event. <u>However, the level of LEA fund matching for purchases made through the statewide bulk purchasing event will be contingent on the number of economically disadvantaged students in the LEA</u>.[1] The amount of fund matching will not exceed 50% of LEA expenditures to purchase device and/or hotspots for the number of economically disadvantaged students in the LEA. The costs associated with device and hotspot purchase volume that exceeds the number of economically disadvantaged students in an LEA <u>will not</u> be eligible for fund matching.[2]

If an LEA is purchasing a quantity of devices and/or hotspots less than the number of economically disadvantaged students, the LEA will still receive the full 50% fund matching for those expenditures.

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[1] The number of economically disadvantaged students in an LEA are calculated as the PEIMS ages 3-21 low income students (eligible for free lunch, reduced price lunch, or federal aid programs), from the October 2019 fall collection, released for 2020-2021 ESSA funding formulas.

[2] If an LEA orders more devices and/or hotspots than they have economically disadvantaged students, the LEA will still have the opportunity to order at the bulk purchase order’s discounted rates, but those expenditures will not be eligible for fund matching.

For example (figures illustrative):

District A orders device volume <u>equal</u> to economically disadvantaged (eco dis.) enrollment • Enrollment: 1000 total students; **500** economically disadvantaged students • District A is capped at 500 total devices for this program (due to percent eco dis.) • Bulk order: **500** devices x $200 cost per device = **$100,000 LEA spend** • LEA spend eligible for fund matching: up to **500** students x $200 cost per device = up to **$100,000** • TEA fund matching: up to **$50,000** • LEA responsibility: $50,000
District B orders device volume <u>greater</u> than economically disadvantaged enrollment • Enrollment: 1000 total students; **500** economically disadvantaged students • District B is capped at 500 total devices for this program (due to percent eco dis.) • Bulk order: **750** devices x $200 cost per device = **$150,000 LEA spend** • LEA spend eligible for fund matching: up to **500** students x $200 cost per device = up to **$100,000** • TEA fund matching: up to **$50,000** • LEA responsibility: $100,000
District C orders device volume <u>less</u> than economically disadvantaged enrollment • Enrollment: 1000 total students; **500** economically disadvantaged students • District C is capped at 500 total devices for this program (due to percent eco dis.) • Bulk order: **250** devices x $200 cost per device = **$50,000 LEA spend** • LEA spend eligible for fund matching: up to **250** students x $200 cost per device = up to **$50,000** • TEA fund matching: up to **$25,000** • LEA responsibility: $25,000

ADDENDUM TWO

EDGAR CERTIFICATIONS

(TO BE EXECUTED BY REGION 4)

The following certifications and provisions are required and apply when the Local Education Agency ("LEA") expends federal funds for any contract. **Accordingly, the parties agree that the following terms and conditions apply, as applicable, in all situations where Region 4 has been paid or will be paid with federal funds:**

REQUIRED CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS APPENDIX II TO 2 CFR PART 200

(A) Contracts for more than the simplified acquisition threshold currently set at $250,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Pursuant to Federal Rule (A) above, when LEA expends federal funds, LEA reserves all rights and privileges under the applicable laws and regulations with respect to this procurement in the event of breach of contract by either party.

(B) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of $10,000)

Pursuant to Federal Rule (B) above, when LEA expends federal funds, LEA reserves the right to immediately terminate any agreement in excess of $10,000 in the event of a breach or default of the agreement by Region 4 in the event Region 4 fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments owed; or (3) otherwise perform in accordance with the contract. LEA also reserves the right to terminate the contract immediately, with written notice to Region 4, for convenience, if LEA believes, in its sole discretion that it is in the best interest of LEA to do so. Region 4 will be compensated for work performed and accepted and goods accepted by LEA as of the termination date if the contract is terminated for convenience of LEA. The Contract is not exclusive and LEA reserves the right to purchase goods and services from other vendors when it is in LEA's best interest.

(**C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."**

Pursuant to Federal Rule (C) above, when LEA expends federal funds on any federally assisted construction contract, the equal opportunity clause is incorporated by reference herein.

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or

subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

Pursuant to Federal Rule (D) above, when LEA expends federal funds during the term of an award for all contracts and subgrants for construction or repair, Region 4 will be in compliance with all applicable Davis-Bacon Act provisions.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Pursuant to Federal Rule (E) above, when LEA expends federal funds, Region 4 certifies that Region 4 will be in compliance with all applicable provisions of the Contract Work Hours and Safety Standards Act during the term of an award for all contracts by LEA.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Pursuant to Federal Rule (F) above, when federal funds are expended by LEA, Region 4 certifies that during the term of an award for all contracts by LEA resulting from this procurement process, Region 4 agrees to comply with all applicable requirements as referenced in Federal Rule (F) above.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Pursuant to Federal Rule (G) above, when federal funds are expended by LEA, Region 4 certifies that during the term of an award for all contracts by LEA resulting from this procurement process, Region 4 agrees to comply with all applicable requirements as referenced in Federal Rule (G) above.

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Pursuant to Federal Rule (H) above, when federal funds are expended by LEA, Region 4 certifies that during the term of an award for all contracts by LEA, Region 4 certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Pursuant to Federal Rule (I) above, when federal funds are expended by LEA, Region 4 certifies that during the term and after the awarded term of an award for all contracts by LEA, Region 4 certifies that it is in compliance with all applicable provisions of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). The undersigned further certifies that:

(1) No Federal appropriated funds have been paid or will be paid for on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all covered sub-awards exceeding $100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

RECORD RETENTION REQUIREMENTS FOR CONTRACTS INVOLVING FEDERAL FUNDS

When federal funds are expended by LEA for any contract, Region 4 certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. Region 4 further certifies that it will retain all records as required by 2 CFR § 200.333 for a period of three years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT

When LEA expends federal funds for any contract, Region 4 certifies that it will comply, as applicable, with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.; 49 C.F.R. Part 18).

CERTIFICATION OF EQUAL EMPLOYMENT STATEMENT

It is the policy of LEA not to discriminate on the basis of race, color, national origin, gender, limited English proficiency or handicapping conditions in its programs. Region 4 agrees not to discriminate against any employee or applicant for employment to be employed in the performance of this Contract, with respect to hire, tenure, terms, conditions and privileges of employment, or a matter directly or indirectly related to employment, because of age (except where based on a bona fide occupational qualification), sex (except where based on a bona fide occupational qualification) or race, color, religion, national origin, or ancestry. Region 4 further agrees that every subcontract entered into for the performance of this Contract shall contain a provision requiring non-discrimination in employment herein specified, binding upon each subcontractor. Breach of this covenant may be regarded as a material breach of the Contract.

CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS

LEA has a preference for domestic end products for supplies acquired for use in the United States when spending federal funds (purchases that are made with non-federal funds or grants are excluded from the Buy America Act). Region 4 certifies that it is in compliance with all applicable provisions of the Buy America Act.

CERTIFICATION OF ACCESS TO RECORDS – 2 C.F.R. § 200.336

Region 4 agrees that the District's Inspector General or any of their duly authorized representatives shall have access to any books, documents, papers and records of Region 4 that are directly pertinent to Region 4's discharge of its obligations under the Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Region 4's personnel for the purpose of interview and discussion relating to such documents.

CERTIFICATION OF APPLICABILITY TO SUBCONTRACTRS

Region 4 agrees that all contracts it awards pursuant to the Contract shall be bound by the foregoing terms and conditions.

REGION 4 AGREES TO COMPLY WITH ALL APPLICABLE FEDERAL, STATE, AND LOCAL LAWS, RULES, REGULATIONS, AND ORDINANCES. IT IS FURTHER ACKNOWLEDGED THAT REGION 4 CERTIFIES COMPLIANCE WITH ALL APPLICABLE PROVISIONS, LAWS, ACTS, REGULATIONS, ETC. AS SPECIFICALLY NOTED ABOVE

Printed Name and Title of Authorized Representative:

Nobert Rodriguez Superintendent

Email Address:

nobert.rodriguez@pearsallisd.org

Signature of Authorized Representative:

____

Date: __________________________

ADDENDUM THREE

REQUEST FOR APPLICATION

Program Guidelines

2020-2021 Remote Learning Operation Connectivity-CV19

Authorized by Coronavirus Aid, Relief, and Economic Security (CARES) Act, Section 5001, Coronavirus Relief Fund (CRF)

Application Closing Date—5:00 p.m., Central Time
Application due date July 23, 2020

TEXAS EDUCATION AGENCY

Office of Information Technology Services
1701 North Congress Avenue
Austin, Texas 78701

Contents

Introduction to the Program Guidelines

TEA, as the pass-through entity[1], is the grantee[2] from the U.S. Department of Education (USDE) and TEA awards subgrants to non-federal entities[3] such as local educational agencies (LEAs), including school districts, charter schools, and education service centers, and to a lesser degree institutions of higher education (IHEs), and nonprofit organizations (NPOs) who are the agency's subgrantees[4]. These guidelines apply to all subgrantees of TEA, regardless of whether referenced herein as subgrantee or grantee. For purposes of this document, TEA may use the terms grantee and subgrantee synonymously for its subrecipients.

This part of the request for application (RFA), Program Guidelines, is to be used in conjunction with the General and Fiscal Guidelines and any application instructions. The Standard Application System (SAS) consists of Application Part 1 (PDF – narrative schedules) and Application Part 2 (Excel - budget schedules) to be completed in order for the applicant to be eligible for funding.

For applicants selected for funding, all guidelines and instructions will be incorporated by reference into the Notice of Grant Award (NOGA).

Reference to the General and Fiscal Guidelines

The Program Guidelines provide information specifically relevant to this grant program. The General and Fiscal Guidelines provide information relevant to all TEA grant programs. Throughout the Program Guidelines, cross-references are given to applicable sections of the General and Fiscal Guidelines. It is critical that you review all referenced sections of the General and Fiscal Guidelines when preparing your application.

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[1] Pass-through entity is defined as a non-Federal entity that provides a subaward to a subrecipient to carry out part of a federal program. (2 CFR 200.74)

[2] Grantee is defined as the legal entity to which a grant is awarded and that is accountable to the federal government for the use of the funds provided. The term "grantee" does not include any secondary recipients, such as subgrantees and contractors that may receive funds from a grantee. (34 CFR 77)

[3] Non-federal entity is defined as a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or subrecipient. (2 CFR 200.69)

[4] Subgrantee is defined by TEA to be the same as a subrecipient which is defined as a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. (2 CFR 200.93) Subgrantee is defined in 34 CFR 77 as the legal entity to which a subgrant is awarded and that is accountable to the grantee for the use of the funds provided.

Contact for Clarifying Information

Program Contact

Julia Schacherl, Director
Office of Information Technology Services julia.schacherl@tea.texas.gov
Phone: (512) 463-9745

Funding Contact

Sarah Averill, Grant Manager, Grants Administration Division
sarah.averill@tea.texas.gov Phone: (512) 463-8525

US Department of Education and/or State Appropriations

The following is provided in compliance with the US Department of Education Appropriations Act:

Category	Amount
Total funds available for this project	$200,000,000
Percentage to be financed with federal funds	100%
Amount of federal funds	$200,000,000
Percentage to be financed from nonfederal sources	0%
Amount of nonfederal funds	$0

Grant Timeline

For all dates related to the grant, including reporting dates, see the TEA Grant Opportunities page. If a report due date falls on a weekend or holiday, the report will be due the following business day. All dates except the grant ending date may vary slightly as conditions require.

Grant at a Glance

This section provides detailed information about the grant program.

Program Purpose, Goals, and Objectives

The purpose of the Remote Learning Operation Connectivity-CV19 grant is to support Texas LEA purchases of eLearning devices and home internet solutions to enable the remote learning of students during the COVID-19 pandemic. Bulk purchases will require a local match, either from LEA funds or from local Coronavirus Relief Funds (CRF), as defined by TEA. This local match requirement may be waived by TEA in cases of significant hardship.

Eligible Applicants

See the General and Fiscal Guidelines, Eligibility Requirements.

Region 4 Education Service Center is the only eligible applicant for this grant.

Shared Services Arrangement

See the General and Fiscal Guidelines, Shared Services Arrangements.

Shared services arrangements (SSAs) are not allowed.

Cost Share or Matching Requirement

See the General and Fiscal Guidelines, Cost Share/Match Requirement.

There is no cost share or matching requirement imposed on Region 4 Education Service Center for this grant program. Per the Program Purpose, Goals, and Objectives stated above, LEAs who benefit from bulk purchases may be required to match, either from LEA funds or from local CRF funds.

Supplement, Not Supplant

For supplement, not supplant guidance, see the Supplement, Not Supplant Handbook on the Grants Administration Division's Administering a Grant page.

The supplement, not supplant provision does apply to this grant program.

Limitation of Administrative Funds

See the General and Fiscal Guidelines, Administrative Costs.

NOTE: Administrative funds include **both** direct administrative costs **and** allowable indirect costs.

TEA limits the amount of funds that may be budgeted to administer this grant, including direct administrative costs and indirect costs, to no more than $1,000,000 of the total grant awarded.

To calculate the maximum indirect costs that can be claimed for a grant, complete the Maximum Indirect Costs Worksheet, posted on the Administering a Grant page, under the Handbooks and Other Guidance section.

Pre-Award Costs

See the General and Fiscal Guidelines, Pre-Award Costs.

Pre-award costs are permitted, if requested, from May 21, 2020, to stamp-in date.

Application Requirements and Assurances

This section identifies the two types of requirements in which applicants must comply to be eligible for funding:

- Statutory requirements (requirements defined in the authorizing statute)
- TEA program requirements (requirements defined by TEA program staff)

Statutory Requirements

See the General and Fiscal Guidelines, Statutory Requirements.

Per Section 22.0834 of the Texas Education Code (TEC), any person offered employment by any entity that contracts with TEA or receives grant funds administered by TEA (i.e., a grantee or subgrantee) is subject to the fingerprinting requirement. TEA is prohibited from awarding grant funds to any entity, including nonprofit organizations, that fails to comply with this requirement. For details, refer to the General and Fiscal Guidelines, Fingerprinting Requirement.

The following requirements are defined in the statute that authorizes this program. The applicant must comply with each of these requirements in the application to be considered for funding:

1. Necessary expenditures must have been incurred due to COVID-19 pandemic, defined as actions taken to respond to the public health emergency which may include expenditures to respond directly to the emergency, or to second-order effects of the emergency.
2. Allowable costs cannot have been accounted for in the most recently approved budget as of March 27, 2020, defined as (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation; without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency.
3. Allowable costs must be incurred May 21, 2020, through December 30, 2020, defined as when the entity has expended funds to cover the allowable cost.

TEA Program Requirements

See the General and Fiscal Guidelines, TEA Program Requirements.

In addition to the statutory requirements, TEA has established the following program requirements. The applicant must comply with each of these requirements in the application to be considered for funding:

PROGRAM GUIDELINES

1. Grant expenses will be to facilitate and administer the statewide bulk purchase program whereby providing a unique service to Texas LEAs to purchase eLearning devices and home internet solutions to enable the remote learning of students during the COVID-19 pandemic as described in the federal CRF guidance document as facilitating distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
2. Any grant funds not used in the bulk purchase program or administrative costs will be returned to TEA in a time and manner requested by TEA.
3. Grant administrative costs will be reasonable and necessary, not to exceed $1,000,000, including indirect costs.
4. Grantee, with assistance from consultants, will negotiate the bulk procurement prices and order for the LEAs, provide shipping information to the vendors, and provide LEAs with appropriate guidance for asset tagging and inventorying of purchased equipment so that the LEA retains proper ownership and maintains documentation of the purchase.
5. TEA will make all determinations regarding apportionment of matching funds to LEAs and LEA orders, including vendors, product and service specifications and LEA financial participation. All order information will be provided by Region 4 and approved by TEA to be placed with vendors. TEA shall provide approval to Region 4 specifying any amendments to orders, including any changes to LEA recipients or LEA financial participation. Region 4 may rely on all TEA direction and approvals.
6. On behalf of TEA, Region 4 may, if needed on a temporary basis, enter into purchase agreements with vendors to procure and take title, if and as needed, of all ordered products and services. Region 4 may enter into sale, transfer or other agreements as appropriate with LEAs to transfer or assign any ownership or warranties of products and services.
7. Initial bulk orders shall be made by Region 4 to vendors as specified by TEA, and orders shall be modified as additional data is collected by TEA and Region 4 from LEAs. TEA shall provide funds to Region 4 sufficient to cover the full amount of any order placed that is not covered by funds actually received by Region 4 from LEAs not to exceed the initial total grant award of $200,000,000. Except for the initial bulk orders, no orders shall be placed or modified by Region 4 until sufficient funds have been received from TEA and LEAs.
8. Region 4 shall not take any permanent ownership of products or services subject to this grant. Region 4 shall not be responsible for issuing asset tags on any devices. Region 4 shall not be responsible for warranting devices and shall have no liability to LEAs for any products or services procured under this grant. LEAs shall be required as a condition of participation to waive any liability against Region 4.
9. Grantee must keep records sufficient to demonstrate the amount of funds expended is in accordance with statute and these grant rules and guidelines.
10. Grantee must provide data and reporting information as required by TEA or the federal government in a time and manner requested by TEA.
11. Any grant funds requested as advanced payment must be placed in an interest-bearing account and must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses herein.
12. Grantee must collaborate and communicate with TEA in the time and manner requested by TEA.
13. Grantee may utilize noncompetitive procurement with these federal funds as authorized by TEA.

Program-Specific Assurances

See the General and Fiscal Guidelines, Provisions and Assurances.

The program-specific assurances for this grant program are listed in the Application Part 1.

Allowable Activities and Use of Funds

See the Administering a Grant page for general guidance on allowable activities and use of funds.

Allowable activities and use of funds for this grant may include but are not limited to the following:

General Allowable Activities and Use of Funds

- Payroll costs
- Professional and contracted services
- Supplies and materials
- Other operating costs that do not require specific approval
- Capital outlay
- Reasonable and necessary administrative costs, including any consulting, legal, and temporary staff expenses.
- Other costs necessary to facilitate and administer the Remote Learning Operation Connectivity-CV19 program, whereby providing a unique service to Texas LEAs to purchase eLearning devices and home internet solutions to enable the remote learning of students during the COVID-19 pandemic, at reduced prices for LEAs.

Unallowable Activities and Use of Funds

In general, refer to the Budgeting Cost Guidance Handbook on the Administering a Grant page for unallowable costs.

In addition, unallowable activities and use of funds for this grant may include but are not limited to the following:

- Debt service (lease-purchase)
- Student field trips
- Advisory councils
- Cost of membership in any civic or community organization
- Hosting or sponsoring of conferences
- Out-of-state travel
- Travel costs for officials such as Executive Director, Superintendent, or Board Members
- Expenses for the State share of Medicaid.
- Damages covered by insurance

- Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency (general ESC/LEA employees)
- Expenses that have been or will be reimbursed under any federal program are not eligible uses of CRF funds
- Reimbursement to donors for donated items or services
- Workforce bonuses other than hazard pay or overtime
- Severance pay
- Legal settlements
- Revenue replacement

Performance Measures

The applicant agrees to collect data and report on the following mandatory performance measures:

1. Number of devices, by type, ordered on behalf of and delivered directly to LEAs.
2. Average number of days for LEAs to respond and complete agreements.
3. Average number of days for LEAs to pay Region 4 for their match on the bulk order.

Federal Grant Requirements

Equitable Access and Participation

See the General and Fiscal Guidelines, Equitable Access and Participation.

This requirement does apply to this federally funded grant program.

Private Nonprofit School Participation

See the General and Fiscal Guidelines, Private Nonprofit School Participation.

This requirement does not apply to this federally funded grant program.

Maintenance of Effort

See the General and Fiscal Guidelines, Maintenance of Effort.

This requirement does not apply to this federally funded grant program.

Attachments

See the following sections of the General and Fiscal Guidelines:

- Required Fiscal-Related Attachments
- Required Program-Related Attachments

This section describes the two types of attachments that may be required to be submitted with the application: fiscal-related attachments and program-related attachments.

Required Fiscal-Related Attachments

See the General and Fiscal Guidelines, Required Fiscal-Related Attachments, for a general description of fiscal-related documents that can be required as attachments to the application.

Required Program-Related Attachments

See the General and Fiscal Guidelines, Required Program-Related Attachments, for a general description of program-related documents that can be required as attachments to the application.

No program-related attachments are required for this grant program.

City of Pearsall, Texas

Solid Waste Rate Study

and Long-Term Financial Plan

Presented

July 22, 2020

Capex Consulting Group

Email: **jsnowden@capexconsulting.com**

Web site: **www.capexconsulting.com**

History of Account Growth

CITY OF PEARSALL, TEXAS									
Accounts by Customer Class									
	ANNUAL AVERAGE								
	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	Avg Annual Growth Rate 2014-20	Avg New Accts per Annum
Solid Waste									
Residential Cart Service - ICL	2,124	2,143	2,148	2,111	2,101	1,964	1,689	-3.8%	-73
Residential Cart Service - OCL	246	254	269	307	263	262	259	0.8%	2
Commercial Cart Service - ICL	130	129	128	147	125	119	123	-0.9%	-1
Commercial Cart Service - OCL	12	11	10	13	10	11	13	1.2%	0
Commercial Container - 2 CU ICL	31	30	34	35	36	36	37	2.8%	1
Commercial Container - 3 CU ICL	33	34	32	35	27	27	28	-3.2%	-1
Commercial Container - 4 CU ICL	32	36	34	35	30	32	32	0.1%	0
Commercial Container - 6 CU ICL	27	26	26	33	27	28	29	1.3%	0
Commercial Container - 8 CU ICL	45	47	46	51	43	58	61	5.0%	3
Commercial Container - 2 CU OCL	3	4	7	8	8	9	9	20.1%	1
Commercial Container - 3 CU OCL	10	8	5	5	5	6	6	-7.8%	-1
Commercial Container - 4 CU OCL	6	6	8	7	6	7	9	7.3%	1
Commercial Container - 6 CU OCL	4	4	4	6	5	4	4	-0.5%	0
Commercial Container - 8 CU OCL	4	4	5	5	5	5	5	3.8%	0
Seniors	0	0	0	0	0	451	457		76
Total	**2,707**	**2,734**	**2,754**	**2,796**	**2,693**	**3,017**	**2,759**	**0.3%**	**9**
Annual Rate of Increase		**1.0%**	**0.7%**	**1.5%**	**-3.7%**	**12.1%**	**-8.6%**		

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Page: 2

Budgeted Operating Revenue and Expense History

CITY OF PEARSALL, TEXAS SUMMARY OF REVENUES & EXPENDITURES SOLID WASTE	FYE 13 Adj. Budget	FYE 18 Adj. Budget	FYE 19 Adj. Budget	FYE 20 Adj. Budget	AVG. ANNUAL GROWTH 2013-20
OPERATING REVENUE					
Total Service Revenues	$1,050,000	$1,455,158	$1,653,708	$1,518,000	5.4%
Total Other Charges for Services	$23,750	$13,058	$16,803	$0	
Total Non-Operating Revenue	$0	$130,467	$0	$203,714	
Total Operating Revenues	**$1,073,750**	**$1,598,683**	**$1,670,511**	**$1,721,714**	**7.0%**
Personnel					
Employee Retirement	$3,045	$0	$1,050	$953	-15.3%
Major Medical Insurance	$5,657	-$110	$5,997	$6,828	2.7%
Workers Compensation Ins.	$2,384	$0	$0	$0	
FICA/Medicare Expense	$2,341	$0	$1,960	$2,000	-2.2%
Overtime	$362	$0	$509	$1,000	15.6%
Total	**$44,603**	**-$110**	**$33,466**	**$36,987**	**-2.6%**
Operations & Maintenance					
Audit Services	$5,000	$0	$0	$0	
Clothing Supplies	$750	$0	$0	$0	
Commercial Garbage Services	$925,542	$1,312,053	$1,261,016	$1,420,000	6.3%
Contingency Fund Expense	$29,382	$0	$0	$0	
Instruments & Apparatus	$0	$551	$0	$0	
Liability Insurance	$500	$0	$0	$0	
Machinery, Tools & Equip.	$0	$0	$0	$4,000	
Meetings & Travel	$500	$0	$0	$0	
Printing & Advertising	$700	$575	$0	$500	-4.7%
Recycling Program	$5,000	$0	$0	$0	
Utilities & Telephone	$1,100	$268	$5,675	$1,000	-1.4%
Total	**$1,027,047**	**$1,313,447**	**$1,266,690**	**$1,425,500**	**4.8%**
GRAND TOTAL	**$1,071,650**	**$1,313,337**	**$1,300,156**	**$1,462,487**	**4.5%**

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Debt Service Allocated to Solid Waste

CITY OF PEARSALL, TEXAS

EXISTING SOLID WASTE DEBT SUMMARY & FORECAST

		Total Outstanding FYE					
ISSUE	**TIC**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Srs 2016 Comb Tax & LTD Pledge Rev C/O - 25%	2.36%	$0	$1,646,250	$1,513,750	$1,377,500	$1,238,750	$1,096,250
Total Debt Service		**$0**	**$170,386**	**$169,788**	**$170,367**	**$169,622**	**$170,053**

FYE	Begin Period Debt	Less Refundings	Plus Additions	Principal	Interest	Total Debt Service	Ending Principal
2020	$1,776,250	$0	$0	$130,000	$40,386	**$170,386**	$1,646,250
2021	$1,646,250	$0	$0	$132,500	$37,288	**$169,788**	$1,513,750
2022	$1,513,750	$0	$0	$136,250	$34,117	**$170,367**	$1,377,500
2023	$1,377,500	$0	$0	$138,750	$30,872	**$169,622**	$1,238,750
2024	$1,238,750	$0	$0	$142,500	$27,553	**$170,053**	$1,096,250
2025	$1,096,250	$0	$0	$146,250	$24,146	**$170,396**	$950,000
2026	$950,000	$0	$0	$150,000	$20,650	**$170,650**	$800,000
2027	$800,000	$0	$0	$152,500	$17,081	**$169,581**	$647,500
2028	$647,500	$0	$0	$156,250	$13,437	**$169,687**	$491,250
2029	$491,250	$0	$0	$160,000	$9,706	**$169,706**	$331,250
2030	$331,250	$0	$0	$163,750	$5,885	**$169,635**	$167,500
2031	$167,500	$0	$0	$167,500	$1,977	**$169,477**	$0

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Pro Forma Cash Flow under Current Rates

CITY OF PEARSALL, TEXAS

CASH FLOW SUMMARY-SOLID WASTE

	FYE 2020	2021	2022	2023	FYE 2024	2025
Rate Revenues	$1,427,203	$1,436,965	$1,451,008	$1,465,188	$1,479,507	$1,493,966
Non-Rate Revenues	$203,714	$206,770	$209,871	$213,019	$216,215	$219,458
TOTAL REVENUES	**$1,630,917**	**$1,643,735**	**$1,660,879**	**$1,678,208**	**$1,695,722**	**$1,713,424**
TOTAL EXPENSES	**$1,462,487**	**$1,429,129**	**$1,464,943**	**$1,501,657**	**$1,539,296**	**$1,577,881**
TOTAL ALL DEBT	**$170,386**	**$169,788**	**$170,367**	**$169,622**	**$170,053**	**$170,396**
Coverage Ratio on All Debt: Current	**0.99**	**1.26**	**1.15**	**1.04**	**0.92**	**0.80**
CASH FOR CAPITAL OUTLAYS	**-$1,955**	**$44,818**	**$25,570**	**$6,929**	**-$13,627**	**-$34,853**
Total Capital Outlays	$0	$80,000	$28,000	$28,840	$29,705	$30,596
FY END BALANCE	**($1,955)**	**($35,182)**	**($2,430)**	**($21,911)**	**($43,332)**	**($65,449)**

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Billed Revenue by Customer Class

CITY OF PEARSALL, TEXAS		
REVENUE BILLED BY CUSTOMER CLASS		
Solid Waste		
Customer Class	**FYE 2019 Billed Revenue**	**% Billed Revenue to Total**
Residential Cart Service - ICL	$584,397	40.3%
Residential Cart Service - OCL	$112,487	7.7%
Commercial Cart Service - ICL	$56,027	3.9%
Commercial Cart Service - OCL	$5,788	0.4%
Commercial Container - 2 CU ICL	$58,536	4.0%
Commercial Container - 3 CU ICL	$52,693	3.6%
Commercial Container - 4 CU ICL	$84,599	5.8%
Commercial Container - 6 CU ICL	$100,275	6.9%
Commercial Container - 8 CU ICL	$300,674	20.7%
Commercial Container - 2 CU OCL	$12,438	0.9%
Commercial Container - 3 CU OCL	$8,746	0.6%
Commercial Container - 4 CU OCL	$18,708	1.3%
Commercial Container - 6 CU OCL	$11,210	0.8%
Commercial Container - 8 CU OCL	$16,272	1.1%
Seniors	$28,766	2.0%
Total	**$1,451,615**	**100%**

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Bins: Trends in Revenue & Accounts

CITY OF PEARSALL, TEXAS

2020 COST OF SERVICE AND RATE DESIGN STUDY

KEY METRICS BY CUSTOMER CLASS

Customer Class	Residential Cart Service - ICL			Residential Cart Service - OCL			Commercial Cart Service - ICL			Commercial Cart Service - OCL		
	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account
FYE 2015	$522,054	2,143	$20.30	$89,550	254	$29.33	$50,806	129	$32.78	$5,732	11	$43.75
FYE 2016	$523,443	2,148	$20.31	$97,259	269	$30.13	$51,501	128	$33.55	$5,348	10	$42.78
FYE 2017	$580,815	2,111	$22.93	$105,288	307	$28.62	$55,265	147	$31.40	$7,226	13	$45.45
FYE 2018	$608,608	2,101	$24.13	$101,303	263	$32.10	$57,006	125	$37.95	$5,366	10	$44.71
FYE 2019	$584,397	1,964	$24.79	$112,487	262	$35.80	$56,027	119	$39.29	$5,788	11	$45.94
Avg Grth Rate	2.86%	-2.15%	5.12%	5.87%	0.72%	5.11%	2.48%	-2.06%	4.63%	0.24%	-0.97%	1.22%

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Containers: Trends in Revenue & Accounts

CITY OF PEARSALL, TEXAS
2020 COST OF SERVICE AND RATE DESIGN STUDY
KEY METRICS BY CUSTOMER CLASS

Customer Class	Commercial Container - 2 CU ICL			Commercial Container - 3 CU ICL			Commercial Container - 4 CU ICL			Commercial Container - 6 CU ICL		
	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account
FYE 2015	$44,985	30	$125	$58,611	34	$146	$84,950	36	$196	$89,395	26	$287
FYE 2016	$49,273	34	$122	$54,978	32	$145	$82,669	34	$201	$91,038	26	$294
FYE 2017	$53,029	35	$125	$53,694	35	$128	$74,260	35	$179	$95,921	33	$246
FYE 2018	$54,928	36	$128	$49,884	27	$153	$79,528	30	$218	$97,335	27	$296
FYE 2019	$58,536	36	$134	$52,693	27	$161	$84,599	32	$223	$100,275	28	$304
Avg Grth Rate	**6.80%**	**4.83%**	**1.88%**	**-2.63%**	**-5.03%**	**2.53%**	**-0.10%**	**-3.33%**	**3.34%**	**2.91%**	**1.49%**	**1.40%**

Customer Class	Commercial Container - 8 CU ICL			Commercial Container - 2 CU OCL			Commercial Container - 3 CU OCL			Commercial Container - 4 CU OCL		
	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account	Billed Revenue	Avg. No. of Accts	Avg Revenue per Account
FYE 2015	$293,323	47	$524	$4,525	4	$108	$10,763	8	$116	$14,434	6	$215
FYE 2016	$297,789	46	$537	$8,657	7	$110	$7,092	5	$118	$19,886	8	$219
FYE 2017	$285,577	51	$468	$9,698	8	$101	$6,541	5	$121	$18,936	7	$218
FYE 2018	$287,781	43	$557	$11,222	8	$116	$7,337	5	$124	$17,093	6	$234
FYE 2019	$300,674	58	$434	$12,438	9	$120	$8,746	6	$129	$18,708	7	$234
Avg Grth Rate	**0.62%**	**5.48%**	**-4.61%**	**28.76%**	**25.44%**	**2.65%**	**-5.06%**	**-7.53%**	**2.67%**	**6.70%**	**4.53%**	**2.07%**

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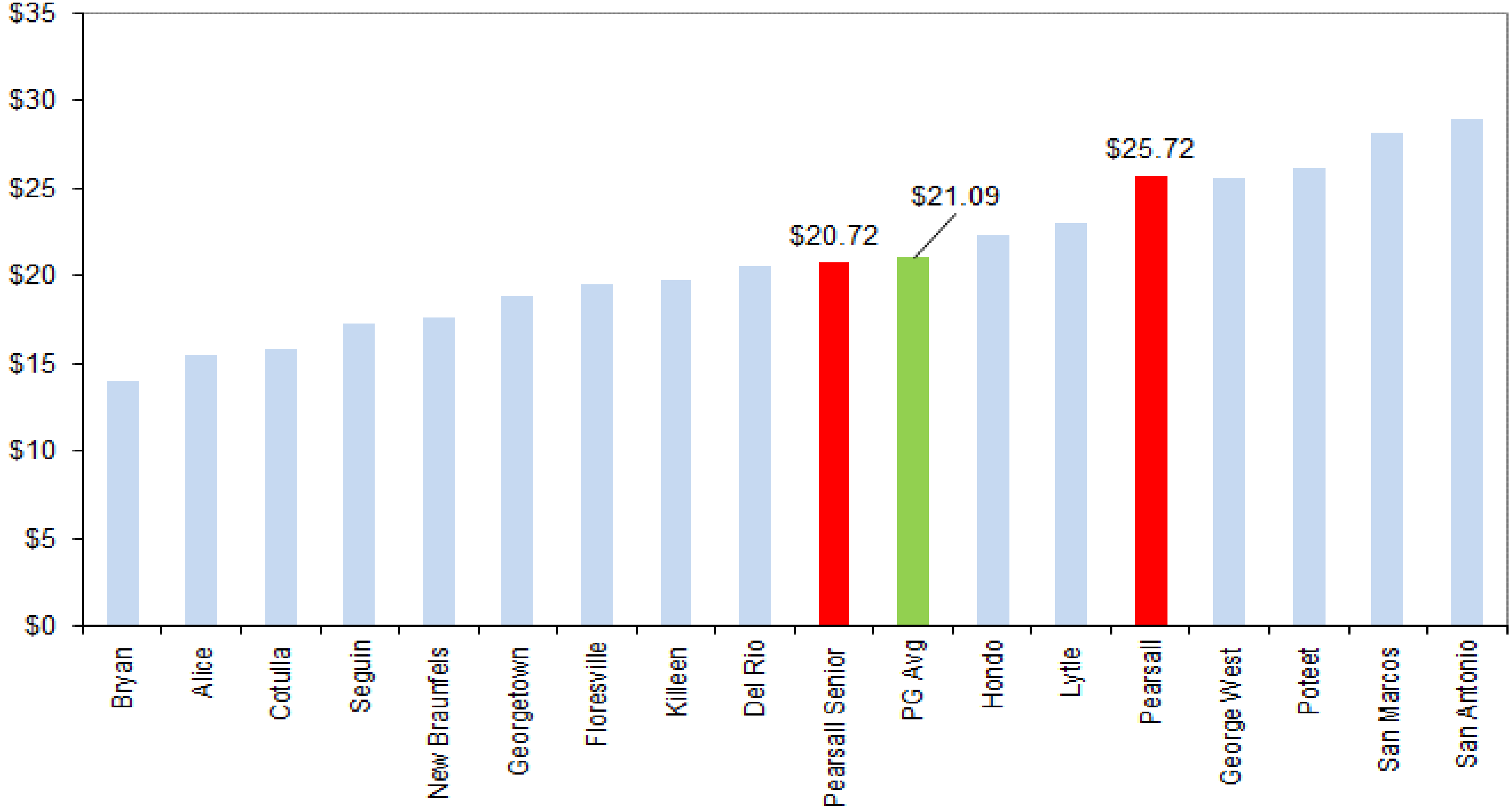
Current Residential Solid Waste Monthly Bill Comparison



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Proposed Solid Waste Rates: Residential

CITY OF PEARSALL, TEXAS

PROPOSED SOLID WASTE RATES: Residential Cart Service - ICL

NO. ACCOUNTS 1,964

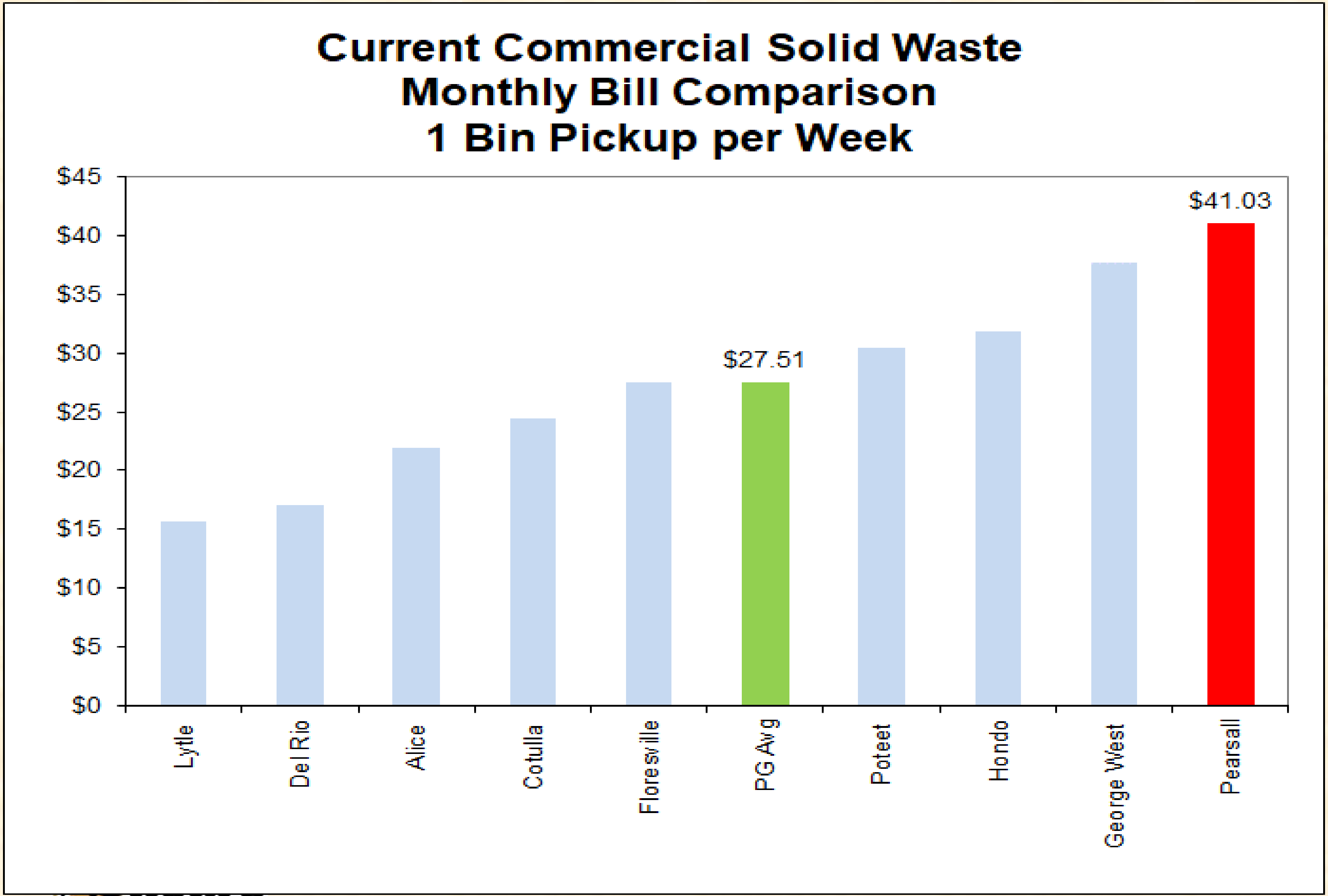
Service Charge	10/1/2019	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	Avg Annual Increase
Regular Service - RI	$25.72	$26.03	$26.33	$26.64	$26.94	$27.25	1.5%
Standby - SBI	$11.55	$11.73	$11.91	$12.09	$12.27	$12.45	1.5%
60 - RI	$14.47	$14.70	$14.92	$15.15	$15.37	$15.60	1.5%
Weighted Average	**$24.89**	**$25.19**	**$25.49**	**$25.79**	**$26.09**	**$26.39**	
Impact on Monthly Bill							
Bill	$24.65	$25.19	$25.49	$25.79	$26.09	$26.39	1.4%
Cost Increase		*$0.54*	*$0.30*	*$0.30*	*$0.30*	*$0.30*	*$0.35*

CITY OF PEARSALL, TEXAS

PROPOSED SOLID WASTE RATES: Residential Cart Service - OCL

NO. ACCOUNTS 262

Service Charge	10/1/2019	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	Avg Annual Increase
Regular Service - RO	$37.86	$38.32	$38.78	$39.23	$39.69	$40.15	1.5%
Standby - SBO	$11.55	$11.73	$11.91	$12.09	$12.27	$12.45	1.5%
60 Com - RO	$14.35	$14.58	$14.81	$15.04	$15.27	$15.50	1.6%
60 Res - RO	$14.35	$14.58	$14.81	$15.04	$15.27	$15.50	1.6%
Weighted Average	**$35.55**	**$35.99**	**$36.42**	**$36.86**	**$37.29**	**$37.73**	
Impact on Monthly Bill							
Bill	$35.30	$35.99	$36.42	$36.86	$37.29	$37.73	1.3%
Cost Increase		*$0.68*	*$0.44*	*$0.44*	*$0.44*	*$0.44*	*$0.49*



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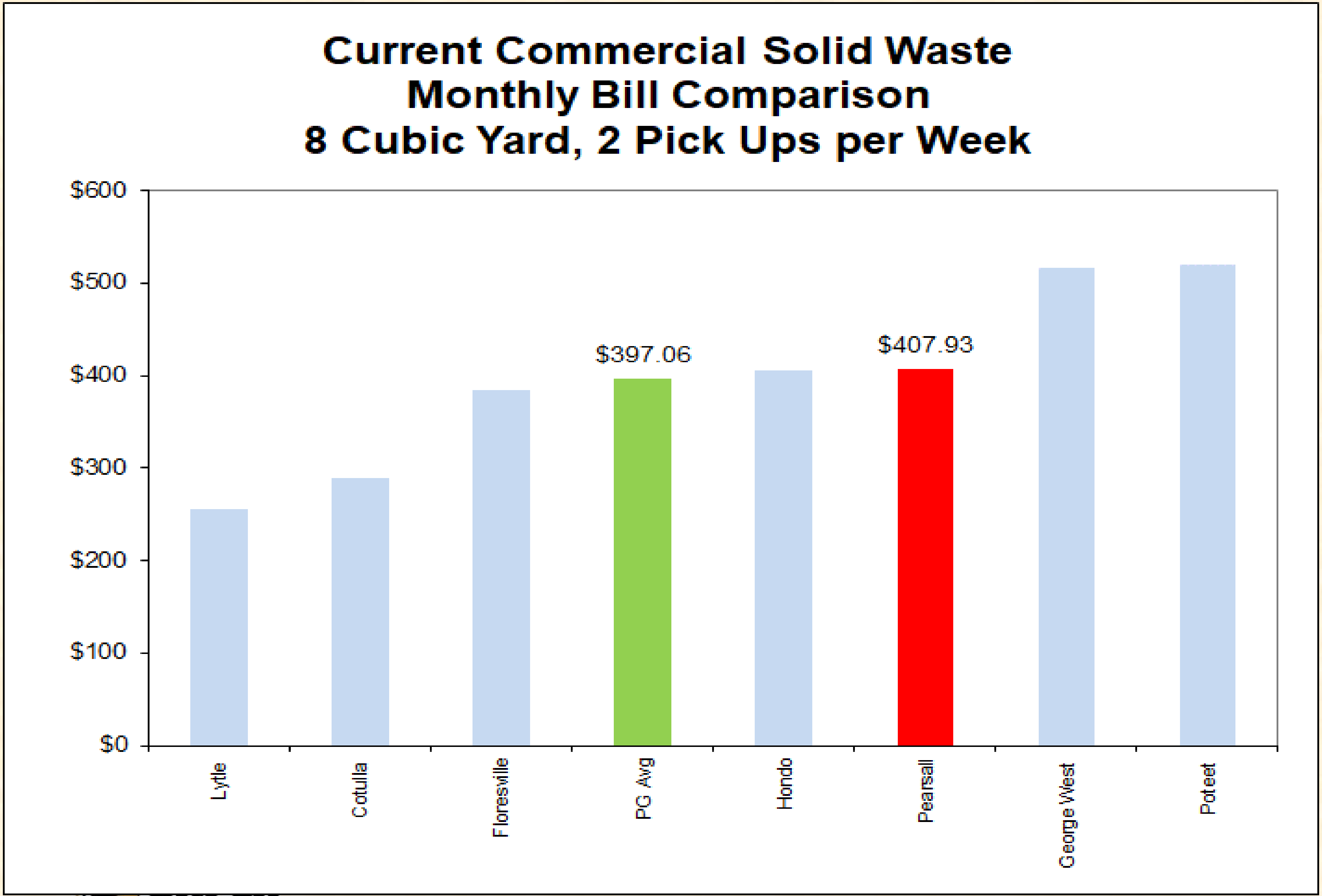

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Proposed Solid Waste Rates: Commercial

CITY OF PEARSALL, TEXAS

PROPOSED SOLID WASTE RATES: Commercial Cart Service - ICL

NO. ACCOUNTS 119

Service Charge	10/1/2019	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	Avg Annual Increase
Regular Service - CI	$41.03	$41.69	$42.36	$43.02	$43.69	$44.35	1.8%
Extra Cart - CI	$20.47	$20.83	$21.18	$21.54	$21.89	$22.25	1.9%
Regular Service - CI	$41.03	$41.75	$42.48	$43.20	$43.93	$44.65	1.9%
60 - CI	$20.47	$20.83	$21.18	$21.54	$21.89	$22.25	1.9%
Weighted Average	**$40.34**	**$40.99**	**$41.65**	**$42.30**	**$42.96**	**$43.61**	
Impact on Monthly Bill							
Bill	$40.34	$40.99	$41.65	$42.30	$42.96	$43.61	
Cost Increase		***$0.65***	***$0.65***	***$0.65***	***$0.65***	***$0.65***	***$0.65***

CITY OF PEARSALL, TEXAS

PROPOSED SOLID WASTE RATES: Commercial Cart Service - OCL

NO. ACCOUNTS 11

Service Charge	10/1/2019	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	Avg Annual Increase
Regular Service - CO	$49.52	$50.52	$51.51	$52.51	$53.50	$54.50	1.9%
Extra Cart - CO	$20.47	$20.88	$21.28	$21.69	$22.09	$22.50	1.9%
Weighted Average	**$41.41**	**$42.25**	**$43.08**	**$43.91**	**$44.74**	**$45.58**	1.9%
Impact on Monthly Bill							
Bill	$41.41	$42.25	$43.08	$43.91	$44.74	$45.58	
Cost Increase		***$0.83***	***$0.83***	***$0.83***	***$0.83***	***$0.83***	***$0.83***

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Pro Forma Cash Flow under Proposed Solid Waste Rates

CITY OF PEARSALL, TEXAS

CASH FLOW SUMMARY-SOLID WASTE

	FYE 2020	2021	2022	2023	FYE 2024	2025
Rate Revenues	$1,427,203	$1,474,719	$1,515,457	$1,555,449	$1,596,078	$1,637,353
Non-Rate Revenues	$203,714	$206,770	$209,871	$213,019	$216,215	$219,458
TOTAL REVENUES	**$1,630,917**	**$1,681,488**	**$1,725,328**	**$1,768,468**	**$1,812,293**	**$1,856,811**
TOTAL EXPENSES	**$1,462,487**	**$1,429,129**	**$1,464,943**	**$1,501,657**	**$1,539,296**	**$1,577,881**
TOTAL ALL DEBT	**$170,386**	**$169,788**	**$170,367**	**$169,622**	**$170,053**	**$170,396**
Coverage Ratio on All Debt: Current	**0.99**	**1.49**	**1.53**	**1.57**	**1.61**	**1.64**
CASH FOR CAPITAL OUTLAYS	**-$1,955**	**$82,571**	**$90,019**	**$97,189**	**$102,944**	**$108,534**
Total Capital Outlays	$0	$80,000	$28,000	$28,840	$29,705	$30,596
FY END BALANCE	**($1,955)**	**$2,571**	**$62,019**	**$68,349**	**$73,239**	**$77,938**

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Recommended Next Steps

- Complete reconciliation with Republic Services billing and customer counts
- Incorporate Staff and City Council's comments into study
- Advise ratepayers of proposed increases
- Draft rate ordinance

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City of Pearsall, Texas

Water and Wastewater Rate Study and Long-Term Financial Plan

Presented

July 23, 2020

Capex Consulting Group

Email: jsnowden@capexconsulting.com

Web site: www.capexconsulting.com

Study Objectives

- **Review operating history, debt obligations, and prepare forecasts**
    - Review billing system data and identify issues
    - Evaluate existing debt
- **Evaluate current rate structure**
    - Does each customer class contribute an equitable share of revenue based on demand?
    - Are revenues generated at appropriate levels of consumption for each customer class
    - Do rates generate revenue sufficient to pay current and forecast operating and capital costs?
- **Develop and assist with implementation of an improved rate structure**
    - Eliminate cross customer-class subsidies
    - Reduce revenue declines related to weather events
    - Compare current & recommended rates to relevant peer group
    - Provide multi-year rate restructuring option
    - Generate revenue sufficient to fund operating and capital costs in a variety of consumption scenarios

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Macro Water and Wastewater Flow Data
Treated Water Out

CITY OF PEARSALL, TEXAS WATER & WW SYSTEM FLOWS	Treated Water Pumped - MG	Metered Water Consumpt - MG	Percent of Treated Water Sold	Influent to WWTP(s) - MG	Percent of Metered Water Treated at WWTP(s)
FYE 2008	412.8	531.6	129%	255.3	48%
FYE 2009	554.8	497.8	90%	308.9	62%
FYE 2010	467.2	414.3	89%	382.2	92%
FYE 2011	540.8	547.6	101%	370.5	68%
FYE 2015	466.5	378.9	81%	408.4	108%
FYE 2016	590.5	471.6	80%	413.7	88%
FYE 2017	604.7	466.9	77%	352.4	75%
FYE 2018	360.5	405.7	113%	343.8	85%
FYE 2019	427.5	369.1	86%	371.6	101%
2008-2011 Average	**493.9**	**497.8**	**102%**	**329.2**	**67%**
2015-2019 Average	**490.0**	**418.4**	**87%**	**378.0**	**91%**
AVG. ANNUAL GROWTH RATE	**0.4%**	**-4.5%**		**4.8%**	

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History of Account Growth

CITY OF PEARSALL, TEXAS

Accounts by Customer Class

	ANNUAL AVERAGE										
	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	Avg Annual Growth Rate 2008-19	Avg New Accts per Annum
Water and Wastewater											
Residential ICL	2,095	2,090	1,655	1,634	1,782	1,782	1,723	1,745	1,712	-1.8%	-35
Residential OCL	331	332	309	310	310	325	329	327	325	-0.2%	-1
Senior Citizen ICL	0	0	459	467	432	426	495	428	462	#NUM!	42
Senior Citizen OCL	0	0	12	22	24	23	25	22	31	#NUM!	3
Commercial ICL	244	277	232	233	393	387	436	372	361	3.6%	11
Commercial OCL	29	29	30	33	54	54	53	52	52	5.5%	2
Total Water	**2,702**	**2,727**	**2,699**	**2,699**	**2,994**	**2,998**	**3,061**	**2,945**	**2,942**	**0.8%**	**22**
Annual Rate of Increase	**-1.9%**	**1.0%**	**-1.0%**	**0.0%**	**34.0%**	**0.1%**	**2.1%**	**-3.8%**	**-0.1%**		
WASTEWATER											
Residential ICL	1,870	1,858	1,464	1,451	1,592	1,611	1,824	1,575	1,543	-1.7%	-30
Residential OCL	24	24	21	26	32	57	59	51	47	6.5%	2
Senior Citizen ICL	0	0	383	422	393	387	453	394	426	#NUM!	39
Senior Citizen OCL	0	0	1	1	2	5	6	6	8	#NUM!	1
Commercial ICL	238	242	243	245	280	276	312	264	259	0.8%	2
Commercial OCL	0	0	0	0	7	8	9	9	11	#NUM!	1
Total Wastewater	**2,131**	**2,124**	**2,111**	**2,146**	**2,306**	**2,344**	**2,664**	**2,299**	**2,293**	**0.7%**	**15**
Annual Rate of Increase	**-1.6%**		**-0.6%**	**1.6%**	**35.8%**	**1.7%**	**13.6%**	**-13.7%**	**-0.3%**		
SYSTEM TOTAL	**4,833**	**4,851**	**4,810**	**4,845**	**5,300**	**5,341**	**5,725**	**5,244**	**5,235**	**0.7%**	**37**
Annual Rate of Increase	**-1.7%**	**0.4%**	**-0.8%**	**0.7%**	**34.8%**	**0.8%**	**7.2%**	**-8.4%**	**-0.2%**		

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Water Revenue and Expense History

CITY OF PEARSALL, TEXAS
UTILITY COST OF SERVICE AND RATE DESIGN STUDY
SUMMARY OF REVENUES & EXPENDITURES
WATER

	FYE 13 Adj. Budget	FYE 14 Adj. Budget	FYE 18 Adj. Budget	FYE 19 Adj. Budget	FYE 20 Adj. Budget	AVG. ANNUAL GROWTH 2013-20
OPERATING REVENUE						
Total Service Revenues	$1,313,000	$1,425,000	$1,654,434	$1,611,979	$1,700,000	3.8%
Total Other Charges for Services	$67,386	$99,850	$20,786	$28,066	$27,500	-12.0%
Total Non-Operating Revenue	$33,247	$36,385	$234,890	$236,205	$232,500	32.0%
Total Operating Revenues	**$1,413,633**	**$1,561,235**	**$1,910,110**	**$1,876,250**	**$1,960,000**	**4.8%**
Personnel						
Salaries & Wages Supervision	$57,329	$92,465	$41,173	$69,035	$73,189	3.6%
Salaries & Wages Skilled	$182,188	$188,275	$174,782	$175,046	$235,168	3.7%
Salaries & Wages - Overtime	$291	$250	$1,327	$2,290	$13,200	72.4%
Employee Retirement	$21,197	$15,258	$11,016	$14,813	$22,302	0.7%
Extra Help	$0	$0	$0	$0	$0	
Major Medical Insurance	$43,681	$49,783	$45,665	$71,805	$81,936	9.4%
Workers Compensation Ins.	$5,725	$6,673	$11,482	$9,417	$15,825	15.6%
FICA/Medicare Expense	$19,283	$18,718	$23,318	$26,403	$34,503	8.7%
Unemployment Insurance	$0	$2,278	$0	$0	$12,500	
Overtime	$13,545	$10,000	$0	$0	$0	
Employee Incentive	$1,798	$0	$0	$0	$0	
Salaries & Wages - City Manager	$0	$0	$52,885	$43,088	$60,000	
Salaries & Wages - Fiance Director	$0	$0	$37,822	$33,544	$27,908	
Stipends	$0	$0	$0	$27,365	$39,200	
X-MAS Incintive	$0	$0	$1,201	$1,277	$2,325	
Life Insurance	$0	$0	$93	$518	$1,092	
Total	**$345,037**	**$383,698**	**$400,764**	**$474,600**	**$679,148**	**10.2%**

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Wastewater Revenue and Expense History

UTILITY COST OF SERVICE AND RATE DESIGN STUDY						
SUMMARY OF REVENUES & EXPENDITURES						
WASTEWATER						
	FYE 13 Adj. Budget	FYE 14 Adj. Budget	FYE 18 Adj. Budget	FYE 19 Adj. Budget	FYE 20 Adj. Budget	AVG. ANNUAL GROWTH 2013-20
OPERATING REVENUE						
Total Service Revenues	$358,813	$410,000	$662,550	$682,022	$675,000	9.4%
Total Other Charges for Services	$12,671	$20,600	$57,722	$69,971	$49,400	21.5%
Total Non-Operating Revenue	-$1,551	$489	$0	$0	$0	
Total Operating Revenues	**$369,933**	**$431,089**	**$720,272**	**$751,993**	**$724,400**	**10.1%**
Personnel						
Salaries & Wages Supervision	$0	$0	$0	$0	$0	
Salaries & Wages Skilled	$76,560	$93,350	$104,234	$127,114	$141,690	9.2%
Salaries & Wages - Overtime	$0	$0	$0	$400	$5,000	
Employee Retirement	$6,210	$5,000	$4,651	$5,452	$6,530	0.7%
Extra Help	$0	$0	$0	$0	$0	
Major Medical Insurance	$11,093	$17,460	$19,905	$29,706	$34,140	17.4%
Workers Compensation Ins.	$1,325	$1,450	$1,977	$2,246	$9,380	32.3%
FICA/Medicare Expense	$5,874	$6,200	$9,199	$9,691	$14,231	13.5%
Salaries & Wages - Public Works Director	$0	$0	$16,782	$0	$38,625	
Stipends	$0	$0	$0	$0	$0	
X-MAS Incintive	$0	$0	$515	$746	$684	
Life Insurance	$0	$0	$38	$202	$455	
Salaries & Wages Labor oper.	$0	$0	$0	$0	$0	
Total	**$102,970**	**$125,960**	**$158,876**	**$175,557**	**$250,735**	**13.6%**

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Current & Proposed Debt Obligations

CITY OF PEARSALL, TEXAS					
SUMMARY OF ALL WATER & WW DEBT					
ISSUE	**Original Amount Issued**	**Range of Interest Rates**	**Bal. End FY 2019**	**% Allocated to Water**	**% Allocated To WW**
Srs 1998 Water and Wastewater Revenue Bonds	$329,000	4.5%	$240,000	50%	50%
Srs 2012A Comb Tax & LTD Pledge Rev C/O	$1,456,125	2.1%	$1,456,125	50%	50%
Srs 2016 Comb Tax & LTD Pledge Rev C/O - 35% WWW	$2,486,750	2.4%	$2,486,750	50%	50%
PNC Equipment Finance	$1,382,161	0.0%	$1,039,061	50%	50%
Series 2020 Gov Cap Equipment Purchase	$258,791	3.0%	$0	75%	25%
Series 2023 Utility Extension	$2,553,494	2.0%	$0	25%	75%
Series 2022 Water Wells	$1,133,000	2.0%	$0	100%	0%
Series 2021 Capital Projects	$845,900	2.5%	$0	66%	34%
TOTAL	**$10,445,221**		**$5,221,936**	**$2,610,968**	**$2,610,968**

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Annual Debt Service

CITY OF PEARSALL, TEXAS							
SUMMARY OF ALL WATER & WW DEBT							
FYE	Begin Period Debt	Less Refundings	Plus Additions	Principal	Interest	Total Debt Service	Ending Principal
2020	$5,221,936	$0	$845,900	$332,561	$130,177	**$462,739**	$5,735,275
2021	$5,735,275	$0	$258,791	$441,034	$150,085	**$591,119**	$5,553,032
2022	$5,553,032	$0	$1,133,000	$489,773	$160,938	**$650,711**	$6,196,259
2028	$5,870,866	$0	$0	$530,673	$125,484	**$656,158**	$5,340,193
2029	$5,340,193	$0	$0	$466,251	$113,635	**$579,886**	$4,873,941
2032	$3,911,572	$0	$0	$256,545	$83,239	**$339,784**	$3,655,027
2050	$132,375	$0	$0	$44,125	$2,813	**$46,938**	$88,250
2051	$88,250	$0	$0	$44,125	$1,875	**$46,000**	$44,125
2052	$44,125	$0	$0	$44,125	$940	**$45,065**	$0

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Water Revenue: Distribution of Metered Water Consumption and Billed Revenue by Customer Class

CITY OF PEARSALL, TEXAS

REVENUE TO DEMAND COMPARISON BY CUSTOMER CLASS

Water and Wastewater

Customer Class	FYE 2019 Billed Revenue	FYE 2019 Volume	% Billed Revenue to Total	% Billed Usage to Total
Residential ICL	$652,436	161,740,000	39.9%	43.8%
Residential OCL	$218,309	41,492,000	13.3%	11.2%
Senior Citizen ICL	$140,033	48,322,000	8.6%	13.1%
Senior Citizen OCL	$13,213	2,863,000	0.8%	0.8%
Commercial ICL	$519,501	103,829,000	31.8%	28.1%
Commercial OCL	$91,925	10,828,000	5.6%	2.9%
Total	**$1,635,418**	**369,074,000**	**100%**	**100%**

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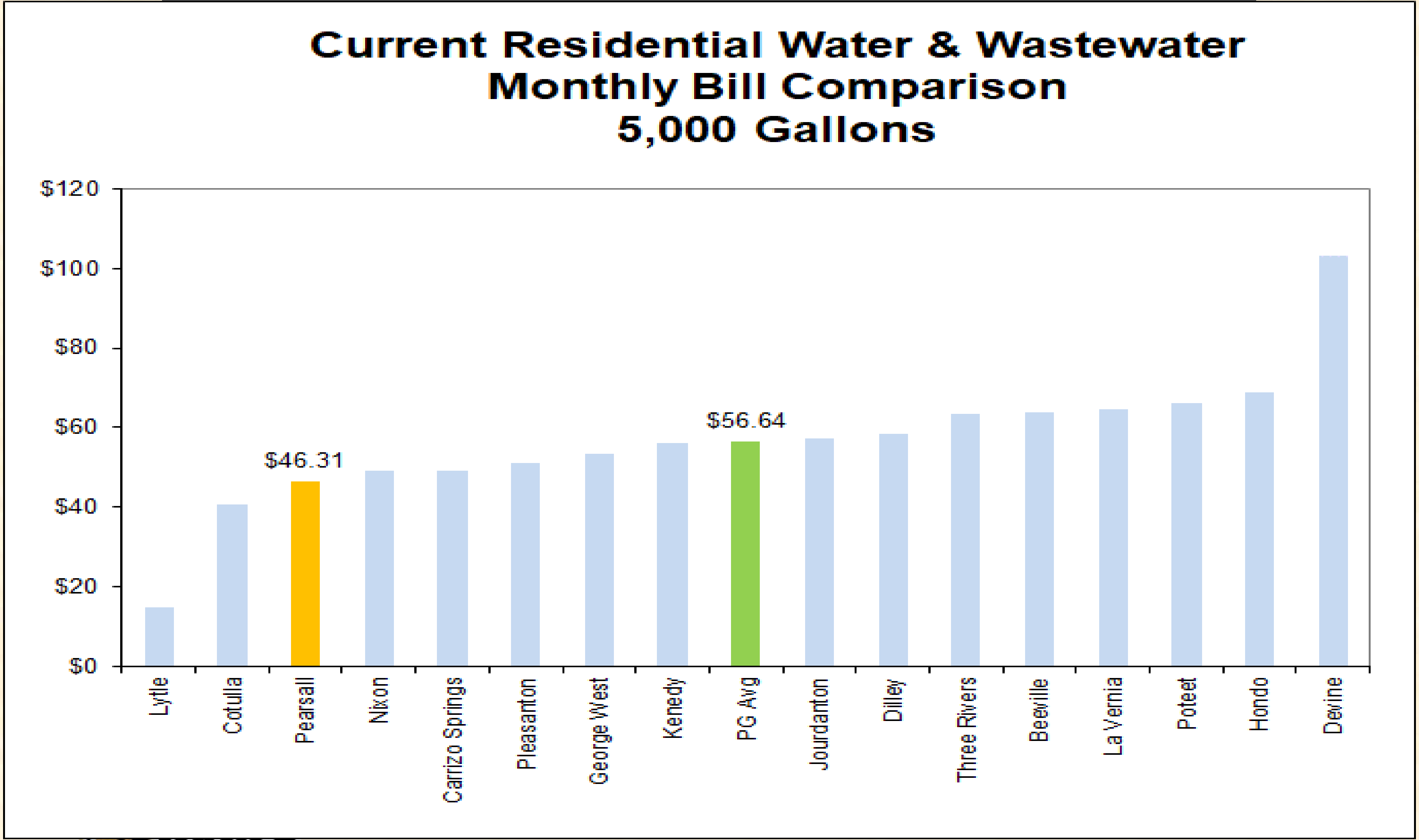
Residential Peer Group Comparison 1 – Current Rates



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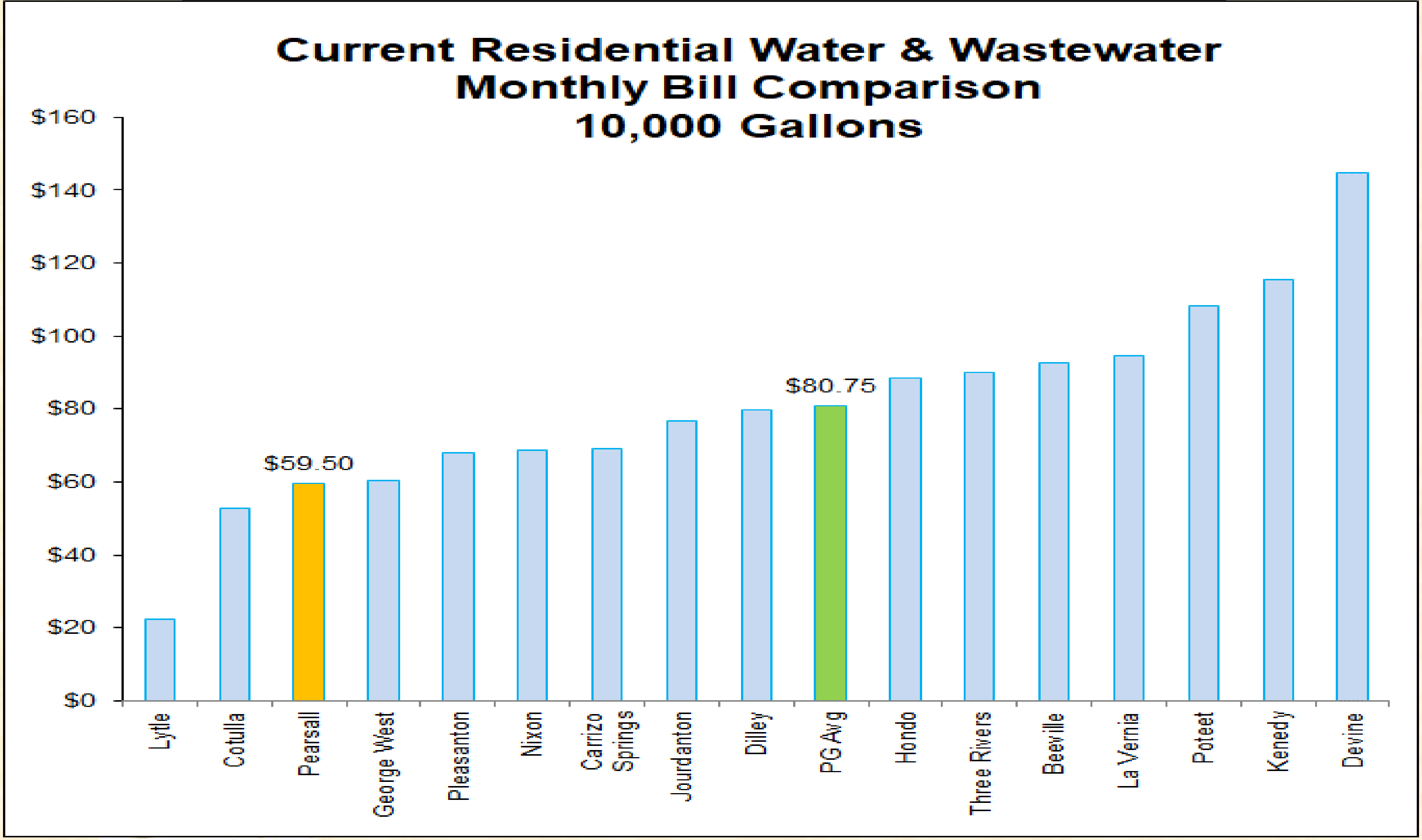
Residential Peer Group Comparison 2 – Current Rates



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CITY OF PEARSALL, TEXAS						
2020 COST OF SERVICE AND RATE DESIGN STUDY						
KEY METRICS BY CUSTOMER CLASS						
Customer Class	**Residential ICL**					
	Ttl Metered Consumpt - Gal	Billed Revenue	Avg. No. of Accts	Avg Mtrd Cons/Acct	Avg Revenue per Account	Avg Revenue per Metered
FYE 2008	318,822,000	$485,504	2,095	12,679	$19	$1.52
FYE 2009	304,338,000	$545,126	2,090	12,136	$22	$1.79
FYE 2010	183,488,500	$487,680	1,655	9,240	$25	$2.66
FYE 2011	236,943,500	$560,624	1,634	12,082	$29	$2.37
FYE 2015	189,976,000	$624,760	1,782	8,886	$29	$3.29
FYE 2016	203,669,000	$668,880	1,782	9,527	$31	$3.28
FYE 2017	208,480,000	$716,164	1,723	10,081	$35	$3.44
FYE 2018	181,501,000	$628,826	1,745	8,666	$30	$3.46
FYE 2019	161,740,000	$652,436	1,712	7,875	$32	$4.03
Avg Grth Rate	**-5.98%**	**2.72%**	**-1.82%**	**-4.24%**	**4.63%**	**9.26%**
Avg Mtrd Cons/Acct				**10,142**		

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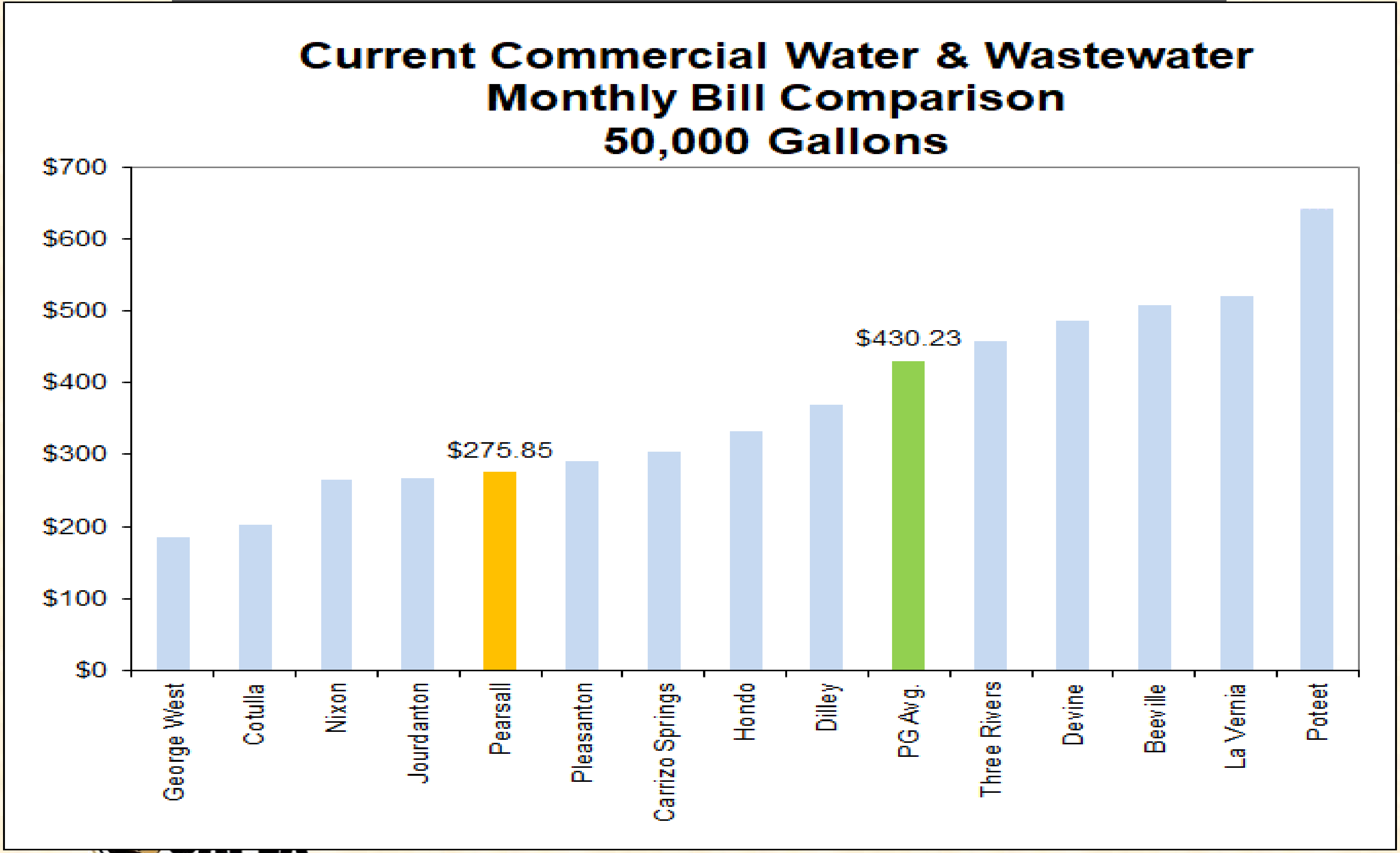
Commercial Peer Group Comparison 1 – Current Rates



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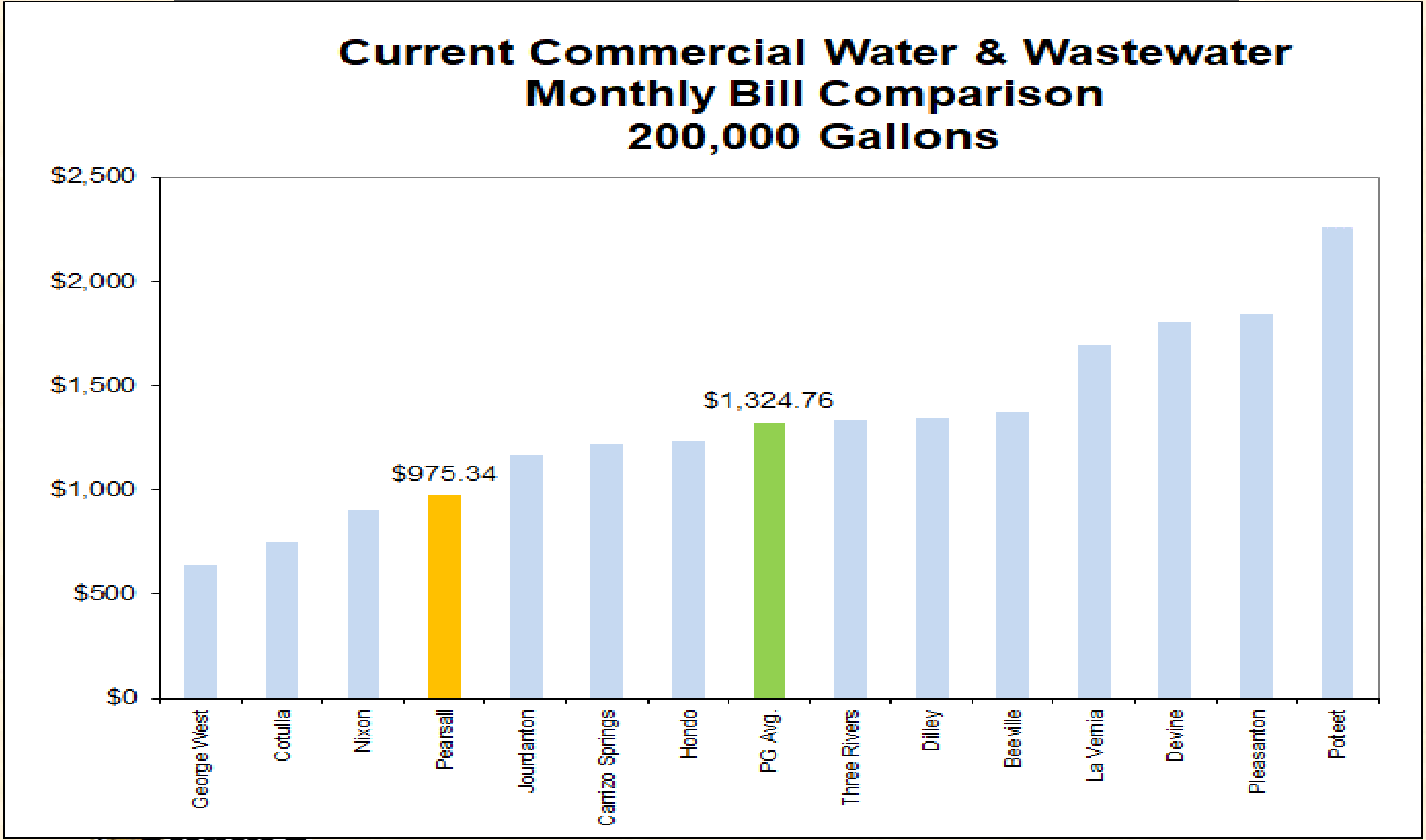
Commercial Peer Group Comparison 2 – Current Rates



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CITY OF PEARSALL, TEXAS
2020 COST OF SERVICE AND RATE DESIGN STUDY
KEY METRICS BY CUSTOMER CLASS

Customer Class	Commercial ICL					
	Ttl Metered Consumpt - Gal	Billed Revenue	Avg. No. of Accts	Avg Mtrd Cons/Acct	Avg Revenue per Account	Avg Revenue per Metered
FYE 2008	156,764,000	$184,783	244	53,613	$63	$1.18
FYE 2009	144,667,000	$231,297	277	43,483	$70	$1.60
FYE 2010	139,418,000	$251,238	232	50,096	$90	$1.80
FYE 2011	171,948,500	$298,970	233	61,498	$107	$1.74
FYE 2015	82,992,000	$439,133	393	17,613	$93	$5.29
FYE 2016	148,287,000	$540,866	387	31,952	$117	$3.65
FYE 2017	130,400,000	$586,065	436	24,909	$112	$4.49
FYE 2018	114,526,000	$531,621	372	25,678	$119	$4.64
FYE 2019	103,829,000	$519,501	361	23,951	$120	$5.00
Avg Grth Rate	**-3.68%**	**9.85%**	**3.64%**	**-7.06%**	**5.99%**	**14.05%**
Avg Mtrd Cons/Acct				**36,344**		

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Forecast Cash Flow Under Current Rates

CITY OF PEARSALL, TEXAS
CASH FLOW SUMMARY-WATER & WW

	FYE 2019	2020	2021	FYE 2022	2023	2024	FYE 2025
Rate Revenues	$2,322,161	$2,384,630	$2,411,608	$2,435,176	$2,458,974	$2,483,005	$2,507,271
Non-Rate Revenues	$334,242	$336,900	$114,011	$116,171	$118,381	$120,642	$122,957
TOTAL REVENUES	**$2,656,402**	**$2,721,530**	**$2,525,619**	**$2,551,347**	**$2,577,355**	**$2,603,648**	**$2,630,227**
TOTAL EXPENSES	**$1,262,342**	**$1,598,145**	**$1,636,959**	**$1,676,830**	**$1,717,786**	**$1,759,858**	**$1,803,077**
Net Rev. Avail. For Debt Svc.	**$1,394,060**	**$1,123,385**	**$888,660**	**$874,517**	**$859,569**	**$843,789**	**$827,150**
DS - 1ST LIEN REVENUE							
Proposed 1st Lien Rev. P&I	$0	$0	$68,320	$126,353	$126,353	$257,144	$257,144
Total 1st Lien Rev. Debt Service	**$0**	**$0**	**$68,320**	**$126,353**	**$126,353**	**$257,144**	**$257,144**
DS- JUNIOR LIEN REV							
Existing Jr. Lien P&I	$125,701	$130,427	$135,268	$137,360	$139,487	$141,650	$143,345
Proposed Jr. Lien P&I	$0	$0	$56,460	$56,460	$56,460	$56,460	$56,460
Jr Lien Rev DS - Current	**$125,701**	**$130,427**	**$191,728**	**$193,820**	**$195,947**	**$198,110**	**$199,805**
DS- GEN. OBLIGATION							
Existing Tax Supported P&I	$18,980	$332,312	$331,071	$330,538	$328,153	$328,466	$327,483
TOTAL ALL DEBT SERVICE	**$144,681**	**$462,739**	**$591,119**	**$650,711**	**$650,453**	**$783,720**	**$784,432**
Coverage Ratio on All Debt: Current Rev, Current Debt	**9.64**	**2.43**	**1.50**	**1.34**	**1.32**	**1.08**	**1.05**
CASH AFTER ALL DEBT SVC.	**$1,249,379**	**$660,646**	**$297,541**	**$223,807**	**$209,117**	**$60,069**	**$42,718**
Total Capital Outlays	**$278,194**	**$318,500**	**$328,055**	**$337,897**	**$348,034**	**$358,475**	**$369,229**
FY END BALANCE	**$971,185**	**$342,146**	**($30,514)**	**($114,090)**	**($138,917)**	**($298,406)**	**($326,511)**

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Impact of Proposed Residential Water and Wastewater Rate Increases

CITY OF PEARSALL, TEXAS

PROPOSED W & WW RATE IMPACT:	Residential ICL						
AVERAGE CONSUMPTION	9,037						
AVERAGE CONSUMPTION - WINTER	7,131	79%					
Monthly Gallons	10/1/19	10/1/20	10/1/21	10/1/22	10/1/23	10/1/24	Avg. Annual Increase
2,000	$40.04	$42.00	$43.95	$45.91	$47.86	$49.82	
$ Increase	$0.00	$1.95	$1.96	$1.96	$1.96	$1.96	$1.96
% Increase	*0.0%*	*4.9%*	*4.7%*	*4.4%*	*4.3%*	*4.1%*	*4.5%*
5,000	$46.31	$48.36	$50.41	$52.46	$54.51	$56.57	
$ Increase	$0.00	$2.05	$2.05	$2.05	$2.05	$2.06	$2.05
% Increase	*0.0%*	*4.4%*	*4.2%*	*4.1%*	*3.9%*	*3.8%*	*4.1%*
10,000	$59.50	$61.75	$64.00	$66.25	$68.52	$70.78	
$ Increase	$0.00	$2.24	$2.25	$2.26	$2.26	$2.27	$2.26
% Increase	*0.0%*	*3.8%*	*3.6%*	*3.5%*	*3.4%*	*3.3%*	*3.5%*

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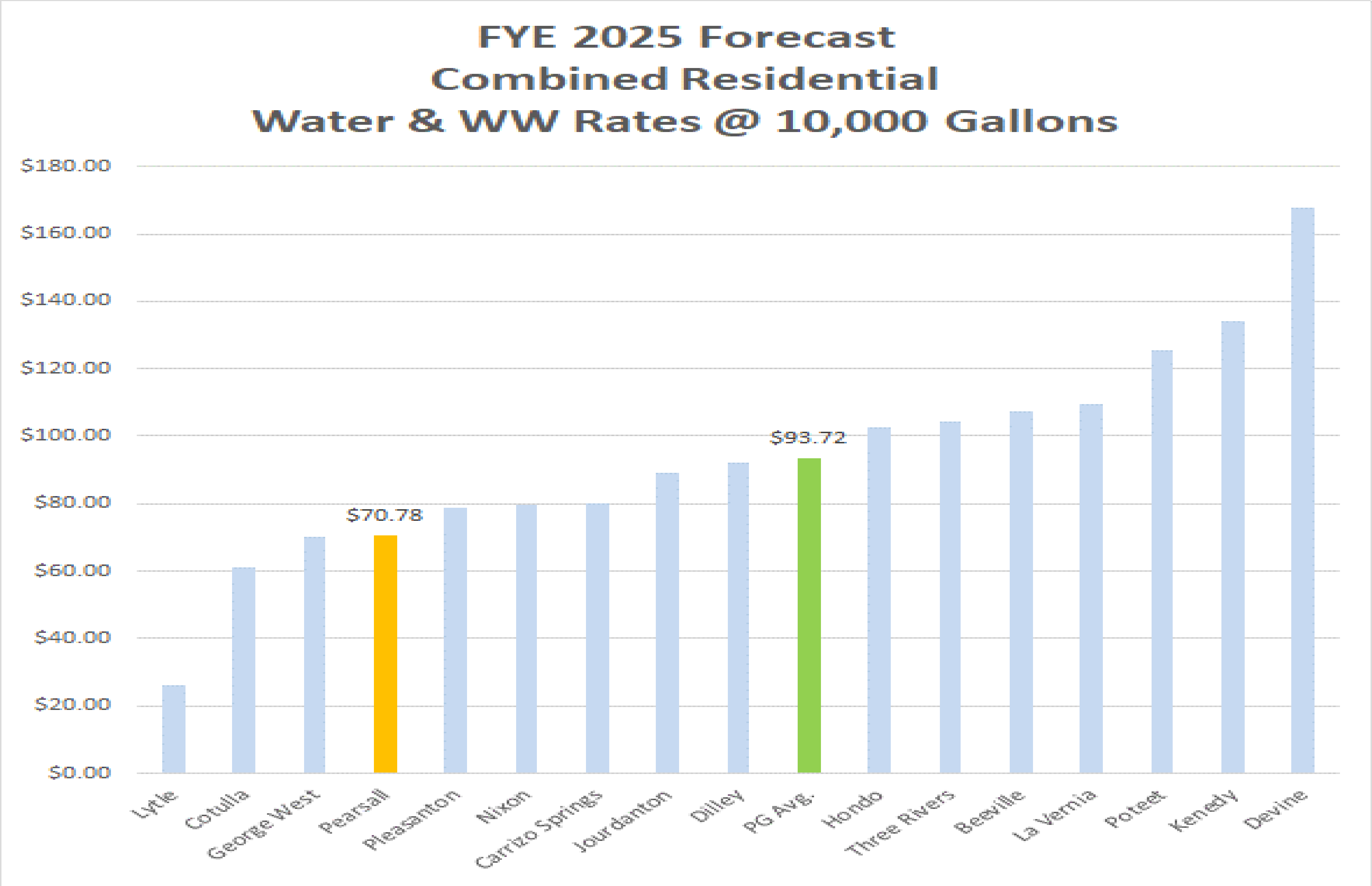

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Proposed Commercial Water and Wastewater Rate Increases

TABLE III-15
CITY OF PEARSALL, TEXAS

IMPACT OF PROPOSED RATES:	Commercial ICL		Weighted Average
AVERAGE CONSUMPTION	26,623	61%	
AVERAGE CONSUMPTION - WINTER	16,156		

Monthly Gallons	10/1/19	10/1/20	10/1/21	10/1/22	10/1/23	10/1/24	Avg. Annual Increase
10,000	**$108.74**	**$110.77**	**$113.70**	**$116.69**	**$119.73**	**$122.83**	
$ Increase	$1.78	$2.03	$2.93	$2.99	$3.04	$3.10	$2.82
% Increase	***1.7%***	***1.9%***	***2.6%***	***2.6%***	***2.6%***	***2.6%***	***2.5%***
50,000	**$275.85**	**$284.78**	**$294.88**	**$305.34**	**$316.17**	**$327.37**	
$ Increase	$4.17	$8.93	$10.11	$10.46	$10.82	$11.21	$10.31
% Increase	***1.5%***	***3.2%***	***3.5%***	***3.5%***	***3.5%***	***3.5%***	***3.5%***
100,000	**$503.34**	**$521.66**	**$541.54**	**$562.17**	**$583.59**	**$605.82**	
$ Increase	$7.16	$18.31	$19.88	$20.63	$21.42	$22.24	$20.50
% Increase	***1.4%***	***3.6%***	***3.8%***	***3.8%***	***3.8%***	***3.8%***	***3.8%***
200,000	**$975.34**	**$1,013.12**	**$1,053.27**	**$1,095.02**	**$1,138.41**	**$1,183.54**	
$ Increase	$13.14	$37.78	$40.15	$41.74	$43.40	$45.12	$41.64
% Increase	***1.4%***	***3.9%***	***4.0%***	***4.0%***	***4.0%***	***4.0%***	***3.9%***

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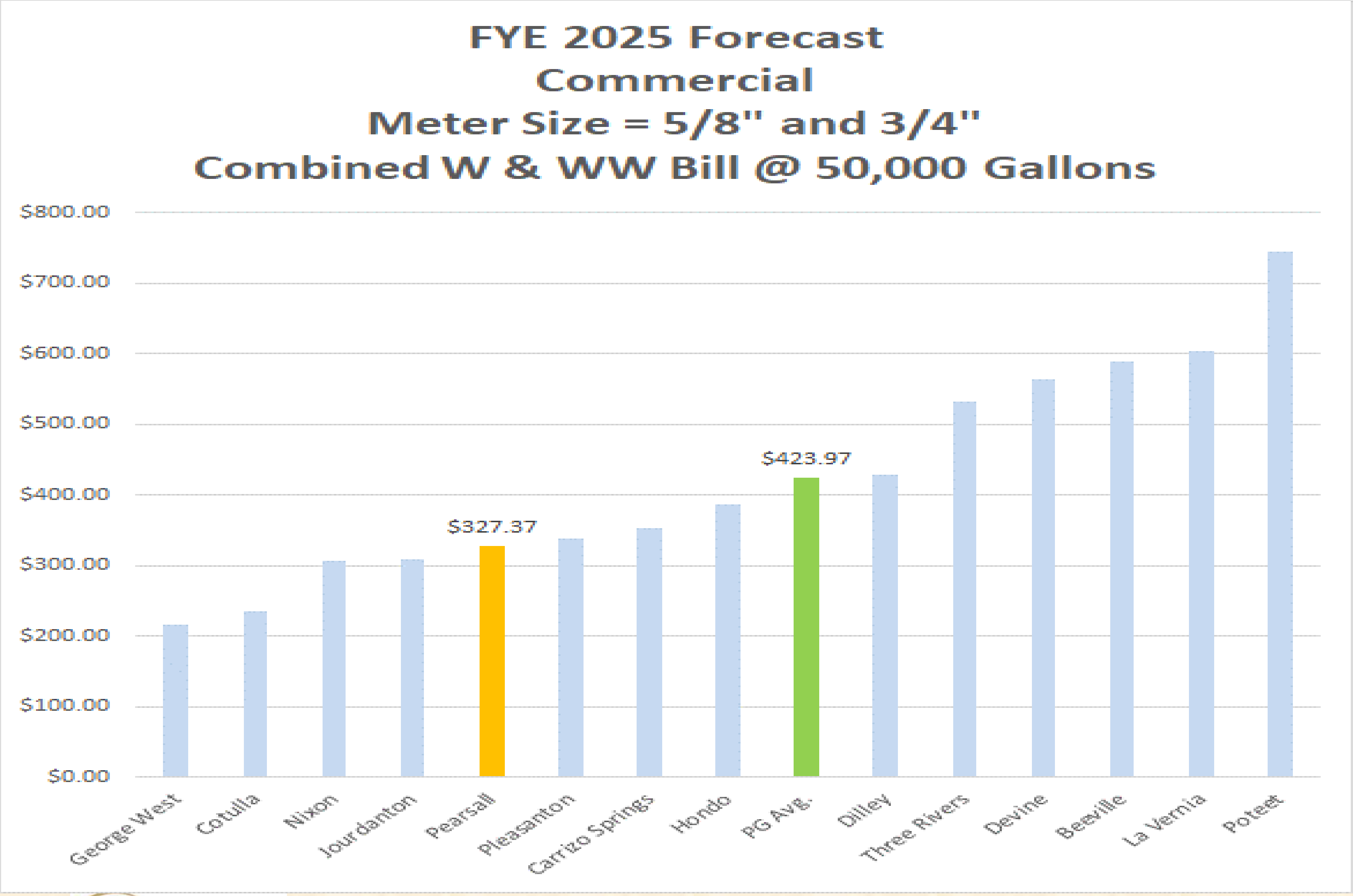

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Forecast Cash Flow Under Proposed Rates

CITY OF PEARSALL, TEXAS
CASH FLOW SUMMARY-WATER & WW

	FYE 2019	2020	2021	FYE 2022	2023	2024	FYE 2025
Rate Revenues	$2,322,161	$2,384,630	$2,456,611	$2,561,956	$2,672,148	$2,785,212	$2,901,239
Non-Rate Revenues	$334,242	$336,900	$114,011	$116,171	$118,381	$120,642	$122,957
TOTAL REVENUES	**$2,656,402**	**$2,721,530**	**$2,570,622**	**$2,678,127**	**$2,790,529**	**$2,905,854**	**$3,024,196**
TOTAL EXPENSES	**$1,262,342**	**$1,598,145**	**$1,636,959**	**$1,676,830**	**$1,717,786**	**$1,759,858**	**$1,803,077**
Net Rev. Avail. For Debt Svc.	**$1,394,060**	**$1,123,385**	**$933,663**	**$1,001,298**	**$1,072,743**	**$1,145,996**	**$1,221,118**
DS - 1ST LIEN REVENUE							
Proposed 1st Lien Rev. P&I	$0	$0	$68,320	$126,353	$126,353	$257,144	$257,144
Total 1st Lien Rev. Debt Service	**$0**	**$0**	**$68,320**	**$126,353**	**$126,353**	**$257,144**	**$257,144**
DS- JUNIOR LIEN REV							
Existing Jr. Lien P&I	$125,701	$130,427	$135,268	$137,360	$139,487	$141,650	$143,345
Proposed Jr. Lien P&I	$0	$0	$56,460	$56,460	$56,460	$56,460	$56,460
Jr Lien Rev DS - Current	**$125,701**	**$130,427**	**$191,728**	**$193,820**	**$195,947**	**$198,110**	**$199,805**
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Existing Tax Supported P&I	$18,980	$332,312	$331,071	$330,538	$328,153	$328,466	$327,483
TOTAL ALL DEBT SERVICE	**$144,681**	**$462,739**	**$591,119**	**$650,711**	**$650,453**	**$783,720**	**$784,432**
Coverage Ratio on All Debt: Current Rev, Current Debt	**9.64**	**2.43**	**1.58**	**1.54**	**1.65**	**1.46**	**1.56**
CASH AFTER ALL DEBT SVC.	**$1,249,379**	**$660,646**	**$342,544**	**$350,587**	**$422,291**	**$362,276**	**$436,687**
Total Capital Outlays	**$278,194**	**$318,500**	**$328,055**	**$337,897**	**$348,034**	**$358,475**	**$369,229**
FY END BALANCE	**$971,185**	**$342,146**	**$14,489**	**$12,690**	**$74,257**	**$3,801**	**$67,458**

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CITY OF PEARSALL INTERDEPARTMENTAL POLICY AND PROCEDURE

EMERGENCY PANDEMIC LEAVE POLICY

PURPOSE

The purpose of this policy is to provide guidance and instruction to employees on how to manage time away from work if a leave of absence is needed during a declared pandemic emergency event.

In the event of a wide scale pandemic emergency, and when declared by the World Health Organization (WHO) or authorized by the City Manager or designee, the City of Pearsall must balance a variety of objectives when determining how best to ensure the continuity of operations and reduce the impact on the workplace. When a pandemic emergency rises to the level resulting in school dismissals, child care program closures, quarantine, and the like, this policy addresses time away from work for employees to provide care for their children, themselves and/or other immediate family members in a manner allowing for the continuity of the required City operations and service delivery.

DEFINITIONS

- FMLA (Family Medical Leave Act) – As authorized by the Family and Medical Leave Act Interdepartmental Policy and Procedure, a leave designation that applies to qualified employees experiencing serious health conditions themselves or by their immediate family members and which runs concurrently with other types of leave, such as sick leave, vacation leave, compensatory time and worker's compensation leave, as well as leave without pay.

- Quarantine/Isolation – a requirement set forth by local, state or Federal Government requiring an individual to seclude themselves from contact with others by remaining in their home for a specified period of time.

- Family member – as defined by the Family Medical Leave Act an employee's spouse, child, step-child, parent or step-parent or dependent as defined by IRS regulations.

SCOPE

This policy applies to all full-time employees within the City of Pearsall. No part of this policy will be effective to the extent it conflicts with state or federal law.

POLICY

This policy will take immediate effect when a pandemic emergency or a potential pandemic emergency is eminent and is declared, as such, by the World Health Organization (WHO) or by the City Manager or authorized designee. This policy will remain in effect until the City determines the pandemic emergency or potential pandemic emergency is no longer a threat to the organization or employees. The City Manager has the authority to revise this policy at any time.

COORDINATION OF EMERGENCY PANDEMIC LEAVE AND SICK LEAVE

When activated, this policy supersedes portions of Sick Leave, which relates to usage of sick leave and sick leave to care for a family member. When this policy is activated, employees are *not limited* to using a maximum of eighty (80) hours of accrued sick leave to care for a family member. For the purposes of this policy, all accrued sick leave may be used for the following reasons:

- Employee's own pandemic illness or quarantine
- To care for a family member who is ill or quarantined
- To care for a child whose school or daycare is closed as a result of a pandemic

ALLOWANCE OF A NEGATIVE SICK LEAVE BALANCE

In the event an employee has exhausted all sick leave and continues to be off work due to his/her own pandemic illness or quarantine, to care for a family member who is ill or quarantined or to care for a child whose school or daycare is closed as a result of a pandemic, the City will allow employees to deplete sick leave into a negative balance. Employees will be required to use future sick leave accruals to replenish negative sick leave balances. The city manager reserves the right to waive negative sick leave balances on a case by case basis.

EMPLOYEES RESPONSIBILITIES

Employees who test positive for a pandemic virus or have a household member who tests positive for a pandemic virus must notify their supervisor and/or Human Resources as soon as possible. This notification allows the City to take appropriate workplace precautions to protect other employees. Any medical information provided to the City is confidential. Only appropriate "need to know" information will be provided to City management, Human Resources as required for implementing appropriate workplace precautions to maintain a safe work environment. Employees are required to provide appropriate documentation for any school or day care closures. Supervisors will exercise flexibility regarding timeliness of when appropriate documentation is submitted by employees. The Family Medical Leave Act will be implemented for those eligible.

Employees who are off work due to a pandemic, must contact their supervisor on a daily basis, or as soon as practical, to provide updated work status information.

In the event of a wide scale emergency or pandemic, where the employee is not ill, the employee may not take leave, or refuse to work, to simply avoid possible exposure to a causative agent in the workplace. Employees who may have a disability that creates an increased risk associated with the emergency are encouraged to notify Human Resources to discuss possible accommodations in accordance with the Americans with Disabilities Act.

Violation of any part of this policy, failure to follow the requirements of this policy and/or falsification of any information or documentation related to this policy, will be subject to disciplinary action up to and including termination.

Once the pandemic period has ended and if the employee's sick leave accrual is in the negative, there may be times when an employee becomes ill or injured. During this situation, the employee must use other leave accruals, when the employee has a non-pandemic related illness or injury. Sick leave cannot continue to be drawn further in the negative after the pandemic period has ended.

Date: ______________________________

CITY OF PEARSALL

EMERGENCY PANDEMIC LEAVE
POLICY ACKNOWLEDGEMENT FORM

I, ______________________________ an employee of the City of Pearsall, do hereby affirm I have read and understand Emergency Pandemic Leave Interdepartmental Policy and do hereby confirm I understand that in the event I choose to utilize the provisions of the policy I am bound by all sick leave accrual repayment requirements as outlined in the policy.

______________________________ ______________________________

Employee's Signature Date