AGENDA
CITY COMMISSION
MONDAY, AUGUST 24, 2026
REGULAR MEETING
CITY HALL
HELEN KLEBERG GROVES COMMUNITY ROOM
400 WEST KING AVENUE
4:00 P.M. – Workshop
5:00 P.M. – Regular Meeting

Live Videostream: **https://www.facebook.com/cityofkingsvilletx**

I. Preliminary Proceedings.

OPEN MEETING

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

4:00 P.M. - WORKSHOP:
Discussion on proposed Fiscal Year 26-27 Budget and funds for the City of Kingsville. (City Manager).

APPROVED BY:
Charlie Sosa
Charlie Sosa
City Manager

MINUTES OF PREVIOUS MEETING(S)

None.

II. Public Hearing - (Required by Law).[1]

None.

III. Reports from Commission & Staff.[2]

"At this time, the City Commission and Staff will report/update on all committee assignments which may include but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development , Code Enforcement, Proposed Development Report; Accounting & Finance – Financial Services - Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works-Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time."

IV. Public Comment on Agenda Items.[3]

1. Comments on all agenda and non-agenda items.

V. **Consent Agenda**

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions, and ordinances not removed for individual consideration)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. **Items for consideration by Commissioners.**[4]

1. Consideration and approval accepting the 2026 Final Certified Estimated Value Information and the 2026 Final Certified Estimated Rolls for the total appraised, assessed, and taxable values of all existing and new property in the City of Kingsville as certified by the Kleberg County Appraisal District. (Finance Director).

2. Discuss and consider approving the Certification of 2025-2026 Excess Debt Collections for City of Kingsville Maintenance & Operations Fund and Interest & Sinking Fund and the Certification of 2026 Anticipated Collection Rates. (Finance Director).

3. Discuss and consider approving a proposed tax rate, if it will exceed the no-new revenue tax rate or the voter-approval rate (whichever is lower), take record vote, and schedule public hearing for 5:00 p.m. on September 8, 2026 at City Hall in the Helen Kleberg Groves Community Room, 400 W. King Avenue, Kingsville, Texas 78363. (Finance Director).

4. Discuss and consider approving a resolution authorizing the City Manager to execute Change Order No. 2 for the construction contract with D & M Underground Corp. for the GLO CDBG-MIT Contract 22-085-009-D237 Project 1: E. Santa Gertrudis St. (near Fairview) storm water improvements project. (City Engineer).

5. Discuss and consider approving a resolution authorizing the City Manager to execute Change Order #6 for the Construction Contract with D&J Utility Services LLC for the GLO CDBG-MIT Contract No. 22-085-009-D237 Project 10: N. Armstrong Ave. storm water improvements project. (City Engineer).

6. Discuss and consider the introduction of an ordinance ratifying classifications and prescribing the number of positions in such classifications for the classified service in the Fire Department by adding one new civil service position. (Human Resources Director).

7. Discuss and consider approving a resolution authorizing the City to accept funding from the FEMA Hazard Mitigation Grant Program (HMGP) DR-4781, Hurricane Beryl, for a new generator at Fire Station #2 with an anticipated cash match; naming the City Manager as the grant official and the Fire Chief as the grant administrator. (25% cash match estimated at $4,743.11) (Fire Chief).

8. Discuss and consider the introduction of an ordinance amending the Fiscal Year 2025-2026 Budget to appropriate funding for the Hurricane Beryl Grant #4798 (HMGP) awarded for the purchase of a replacement generator for Fire Station 2. (Fire Chief).

9. Discuss and consider approving a resolution authorizing the Chief of Police to execute a Memorandum of Understanding between the City of Kingsville Police Department and GBGC, LLC d/b/a Gulf Coast Gunbusters. (Police Chief).

10. Discuss and consider approving the transfer of the City's interest, leases, and other financial obligations in the L.E. Ramey Golf Course to Kleberg County effective October 1, 2026. (Mayor Fugate).

11. Discuss and consider approving the transfer of the City's interest, leases, and other financial obligations in the east side of Dick Kleberg Park from the south end of the J.K. Northway to the south end of the adult softball fields (up to the north side of the access road and exclusive of the plane pad site and an area around it) to Kleberg County effective October 1, 2026. (Mayor Fugate).

12. Workshop: Discussion on proposed Fiscal Year 26-27 Budget and funds for the City of Kingsville. (City Manager).

VII. Adjournment.

1. No person's comments shall exceed 5 minutes. Cannot be extended by Commission.
2. No person's comments shall exceed 5 minutes without permission of majority of Commission.
3. Comments are limited to 3 minutes per person. May be extended or permitted at other times in the meeting only with 5 affirmative Commission votes. The speaker must identify himself by name and address.
4. Items being considered by the Commission for action except citizen's comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.

NOTICE

This City of Kingsville and Commission Chambers are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/595-8002 or FAX 361/595-8024 or E-Mail mvalenzuela@cityofkingsville.com for further information. Braille Is Not Available. The City Commission reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551-071 (Consultation with Attorney), 551-072 (Deliberations about Real Property), 551-073 Deliberations about Gifts and Donations), 551-074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551-086 (Certain Public Power Utilities: Competitive Matters), and 551-087 (Economic Development).

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board at City Hall, City of Kingsville, 400 West King Avenue, Kingsville, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time: August 18, 2026, at 12:00 P.M. and remained so posted continuously for at least three business days proceeding the scheduled time of said meeting.

Mary Valenzuela
Mary Valenzuela, TRMC, City Secretary
City of Kingsville, Texas

This public notice was removed from the official posting board at the Kingsville City Hall on the following date and time:________________ By: ____

REGULAR AGENDA

AGENDA ITEM #1

KLEBERG COUNTY APPRAISAL DISTRICT
P.O. BOX 1027 * 502 E. KLEBERG * KINGSVILLE, TEXAS 78364
PHONE: (361) 595-5775 * FAX: (361) 595-7984

July 24, 2026

City of Kingsville
Charlie Sosa, City Manager
P.O. Box 1458
Kingsville, Texas 78364

Dear Mr. Sosa:

Enclosed you will find 2026 Final Certified Value Information for your taxing entity and a CD(s) of your taxing entity's 2026 Final Certified Rolls. Also included is a copy of outstanding protest list information needed for the calculation of the no-new-revenue tax rate and a copy of the 2026 Average Residence Value Report.

If you have any questions, please feel free to call me at 361-595-5775.

Sincerely,

Marlene P

Marlene Perez, R.P.A.
Interim Chief Appraiser

Cc: Sam Fugate, Mayor
Deborah Balli, Finance Director
Kleberg County Appraisal District Board of Directors

2026 CERTIFIED VALUE INFORMATION

AS OF 7-24-26

TAXING UNIT
CITY OF KINGSVILLE

GROSS VALUES		2026 FINAL CERTIFIED VALUE NOT UNDER ARB REVIEW		2025 FINAL CERTIFIED ESTIMATED VALUES NOT UNDER ARB REVIEW		DIFFERENCE
REAL:		1,526,262,833		1,366,062,118		160,200,715
PERSONAL:	+	101,882,690	+	88,393,250		13,489,440
MINERAL:	+	41,699,450	+	44,636,153		(2,936,703)
TOTAL GROSS VALUE:	=	1,669,844,973	=	1,499,091,521		170,753,452
TOTAL EXEMPTIONS:	-	334,612,406	-	282,386,781		52,225,625
HOMESTEAD CAP ADJ:	-	73,038,700	-	99,051,368		(26,012,668)
23.231 CAP:	-	36,525,193	-	54,087,487		(17,562,294)
LOSS TO AGRICULTURAL VALUATION	-	18,995,189	-	16,968,348		2,026,841
NET TAXABLE VALUE:	=	1,206,673,485	=	1,046,597,537		160,075,948
						-
		FOR INFO ONLY				
STILL UNDER ARB REVIEW NET TAXABLE VALUE	(+)	129,358,463		241,531,233		(112,172,770)
ESTIMATED ADJUSTABLE TAXABLE DUE TO FREEZE AND TRANSFER ADJ STILL UNDER ARB REVIEW	(=)	1,336,031,948		1,288,128,770		47,903,178

AGENDA ITEM #2

MARIA V. VALADEZ, TAC
Kleberg County Tax Assessor-Collector

P.O. BOX 1457

Phone 361-595-8541
Phone 361-595-8542
Fax 361-595-8546

July 31, 2026

COUNTY of KLEBERG
KINGSVILLE, TEXAS

City of Kingsville

Below is the Truth-in-Taxation information in accordance with the Texas Property Tax Code:

Excess Debt Tax Collections	$0
M&O Tax Refunds for Years Preceding 2025	$112,324.95
I&S Tax Refunds for Years Preceding 2025	$30,583.79
TOTAL Tax Refunds for Years Preceding 2025	$142,908.74
Anticipated Collection Rate for 2026	100%
Actual Collection Rate as of 6/30/2026	95.96%
Actual Collection Rate as of 6/30/2026	97.93%
Actual Collection Rate as of 6/30/2026	97.34%

I hereby certify the above information is true and correct to the best of my knowledge.

Maria V. Valadez

Maria V Valadez, PCAC, CTOP, PCC
Kleberg County Tax Assessor/Collector

AGENDA ITEM #3

MOTION ON PROPOSED TAX RATE

For whoever will be making tonight's motion on the proposed tax rate, the specific wording that should be used for the motion. It is as follows:

"I move that the *proposed* property tax rate be $0.77777 and that one public hearing be set for Tuesday, September 8, 2026 at 5:00 p.m. in the Helen Kleberg Groves Community Room, City Hall, 400 W. King Ave., Kingsville, TX. with additional funds to be used for city infrastructure upgrades, employee wages & benefits, and technology.

For meeting to set proposed tax rate: August 24, 2026

- NOTE: The City Manager's budget is currently built on a tax rate of $\boxed{\$0.77777}$. In order to have maximum flexibility through the budget process, it is recommended to have the proposed rate set at a higher rate but below the rollback rate.

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of $0.77777 per $100 valuation has been proposed by the governing body of CITY OF KINGSVILLE.

PROPOSED TAX RATE	$0.77777 per $100
NO-NEW-REVENUE TAX RATE	$0.74140 per $100
VOTER-APPROVAL TAX RATE	$0.77778 per $100

The no-new-revenue tax rate is the tax rate for the 2026 tax year that will raise the same amount of property tax revenue for CITY OF KINGSVILLE from the same properties in both the 2025 tax year and the 2026 tax year.

The voter-approval rate is the highest tax rate that CITY OF KINGSVILLE may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that CITY OF KINGSVILLE is proposing to increase property taxes for the 2026 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 8, 2026 AT 5:00 p.m AT City Hall, Helen Kleberg Groves Community Room, 400 W King, Kingsville, TX 78363.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, CITY OF KINGSVILLE is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City of Kingville Commission of CITY OF KINGSVILLE at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

Property tax amount= (tax rate) x (taxable value of your property)/100

FOR the proposal:

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by CITY OF KINGSVILLE last year to the taxes proposed to be imposed on the average residence homestead by CITY OF KINGSVILLE this year.

	2025	2026	Change
Total tax rate (per $100 of value)	$0.76918	$0.77777	increase of 0.00859 per $100, or 1.12%
Average homestead taxable value	$130,620	$140,490	increase of 7.56%
Tax on average homestead	$1,004.70	$1,092.69	increase of $87.99, or 8.76%
Total tax levy on all properties	$10,033,028	$10,309,570	increase of $276,542, or 2.76%

For assistance with tax calculations, please contact the tax assessor for CITY OF KINGSVILLE at 361-595-8542 or vvaladez@co.kleberg.tx.us, or visit cityofkingsville.com for more information.

2026 Governing Body Summary #1A*
Benchmark 2026 Tax Rates
CITY OF KINGSVILLE

Date: 08/17/2026 10:07 AM

DESCRIPTION OF TAX RATE	TAX RATE PER $100	THIS YEAR'S TAX LEVY**	ADDITIONAL TAX LEVY
No-New-Revenue Tax Rate	$0.74140	$9,827,475	
One Percent $100 Tax Increase***	$0.74881	$9,925,696	$98,221
One Cent per $100 Tax Increase***	$0.75140	$9,960,028	$132,553
De Minimis Rate	$0.79197	$10,497,795	$670,320
VAR NOT adjusted for Unused Increment Rate	$0.77503	$10,273,250	$445,775
VAR adjusted for Unused Increment Rate	$0.77778	$10,309,702	$482,227
Last Year's Tax Rate	$0.76918	$10,195,707	$368,232
Proposed Tax Rate	$0.77777	$10,309,570	$482,095

*These figures are provided as estimates of possible outcomes resulting from varying the tax rate. Please be aware that these are only estimates and should not be used alone in making budgetary decisions.
**Tax levies are calculated using line 22 of the No-New-Revenue Tax Rate Worksheet and this year's frozen tax levy on homesteads of the elderly or disabled.
***Tax increase compared to no-new-revenue tax rate.

Notice of Adopted 2026 Tax Rate

CITY OF KINGSVILLE ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.87 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $18.77.

§26.05(b) of Property Tax Code
Steps Required for Adoption of Tax Rate & Budget

Entity Name: CITY OF KINGSVILLE **Date: 07/28/2026 12:29 PM**

Language Required in the Motion Setting This Year's Tax Rate:

This year's proposed tax rate exceeds the no-new-revenue tax rate. The vote on the ordinance, resolution, or order setting the tax rate must be a record vote and 60% of the governing body must vote in favor of the adoption of the tax rate. A motion to adopt the ordinance, resolution, or order must be made in the following form:

I move that the property tax rate be increased by the adoption of a tax rate of 0.77777, which is effectively a 4.91 percent increase in the tax rate.

Statement Required in the Ordinance, Resolution, or Order Setting:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.87 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $18.77.

Statement That Must be Posted on the Home Page of Any Internet Website Operated by the Taxing Unit:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

CITY OF KINGSVILLE ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.87 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $18.77.

Steps Required for Discussion, Proposal, and Adoption of Budget

Entity Name: CITY OF KINGSVILLE **Date: 07/28/2026 12:30 PM**

Steps for the Proposal of the Budget:

This year's property tax levy will raise more revenue from property taxes than in the preceding year. The governing body must hold a separate vote to ratify the property tax increase reflected in the budget. This vote must be in addition to and separate from the vote to adopt the budget or the vote to set the tax rate. Counties that maintain a website must post the proposed budget when it is filed with the county clerk. The adopted budget must also be posted on the website when it is filed with the county clerk.

The following statement must be included on the notices of public hearing on proposed budget. It must also be included on the cover page of the proposed budget, in 18-point type or larger.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY $276,542 OR 2.76%, AND OF THAT AMOUNT, $87,220 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

Steps for the Adoption of the Budget:

-A vote to adopt the budget must be a record vote.
-An adopted budget must contain a cover page stating a record vote of each member of the governing body by name, the property tax rates for the current and preceding fiscal year, the total amount of debt obligations, and the following statement in 18 point font:
This budget will raise more revenue from property taxes than last year's budget by an amount of $276,542, which is a 2.76 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is $87,220.
-The budget and cover page must be filed with the clerk and posted on the entity's website at least until the date of the first anniversary the budget is adopted.

Taxpayer Impact Statement (Required when Discussing or Adopting the Budget):

If the taxing unit will be discussing or adopting the budget, add the below statement to the open meeting notice. The taxing unit also must post the proposed budget on the taxing unit's homepage.

Taxpayer Impact Statement

Fiscal Year (Tax Year)	Median-Valued Homestead	Tax Rate Per $100 of Value	Estimated Property Tax Bill
FY 2025-2026 (TY 2025)	$155,435	Adopted 2025 Tax Rate: $0.76918	$1,195.57
FY 2026-2027 (TY 2026)	$159,112	2026 No New Revenue Tax Rate: $0.74140	$1,179.66

FY 2026-2027 (TY 2026)	$159,112	Proposed 2026 tax rate based on the proposed budget for 2026-27: $0.77777	$1,237.53

CITY OF KINGSVILLE
Fiscal Year 2026-2027
Budget Cover Page
September 14, 2026

This budget will raise more revenue from property taxes than last year's budget by an amount of $276,542, which is a 2.76 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is $87,220.

The members of the governing body voted on the budget as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2026-2027	**2025-2026**
Property Tax Rate:	$0.77777/100	$0.76918/100
No-New-Revenue Tax Rate:	$0.74140/100	$0.769190/100
No-New-Revenue Maintenance & Operations Tax Rate:	$0.60798/100	$0.018470/100
Voter-Approval Tax Rate:	$0.77778/100	$0.000000/100
Debt Rate:	$0.14627/100	$0.15645/100

Total debt obligation for CITY OF KINGSVILLE secured by property taxes: $1,938,939

2026 Planning Calendar
CITY OF KINGSVILLE

Date: 08/14/2026 02:46 PM

Date	Activity
April-May	Mailing of notices of appraised value by chief appraiser.
April 30	The chief appraiser prepares and certifies to the tax assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value.
May 15	Deadline for submitting appraisal records to ARB.
July 20* (Aug. 30)	Deadline for ARB to approve appraisal records.
July 25	Deadline for chief appraiser to certify rolls to taxing units or provide estimated values.
August 17, 2026	Deadline to call for an election.
August 24, 2026	Deadline to adopt a tax rate above the voter-approval tax rate.
July 28, 2026	Certification of anticipated collection rate by collector.
July 28, 2026	Calculation of no-new-revenue and voter-approval tax rates.
August 13, 2026	Publication of no new revenue and voter-approval tax rates on tax office and appraisal district websites; submission to governing body.
August 18, 2026	3 business days notice for meeting *(Open Meetings Notice).*
August 24, 2026	Meeting of governing body to discuss tax rate; take record vote and schedule public hearing or meeting (as required).
August 27, 2026	Notice of Public Hearing or Notice of Public Meeting is the first quarter-page notice in newspaper and on TV and website, if available, published at least seven days before public hearing/meeting.
September 1, 2026	3 business days notice for public hearing *(Open Meetings Notice)*
September 8, 2026	Public hearing.
September 8, 2026	3 business days notice for meeting at which governing body will adopt tax rate if rate was not adopted at previous Public Hearing/Meeting (Open Meetings Notice)
September 14, 2026	Meeting to adopt tax rate, if rate was not adopted at previous Public Hearing/Meeting . Meeting is within 7 days of first Public Hearing/Meeting. Taxing unit must adopt tax rate by Sept. 29 or 60 days after receiving certified appraisal roll, whichever is later.

*Tax Code Section 81.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day

Notice About 2026 Tax Rates

Property tax rates in CITY OF KINGSVILLE.

This notice concerns the 2026 property tax rates for CITY OF KINGSVILLE. This notice provides information about two tax rates used in adopting the current tax year's tax rate. The no-new-revenue tax rate would Impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per $100 of property value.

This year's no-new-revenue tax rate	$0.74140/$100
This year's voter-approval tax rate	$0.77778/$100

To see the full calculations, please visit 700 E. KLEBERG, KINGSVILLE, TX 78363 for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balance

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
M&O unassigned fund balance	7,894,829
GO debt service I&S	640,815

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues *(or additional sales tax revenues, if applicable).*

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
debt 2027	1,010,177	912,863	15,900	1,938,940

Total required for 2026 debt service	$1,938,940
- Amount (if any) paid from funds listed in unencumbered funds	$0
- Amount (if any) paid from other resources	$0
- Excess collections last year	$0
= Total to be paid from taxes in 2026	$1,938,940
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2026	$0
= Total debt levy	$1,938,940

This notice contains a summary of actual no-new-revenue and voter-approval calculations as certified by MARIA VICTORIA VALADEZ, TAC, KLEBERG COUNTY TAX ASSESSOR-COLLECTOR on 07/28/2026 .

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

Section 26.05(b) of Property Tax Code
Worksheet for Determination of Steps Required for Adoption of Tax Rate
CITY OF KINGSVILLE

M&O Tax Increase in Current Year	
1. Last year's taxable value, adjusted for court-ordered reductions. Enter Line 8 of the No-New-Revenue Tax Rate Worksheet.	$1,285,800,498
2. Last year's M&O tax rate. Enter Line 29 of the Voter-Approval Tax Rate Worksheet.	$0.61273/$100
3. M&O taxes refunded for years preceding tax year 2025.	$112,324
4. TIF Adjustment. Enter Line 32B of the Voter-Approval Tax Rate Worksheet.	$0
5. Last year's M&O tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add line 3 and subtract line 4.	$7,990,809
6. This year's total taxable value. Enter line 22 of the No-New-Revenue Tax Rate Worksheet.	$1,325,529,348
7. This year's proposed M&O tax rate. Enter the proposed M&O tax rate approved by the Governing Body.	$0.63150/$100
8. This year's M&O tax levy. Multiply line 6 times line 7 and divide by 100.	$8,370,718
9. M&O Tax Increase (Decrease). Subtract line 5 from line 8.	$379,909
Comparison of Total Tax Rates	
10. No-New-Revenue Total Tax Rate.	$0.74140/$100
11. This year's proposed total tax rate.	$0.77777/$100
12. This year's rate minus No-New-Revenue rate. Subtract line 10 from line 11.	$0.03637
13. Percentage change in total tax rate. Divide Line 12 by line 10.	4.91%
Comparison of M&O Tax Rates	
14. No-New-Revenue M&O Tax Rate. Enter line 40 of the Voter-Approval Tax Rate Worksheet.	$0.60798/$100
15. This year's proposed M&O tax rate.	$0.63150/$100
16. This year's rate minus No-New-Revenue rate. Subtract line 14 from line 15.	$0.02352
17. Percentage change in M&O tax rate. Divide line 16 by line 14.	3.87%
Raised M&O Taxes on a $100,000 Home	
18. This year's taxable value on a $100,000 home.	$100000
19. Last year's M&O tax rate.	$0.61273/$100
20. This year's proposed M&O tax rate.	$0.63150/$100
21. This year's raised M&O taxes. Subtract line 19 from line 20 and multiply result by line 18.	$18.77
22. Percentage change in M&O taxes.	$3.06

2026 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Form 50-856

CITY OF KINGSVILLE
Taxing Unit Name

361-595-8009
Phone *(area code and number)*

400 W King Avenue, Kingsville, TX 78363
Taxing Unit's Address, City, State, ZIP Code

www.cityofkingsville.com
Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per $100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 and JETI Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 and JETI Agreements.*

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet.*

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.[1] Source materials must contain data for all worksheets used, including supplemental worksheets.

Insert hyperlink:

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	**Prior year total taxable value.** Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17).[2]	$ 1,284,744,368
2.	**Prior year tax ceilings.** Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step.[3]	$ 0
3.	**Preliminary prior year adjusted taxable value.** Subtract Line 2 from Line 1.	$ 1,284,744,368
4.	**Prior year total adopted tax rate.**	$ 0.76918 /$100
5.	**Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value.** A. **Original prior year ARB values:** $ 0 B. **Prior year values resulting from final court decisions:** - $ 0 C. **Prior year value loss.** Subtract B from A.[4]	$ 0

[1] Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)
[2] Tex. Tax Code §26.012(14)
[3] Tex. Tax Code §26.012(14)
[4] Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
6.	**Prior year taxable value subject to an appeal under Chapter 42, as of July 25.** **A. Prior year ARB certified value:** .... $ 5,875,780 **B. Prior year disputed value:**.......... - $ 4,819,650 **C. Prior year undisputed value.** Subtract B from A. [5]	$ 1,056,130
7.	**Prior year Chapter 42 related adjusted values.** Add Line 5C and Line 6C.	$ 1,056,130
8.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Add Line 3 and Line 7.	$ 1,285,800,498
9.	**Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1 of the prior year.** Enter the prior year value of property in deannexed territory. [6]	$ 0
10.	**Prior year taxable value lost because property first qualified for an exemption in the current year.** If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value. **A. Absolute exemptions.** Use prior year market value: .... $ 336,680 **B. Partial exemptions.** Current year exemption amount or current year percentage exemption times prior year value: .... + $ 37,187,669 **C. Value loss.** Add A and B. [7]	$ 37,524,349
11.	**Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/ scenic appraisal or public access airport special appraisal in the current year.** Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year. **A. Prior year market value:**.......... $ 0 **B. Current year productivity or special appraised value:**.......... - $ 0 **C. Value loss.** Subtract B from A. [8]	$ 0
12.	**Total adjustments for lost value.** Add Lines 9, 10C and 11C.	$ 37,524,349
13.	**Prior year captured value of property in a TIF.** Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. [9] If the taxing unit has no captured appraised value in line 18D, enter 0.	$ 0
14.	**Prior year total value.** Subtract Line 12 and Line 13 from Line 8.	$ 1,248,276,149
15.	**Adjusted prior year total levy.** Multiply Line 4 by Line 14 and divide by $100.	$ 9,601,490
16.	**Taxes refunded for years preceding the prior tax year.** Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. [10]	$ 142,908
17.	**Adjusted prior year levy with refunds.** Add Lines 15 and 16. [11]	$ 9,744,398

[5] Tex. Tax Code §26.012(13)
[6] Tex. Tax Code §26.012(15)
[7] Tex. Tax Code §26.012(15)
[8] Tex. Tax Code §26.012(15)
[9] Tex. Tax Code §26.03(c)
[10] Tex. Tax Code §26.012(13)
[11] Tex. Tax Code §26.012(13) and (15)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
18.	**Total current year taxable value on the current year certified appraisal roll today.** This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. [12]	
	A. Certified values: .... $ 1,206,673,485	
	B. Counties: Include railroad rolling stock values certified by the Comptroller's office: .... + $ 0	
	C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: .... - $ 0	
	D. Tax increment financing: Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment reinvestment zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 24 below. [13] Adjustments to the taxable value must be calculated separately for each reinvestment zone using Form 50-110.[14] Enter the total from Form 50-110 .... - $ 0	
	E. Total current year value. Add A and B, then subtract C and D.	$ 1,206,673,485
19.	**Total value of properties under protest or not included on certified appraisal roll.** [15]	
	A. Current year taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. [16] .... $ 118,855,863	
	B. Current year value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. [17] .... + $ 0	
	C. Total value under protest or not certified. Add A and B.	$ 118,855,863
20.	**Current year tax ceilings.** Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step.[18]	$ 0
21.	**Anticipated contested value.** Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. [19] An affected taxing unit is wholly or partly located in a county that has a population of less than 500,000 and is located on the Gulf of Mexico.[20] If completing this line, the taxing unit must include supporting documentation in Section 9.[21] Taxing units that are not affected, enter 0.	$ 0
22.	**Current year total taxable value.** Add Lines 18E and 19C, then subtract Lines 20 and 21.[22]	$ 1,325,529,348
23.	**Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year.** Include both real and personal property. Enter the current year value of property in territory annexed. [23]	$ 0
24.	**Total current year taxable value of new improvements and new personal property located in new improvements.** New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements **do** include property on which a tax abatement agreement has expired for the current year. [24]	$ 11,214,070

[12] Tex. Tax Code §§26.012(6) and 26.04(c-2)
[13] Tex. Tax Code §26.03(c)
[14] Tex. Tax Code §26.03(e)
[15] Tex. Tax Code §26.01(c) and (d)
[16] Tex. Tax Code §26.01(c)
[17] Tex. Tax Code §26.01(d)
[18] Tex. Tax Code §26.012(6)(B)
[19] Tex. Tax Code §§26.012(6)(C) and 26.012(1-b)
[20] Tex. Tax Code §26.012(1-a)
[21] Tex. Tax Code §26.04(d-3)
[22] Tex. Tax Code §26.012(6)
[23] Tex. Tax Code §26.012(17)
[24] Tex. Tax Code §26.012(17)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
25.	**Total adjustments to the current year taxable value.** Add Lines 23 and 24.	$ 11,214,070
26.	**Adjusted current year taxable value.** Subtract Line 25 from Line 22.	$ 1,314,315,278
27.	**Current year NNR tax rate.** Divide Line 17 by Line 26 and multiply by $100. [25]	$ 0.74140 /$100
28.	**COUNTIES ONLY.** Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. [26]	$ ______ /$100

Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the tax rate. The type of taxing unit will determine the rate components that apply to a taxing units' overall voter-approval tax rate.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

SECTION 2: Maintenance and Operations (M&O) and Debt Tax Rate Worksheet

This section calculates two components of the voter-approval tax rate:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt Rate:** The debt rate includes the minimum dollar amount required to be paid toward debt service for the current year.[27] This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
29.	**Prior year M&O tax rate.** Enter the prior year M&O tax rate.	$ 0.61273 /$100
30.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Enter the amount in Line 8 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,285,800,498
31.	**Total prior year M&O levy.** Multiply Line 29 by Line 30 and divide by $100.	$ 7,878,485
32.	**Adjusted prior year levy for calculating NNR M&O rate.**	
	A. **M&O taxes refunded for years preceding the prior tax year.** Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2025. This line applies only to tax years preceding the prior tax year........... + $ 112,324	
	B. **Prior year taxes in TIF.** Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0........ – $ 0	
	C. **Prior year transferred function.** If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0........ +/- $ 0	
	D. **Prior year M&O levy adjustments.** Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function........ $ 112,324	
	E. Add Line 31 to 32D.	$ 7,990,809
33.	**Adjusted current year taxable value.** Enter the amount in Line 26 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,314,315,278
34.	**Current year NNR M&O rate (unadjusted).** Divide Line 32E by Line 33 and multiply by $100.	$ 0.60798 /$100

[25] Tex. Tax Code §26.04(c)
[26] Tex. Tax Code §26.04(d)
[27] Tex. Tax Code §26.012(3)

Line	M&O and Debt Tax Rate Worksheet		Amount/Rate
35.	**Rate adjustment for state criminal justice mandate.** [28]		
	A. Current year state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	$ 0	
	B. Prior year state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies................	– $ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100...	$ 0.00000 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0.00000 /$100
36.	**Rate adjustment for indigent health care expenditures.** [29]		
	A. Current year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose..	$ 0	
	B. Prior year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2024 and ending on June 30, 2025, less any state assistance received for the same purpose..	– $ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100...	$ 0.00000 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0.00000 /$100
37.	**Rate adjustment for county indigent defense compensation.** [30]		
	A. Current year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30,of the current tax year, less any state grants received by the county for the same purpose..	$ 0	
	B. Prior year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2024 and ending on June 30, 2025, less any state grants received by the county for the same purpose.	$ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100...	$ 0.00000 /$100	
	D. Multiply B by 0.05 and divide by Line 33 and multiply by $100...	$ 0.00000 /$100	
	E. Enter the lesser of C and D. If not applicable, enter 0.		$ 0.00000 /$100
38.	**Rate adjustment for county hospital expenditures.** [31]		
	A. Current year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year.	$ 0	
	B. Prior year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2024 and ending on June 30, 2025.	$ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100...	$ 0.00000 /$100	
	D. Multiply B by 0.08 and divide by Line 33 and multiply by $100...	$ 0.00000 /$100	
	E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.		$ 0.00000 /$100

[28] Tex. Tax Code §26.044
[29] Tex. Tax Code §26.0441
[30] Tex. Tax Code §26.0442
[31] Tex. Tax Code §26.0443

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
39.	**Rate adjustment for defunding municipality.** This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information. **A. Amount appropriated for public safety in the prior year.** Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year. $ 0 **B. Expenditures for public safety in the prior year.** Enter the amount of money spent by the municipality for public safety during the preceding fiscal year. $ 0 **C.** Subtract B from A and divide by Line 33 and multiply by $100. $ 0.00000/$100 **D.** Enter the rate calculated in C. If not applicable, enter 0.	$ 0.00000/$100
40.	**Adjusted current year NNR M&O rate.** Add Lines 34, 35D, 36D, 37E, and 38E. Subtract Line 39D.	$ 0.60798/$100
41.	**Adjustment for prior year sales tax specifically to reduce property taxes.** Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero. **A.** Enter the amount of additional sales tax collected and spent on M&O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent. $ 2,175,444 **B.** Divide Line 41A by Line 33 and multiply by $100. $ 0.16551/$100 **C.** Add Line 41B to Line 40.	$ 0.77349/$100
42.	**Current year voter-approval M&O rate.** Enter the rate as calculated by the appropriate scenario below. **Special Taxing Unit.** If the taxing unit qualifies as a special taxing unit, multiply Line 41C by 1.08. **- or -** **Other Taxing Unit.** If the taxing unit does not qualify as a special taxing unit, multiply Line 41C by 1.035.	$ 0.80056/$100
D42.	***Disaster Line 42 (D42):* Current year voter-approval M&O rate for taxing unit affected by disaster declaration.** [32] If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate a rate equal to the lesser of: **A.** The voter-approval tax rate calculated in the manner provided for a special taxing unit. Multiply line 41C by 1.08 [33]. $ 0.00000/$100 **- or -** **B.** The voter-approval M&O tax rate calculated in the manner provided for a taxing unit other than a special taxing unit plus the disaster relief rate. [34] Complete Section 5 through Line 68 to complete D42(B). a. Enter the **disaster relief cost.** $ 0 b. **Disaster relief rate.** Divide Line D42(B)(a) by Line 26 and multiply by 100. $ 0.00000/$100 c. Add Line D42(B)(b) to Line 42. $ 0.00000/$100 d. Enter the **current year unused increment rate** from Line 68. $ 0.00000/$100 e Add Line D42(c) to Line D42(d). $ 0.00000/$100 The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of: 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or 2) the third tax year after the tax year in which the disaster occurred. **C.** Enter Line D42(A) if less than Line D42(B)(e). If Line D42(B)(e) is less than line D42(A), enter Line D42(B)(c). [35] If the taxing unit does not qualify, do not complete Disaster Line 42 (Line D42).	$ 0.00000/$100

[32] Tex. Tax Code §26.042
[33] Tex. Tax Code §26.042(a-2)(1)
[34] Tex. Tax Code §§26.042(a-1) and 26.042(a-2)(2)
[35] Tex. Tax Code §26.042(a-2)

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
43.	**Total current year debt to be paid with property taxes and additional sales tax revenue.** Debt means the interest and principal that will be paid on debts that: **(1)** are paid by property taxes; **(2)** are secured by property taxes; **(3)** are scheduled for payment over a period longer than one year; and **(4)** are not classified in the taxing unit's budget as M&O expenses. **A. Debt** also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. [36] Enter debt amount .... $ 1,938,940 **B.** Subtract **unencumbered fund amount** used to reduce total debt. .... –$ 0 **C.** Subtract **certified amount spent from sales tax to reduce debt** (enter zero if none) .... –$ 0 **D.** Subtract **amount paid** from other resources .... –$ 0 **E. Adjusted debt.** Subtract B, C and D from A.	$ 1,938,940
44.	**Certified prior year excess debt collections.** Enter the amount certified by the collector. [37]	$ 0
45.	**Adjusted current year debt.** Subtract Line 44 from Line 43E.	$ 1,938,940
46.	**Current year anticipated collection rate.** **A.** Enter the current year anticipated collection rate certified by the collector. [38] .... 100.00 % **B.** Enter the prior year actual collection rate........ 95.96 % **C.** Enter the 2024 actual collection rate. .... 97.93 % **D.** Enter the 2023 actual collection rate. .... 97.34 % **E.** If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. [39]	100.00 %
47.	**Current year debt adjusted for collections.** Divide Line 45 by Line 46E.	$ 1,938,940
48.	**Current year total taxable value.** Enter the amount on Line 22 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,325,529,348
49.	**Current year debt rate.** Divide Line 47 by Line 48 and multiply by $100.	$ 0.14627 /$100
50.	**Current year voter-approval M&O rate plus current year debt rate.** Add Lines 42 and 49.	$ 0.94683 /$100
D50.	***Disaster Line 50 (D50):*** **Current year voter-approval M&O and debt tax rate for taxing unit affected by disaster declaration.** Complete this line if the taxing unit calculated the voter-approval M&O tax rate in the manner provided by Line D42. Add Line D42(C) and 49.	$ 0.00000 /$100
51.	**COUNTIES ONLY.** Add together the voter-approval M&O and debt tax rates for each type of tax the county levies. The total is the current year county voter-approval M&O and debt tax rate.	$ ______ /$100

[36] Tex. Tax Code §26.012(7)
[37] Tex. Tax Code §§26.012(10) and 26.04(b)
[38] Tex. Tax Code §26.04(b))
[39] Tex. Tax Code §26.04(h), (h-1) and (h-2)

SECTION 3: Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
52.	**Taxable Sales.** For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters.[40] Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.	$ 0
53.	**Estimated sales tax revenue.** Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.[41] **Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year.** Multiply the amount on Line 52 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95.[42] **- or -** **Taxing units that adopted the sales tax before November of the prior year.** Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	$ 2,277,372
54.	**Current year total taxable value.** Enter the amount from Line 22 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,325,529,348
55.	**Sales tax adjustment rate.** Divide Line 53 by Line 54 and multiply by $100.	$ 0.17180 /$100
56.	**Current year NNR tax rate, unadjusted for sales tax.**[43] Enter the rate from Line 27 or 28, as applicable, on the *No-New-Revenue Tax Rate Worksheet.*	$ 0.74140 /$100
57.	**Current year NNR tax rate, adjusted for sales tax.** **Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year.** Subtract Line 55 from Line 56. Skip to Line 58 if you adopted the additional sales tax before November of the prior tax year.	$ 0.74140 /$100
58.	**Current year voter-approval tax rate, unadjusted for sales tax.**[44] Enter the rate from Line 50, Line D50 (disaster) or Line 51 (counties) as applicable, of the *M&O and Debt Tax Rate Worksheet.*	$ 0.94683 /$100
59.	**Current year voter-approval tax rate, adjusted for sales tax.** Subtract Line 55 from Line 58.	$ 0.77503 /$100

SECTION 4: Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
60.	**Certified expenses from the Texas Commission on Environmental Quality (TCEQ).** Enter the amount certified in the determination letter from TCEQ.[45] The taxing unit shall provide its tax assessor-collector with a copy of the letter.[46]	$ 0
61.	**Current year total taxable value.** Enter the amount from Line 22 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,325,529,348
62.	**Additional rate for pollution control.** Divide Line 60 by Line 61 and multiply by $100.	$ 0.00000 /$100
63.	**Current year voter-approval tax rate, adjusted for pollution control.** Add Line 62 to one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties) or Line 59 (taxing units with the additional sales tax).	$ 0.77503 /$100

[40] Tex. Tax Code §26.041(d)
[41] Tex. Tax Code §26.041(i)
[42] Tex. Tax Code §26.041(d)
[43] Tex. Tax Code §26.04(c)
[44] Tex. Tax Code §26.04(c)
[45] Tex. Tax Code §26.045(d)
[46] Tex. Tax Code §26.045(i)

SECTION 5: Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value. [47] The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value. [48]

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042; [49]
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a); [50] or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval. [51]

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. [52]

Line	Unused Increment Rate Worksheet	Amount/Rate
64.	**Year 3 Foregone Revenue Amount. Subtract the 2025 unused increment rate and 2025 actual tax rate from the 2025 voter-approval tax rate. Multiply the result by the 2025 current total value**	
	A. Voter-approval tax rate (Line 69)	$ 0.76919 /$100
	B. Unused increment rate (Line 68)	$ 0.01847 /$100
	C. Subtract B from A	$ 0.75072 /$100
	D. Adopted Tax Rate	$ 0.76918 /$100
	E. Subtract D from C	$ -0.01846 /$100
	F. 2025 Total Taxable Value (Line 61)	$ 1,288,128,770
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero	$ 0
65.	**Year 2 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value**	
	A. Voter-approval tax rate (Line 68)	$ 0.79793 /$100
	B. Unused increment rate (Line 67)	$ 0.02814 /$100
	C. Subtract B from A	$ 0.76979 /$100
	D. Adopted Tax Rate	$ 0.77000 /$100
	E. Subtract D from C	$ -0.00021 /$100
	F. 2024 Total Taxable Value (Line 60)	$ 1,176,951,016
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero	$ 0
66.	**Year 1 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value**	
	A. Voter-approval tax rate (Line 67)	$ 0.76311 /$100
	B. Unused increment rate (Line 66)	$ 0.00000 /$100
	C. Subtract B from A	$ 0.76311 /$100
	D. Adopted Tax Rate	$ 0.76000 /$100
	E. Subtract D from C	$ 0.00311 /$100
	F. 2023 Total Taxable Value (Line 60)	$ 1,175,807,894
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero	$ 36,567
67.	**Total Foregone Revenue Amount.** Add Lines 64G, 65G and 66G	$ 36,567
68.	**2026 Unused Increment Rate.** Divide Line 67 by Line 22 of the *No-New-Revenue Rate Worksheet*. Multiply the result by 100	$ 0.00275 /$100
69.	**Total 2026 voter-approval tax rate.** Add Line 68 to one of the following lines (as applicable): Line 50, Line D50 (only if Line D42(B) was used), Line 51 (counties), Line 59 (taxing units with additional sales tax) or Line 63 (taxing units with pollution)	$ 0.77778 /$100

[47] Tex. Tax Code §26.013(b)
[48] Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)
[49] Tex. Tax Code §§26.04(c)(2)(A) and 26.042(a)
[50] Tex. Tax Code §26.0501(a) and (c)
[51] Tex. Local Gov't Code §120.007(d)
[52] Tex. Local Gov't Code §26.04(c)(2)(B)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise $500,000, and the current debt rate for a taxing unit. [53]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [54]

Line	De Minimis Rate Worksheet	Amount/Rate
70.	**Adjusted current year NNR M&O tax rate.** Enter the rate from Line 40 of the *M&O and Debt Tax Rate Worksheet.*	$ 0.60798 /$100
71.	**Current year total taxable value.** Enter the amount on Line 22 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,325,529,348
72.	**Rate necessary to impose $500,000 in taxes.** Divide $500,000 by Line 71 and multiply by $100.	$ 0.03772 /$100
73.	**Current year debt rate.** Enter the rate from Line 49 of the *M&O and Debt Tax Rate Worksheet.*	$ 0.14627 /$100
74.	**De minimis rate.** Add Lines 70, 72 and 73.	$ 0.79197 /$100

SECTION 7: Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year. [55]

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
75.	**2025 adopted tax rate.** Enter the rate in Line 4 of the *No-New-Revenue Tax Rate Worksheet.*	$ 0.76918 /$100
76.	**Adjusted 2025 voter-approval tax rate.** Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. [56] If a disaster occurred in 2025 and the taxing unit calculated its 2025 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) of the 2025 worksheet due to a disaster, complete the applicable sections or lines of *Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet.* **- or -** If a disaster occurred prior to 2025 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) in 2025, complete form 50-856-a, *Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet* to recalculate the voter-approval tax rate the taxing unit would have calculated in 2025 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. [57] Enter the final adjusted 2025 voter-approval tax rate from the worksheet.	$ 0.00000 /$100
77.	**Increase in 2025 tax rate due to disaster.** Subtract Line 76 from Line 75.	$ 0.00000 /$100
78.	**Adjusted 2025 taxable value.** Enter the amount in Line 14 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,248,276,149
79.	**Emergency revenue.** Multiply Line 77 by Line 78 and divide by $100.	$ 0
80.	**Adjusted current year taxable value.** Enter the amount in Line 26 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,314,315,278
81.	**Emergency revenue rate.** Divide Line 79 by Line 80 and multiply by $100. [58]	$ 0.00000 /$100
82.	**Current year voter-approval tax rate, adjusted for emergency revenue.** Subtract Line 81 from one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (taxing units with the additional sales tax), Line 63 (taxing units with pollution control) or Line 69 (taxing units with the unused increment rate).	$ 0.77778 /$100

[53] Tex. Tax Code §26.012(8-a)
[54] Tex. Tax Code §26.063(a)(1)
[55] Tex. Tax Code §26.042(b)
[56] Tex. Tax Code §26.042(c)
[57] Tex. Tax Code §26.042(b)
[58] Tex. Tax Code §26.042(b)

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. .... $ 0.74140 /$100
As applicable, enter the current year NNR tax rate from: Line 27, Line 28 (counties), or Line 57 (adjusted for sales tax).

Indicate the line number used: 27.000

Voter-approval tax rate .... $ 0.77778 /$100
As applicable, enter the current year voter-approval tax rate from: Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (adjusted for sales tax), Line 63 (adjusted for pollution control), Line 69 (adjusted for unused increment), or Line 82 (adjusted for emergency revenue).

Indicate the line number used: 69

De minimis rate .... $ 0.79197 /$100
If applicable, enter the current year de minimis rate from Line 74.

SECTION 9: Addendum

An affected taxing unit that enters an amount described by Tax Code Section 26.012(6)(C) in line 21 must include the following as an addendum:

1. Documentation that supports the exclusion of value under Tax Code Section 26.012(6)(C); and
2. Each statement submitted to the designated officer or employee by the property owner or entity as required by Tax Code Section 41.48(c)(2) for that tax year.

Insert hyperlinks to supporting documentation:

0

SECTION 10: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code. [59]

print here Maria Victoria Valadez
Printed Name of Taxing Unit Representative

sign here
Taxing Unit Representative

Date

[59] Tex. Tax Code §26.04(c-2) and (d-2)

AGENDA ITEM #4

TO:

CC:

FROM:

DATE:

SUBJECT: Consider Approving Change Order No. 2 Bid No. 25-20 for the General Land Office (GLO) Community Development Block Grant Mitigation (CDBG-MIT) Contract No. 22-085-009-D237 Project 1 – E. St Gertrudis Drainage Improvements

Purpose:

Consider approving Change Order No. 2 (CO-2) for the General Land Office (GLO) Community Development Block Grant Mitigation (CDBG-MIT) Contract No. 22-085-009-D237. CO-2 is to decrease the contract amount by $25,900.00

This change order addresses the existing field conditions near the outfall structure. The design accounted for a wastewater line that was in direct conflict with the proposed 4'x3' reinforced concrete boxes. The wastewater line was not discovered near the outfall structure during construction and the conflict junction box line item shall be reduced from the construction contract. This results in a decrease of $25,900 to the construction contract for this change order.

Summary:

GLO Change Order No. 2 – Construction Cost

Description	Financial Impact
Junction Box Type 'A'	($25,900)

Background:

As part of the GLO CDBG-MIT Hurricane Harvey State Mitigation Competition grant. Project 1 – E. St Gertrudis Drainage Improvements is a critical component of the city's infrastructure upgrades. This project includes the installation of box culverts along E. Santa Gertrudis St. from Fairview Dr. to existing ditch adjacent to Connell Villa resident homes, junction boxes, and related appurtenances.

Financial Impact:

The cost is a contract decrease of $25,900 (Fund 122) which is grant funded.

Recommendation:

Staff recommends approving Change Order No. 2 for CDBG-MIT GLO Contract No. 22-085-009-D237 – Project 1 (E. St Gertrudis Drainage Improvements) for the decrease of $25,900 for reducing the junction box type a line item.

Attachments:

- Project 1 GLO Change Order No. 2
- Engineer's recommendation
- Redlined Drawings

August 7, 2026

Juan Carlos "Charlie" Cardenas, P.E.
City Engineer
City of Kingsville
400 W. King Ave.
Kingsville, TX 78363

Re: CDBG-MIT GLO Contract No. 22-085-009-D237 Project 1, (City of Kingsville Bid No. 25-20) – ICE CO 2 recommendation

Dear Mr. Cardenas,

This memorandum is in reference to ICE's recommendation to Change Order 2, a decrease in the amount of **$25,900.00**. This change order addresses the existing field conditions near the outfall structure.

The design accounted for a wastewater line that was in direct conflict with the proposed reinforced concrete boxes. During construction, the wastewater line near the outfall structure was not found and the need for the conflict junction box was not necessary. ICE has determined reducing the junction box line item justifiable at this point in time.

This Change Order 2, along with Change Order 1, will decrease the original contract amount of $510,426.00 by approximately **3.71%**, which falls within the 18% allowance per the GLO contract. The adjusted contract amount with this change order will be $491,476.00.

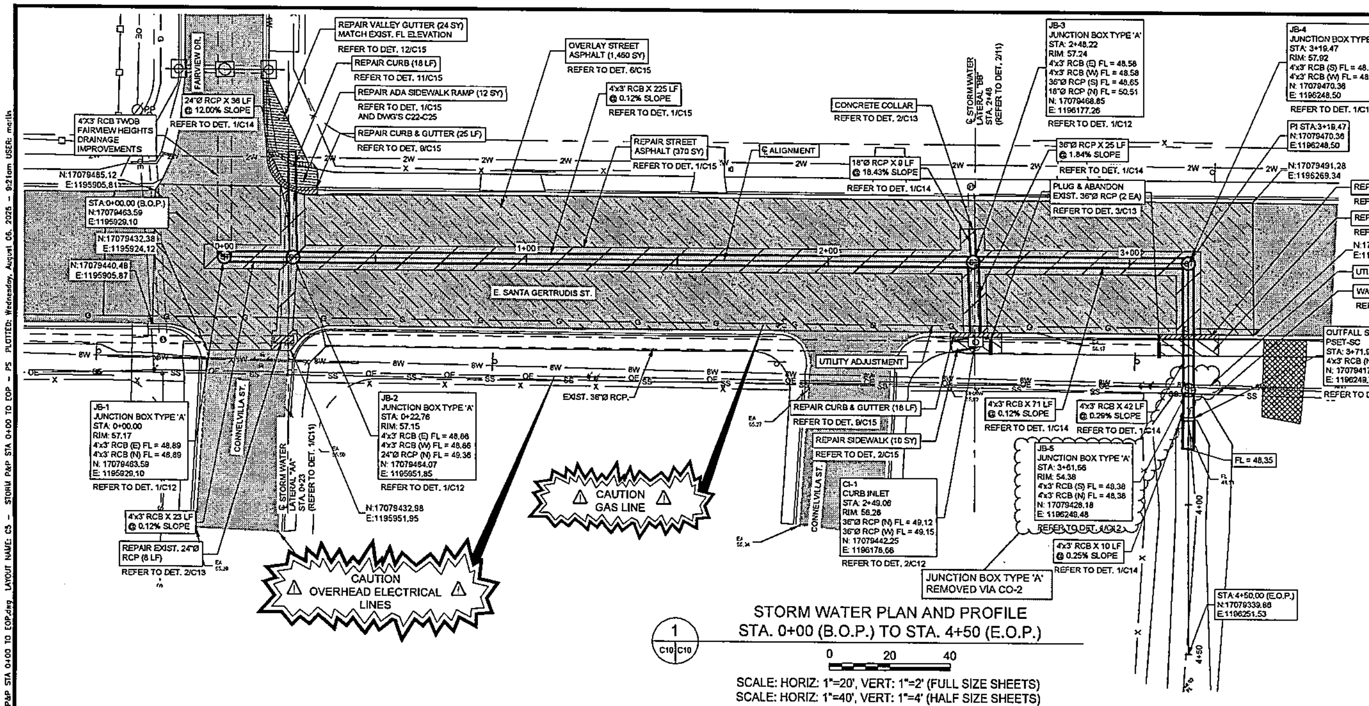
Therefore, it is ICE's recommendation to approve Change Order 2. The City of Kingsville has the final decision to approve/not approve change orders.

If you have any questions or need additional information, please contact me at (361) 826-5805 or martin@icengineers.net

Sincerely,

Martin M. Medrano, P.E.

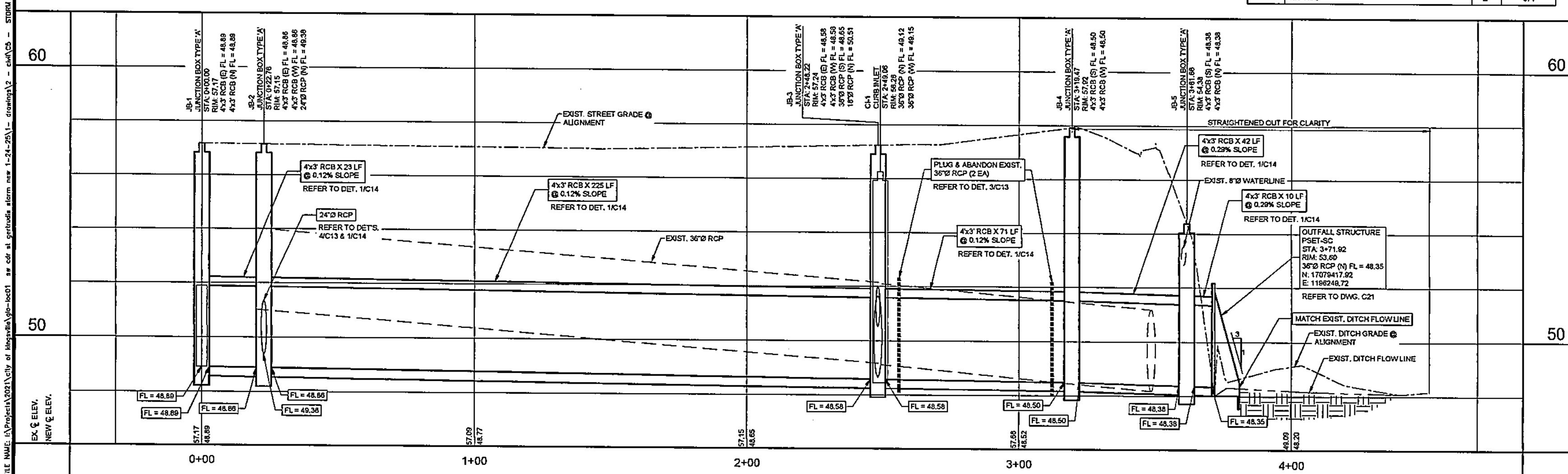
Martin M. Medrano, P.E.
Project Engineer



STORM WATER PLAN AND PROFILE
STA. 0+00 (B.O.P.) TO STA. 4+50 (E.O.P.)

SCALE: HORIZ: 1"=20', VERT: 1"=2' (FULL SIZE SHEETS)
SCALE: HORIZ: 1"=40', VERT: 1"=4' (HALF SIZE SHEETS)

SHEET QUANTITIES SUMMARY			
ITEM	DESCRIPTION	UNIT	QUANTITY
A3	UTILITY ADJUSTMENT	LS	1
A18	REPAIR STREET ASPHALT	SY	370
A19	OVERLAY STREET ASPHALT	SY	1,460
A20	REPAIR CURB & GUTTER	LF	63
A21	REPAIR CURB	LF	18
A22	REPAIR SIDEWALK	SY	25
A23	REPAIR ADA SIDEWALK RAMP	SY	12
A24	REPAIR VALLEY GUTTER	SY	24
A25	REPAIR EXIST. 24"Ø RCP	LF	8
A26	18" Ø RCP CLASS V	LF	9
A27	24" Ø RCP CLASS V	LF	36
A28	36" Ø RCP CLASS V	LF	25
A29	CONCRETE COLLAR	EA	1
A30	JUNCTION BOX TYPE 'A'	EA	5
A31	OUTFALL STRUCTURE	EA	1
A32	PLUG AND ABANDON EXISTING 36"Ø RCP	EA	2
A33	4'x3' RCB	LF	371



REVISION NO.	DATE	BY	DESCRIPTION

REVISION NO.	DATE	BY	DESCRIPTION

CITY OF KINGSVILLE GLO SW PROJECT 1
(E. SANTA GERTRUDIS ST.) STORM WATER IMPROVEMENTS
KINGSVILLE, KLEBERG COUNTY, TEXAS

STORM WATER PLAN AND PROFILE
STA. 0+00 (B.O.P.) TO STA. 4+50 (E.O.P.)

ICE
INTERNATIONAL CONSULTING ENGINEERS
PHONE: 361.826.5806
FAX: 361.826.5806
361 SARATOGA BLVD.
CORPUS CHRISTI, TX 78417
T.B.P.E. FIRM REGISTRATION #F-10837

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF REVIEW UNDER THE AUTHORITY OF MARTIN M. MEDRANO
P.E.# 161896
ON 8/07/26
IT IS NOT TO BE USED FOR ANY OTHER PURPOSE.

CONSULTANT'S SHEET
PROJECT NO. 21107-01B

DRAWING NO. C10

RESOLUTION #2026-_______

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDER NO.2 FOR THE CONSTRUCTION CONTRACT WITH D & M UNDERGROUND CORP. FOR THE GLO CDBG-MIT CONTRACT 22-085-009-D237 PROJECT 1: E. SANTA GERTRUDIS STREET (NEAR FAIRVIEW) STORM WATER IMPROVEMENTS PROJECT; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville (City) intends to make some storm water improvements through a General Land Office (GLO) Community Development Block Grant (CDBG) -Mitigation (MIT) program via Contract No. 22-085-009-D237 for Project 1: E. Santa Gertrudis Street (near Fairview) Storm Water Improvements and went out for bids via BID #25.20 which was advertised int he newspaper on August 14 & 21, 2025 and on the City's website;

WHEREAS, the five bids were received by the deadline of September 9, 2025 that were responsive to BID #25-20; and, after reviewing the bid submittals staff and the outside engineer (ICE) recommended the bid be awarded to the low bidder, which was D & M Underground Corp. from Corpus Christi, Texas (vendor);

WHEREAS, the City awarded BID#25-20 to Vendor at a Commission meeting on October 14, 2025 for a total amount of $510,426.00 and a contract time of 160 calendar days;

WHEREAS, the contract could not be executed previously because it was pending approval from the Texas Department of Transportation;

WHEREAS, the successful low bidder was then contacted to see if their bid was still going to be honored and they agreed that they would honor the bid;

WHEREAS, the City and Vendor worked to prepare a construction contract for GLO CDBG-MIT Contract No. 22-085-009-D237 for Project 1: E. Santa Gertrudis Street (near Fairview) Storm Water Improvements for $510,426.00 and a contract time of 160 calendar days which was approved by the City Commission via Resolution #2026-23 on February 23, 2026 for a total amount of $510,426.00 and a contract time of 160 calendar days;

WHEREAS, the Change Order No.1 was necessary to address field changes due to project conditions that were discovered during construction, including a concrete junction box that was discovered and must be removed for proper drainage system outfall. Also, the line-item removal of existing curb inlet was reduced from the construction contract and a 36" RCP tie-in is required for connection to existing curb inlet, which results in an additional cost of $6,950.00 and no additional days;

WHEREAS, staff recommended and the City Commission approved Change Order #1 for the construction contract with Vendor as presented for a new total amount of $517,376.00 and the same contract time of 160 calendar days via Resolution #2026-82 on August 10, 2026;

WHEREAS, the proposed Change Order No.2 is necessary to address field changes due to project conditions that were discovered during construction, including a wastewater line near the outfall structure that was anticipated but not found making the need for the conflict junction box unnecessary thereby causing the expense for such an item to be removed from the contract, which results in a reduction of $25,900.00 and no additional days;

WHEREAS, staff is recommending the City Commission approve Change Order #2 for the construction contract with Vendor as presented for a new total amount of $491,476.00 and the same contract time of 160 calendar days;

BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Commission approves and the City Manager is authorized and directed as an act of the City of Kingsville, Texas to execute Change Order No.2 for the Construction Contract between the City of Kingsville, Texas and D & M Underground Corp. for General Land Office (GLO) Community Development Block Grant (CDBG) -Mitigation (MIT) program via Contract No. 22-085-009-D237 for Project 1: E. Santa Gertrudis Street (near Fairview) Storm Water Improvements Project as per staff recommendation and in accordance with Exhibit A hereto attached and made a part hereof.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the _____24th_ day of _August_____, 2026.

____
Sam R. Fugate, Mayor

ATTEST:

____
Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

____
Courtney Alvarez, City Attorney

COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Construction Change Order Request

NOTE: Texas Local Government Code Sec. 262.031 "CHANGES IN PLANS AND SPECIFICATIONS" regulations apply. Generally, a cumulative increase in the contract price in excess of 25% or a cumulative decrease in excess of 18% are disallowed.

Subrecipient: City of Kingsville

GLO Contract Number: 22-085-009-D237

Date: 8/7/2026

Engineer Name Address & Phone	Subrecipient Name, Address, & Phone Number:	Contractor Name, Address & Phone Number:
International Consulting Engineers 261 Saratoga Blvd. Corpus Christi, TX 78417 361-826-5805	City of Kingsville 400 W. King Ave. Kingsville, TX 78363 361-595-8040	D&M Underground Corp. 1917 Flour Buff Dr. Corpus Christi, TX 78418 361-960-0707

Project #: 1

Bid Package #: 1

Change Order #: 2

Contract Origination Date: 2/23/2026

Project Description: Storm Water Improvements

You are hereby requested to comply with the following changes from the contract plans and specifications.

Item No.	Description of Changes: Quantities, Units, Unit Prices, Change in Completion Schedule etc.	Decrease in Contract Price	Increase in Contract Price
A30	JUNCTION BOX TYPE 'A', $25,900/EA, -1 EA	25,900	

See sheet 2 to add additional entries

Change in Construction Contract Price

Original Contract Price:	510,426.00
Cumulative Previous Change Order(s) Total:	6,950.00
Contract Price Prior to this Change Order:	517,376.00
Net Increase/Decrease of this Change Order:	-25,900

Change in Contract Time (Calendar Days)

Original Contract Time in Days:	160
Net Change from Previous Change Order(s) in Days	0
Contract Time Prior to this Change Order in Days	160
Net Increase/Decrease of this Change Order in Days:	0

COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Construction Change Order Request

Contract Price with All Approved Change Orders:	491,476.00	Contract Time with All Approved Change Orders in Days:	160
Cumulative Percent Change in Contract Price (+/-)	-3.71%	Subrecipient Contract End Date:	1/31/2027
Construction Contract Start Date:	3/16/2026	Construction Contract End Date:	8/23/2026

Reimbursements of costs included in this change order are subject to review by GLO-CDR.

***This document may be executed prior to submission for GLO-CDR review, but all parties involved will be held responsible if the change order or amendment warranted as a result of this change order is not in compliance with CDBG or HUD Requirements**

	P.E.	
Subrecipient Signature	Engineer Signature	Contractor Signature
Charlie L. Sosa, City Manager	Martin M. Medrano, P.E., Project Engineer	Diego Estrada, President
Subrecipient Nam and Title (Printed)	Engineer Name and Title (Printed)	Contractor Name and Title (Printed)
Subrecipient Signature	Engineer Signature	Contractor Signature

Justification for Change Order

1. Will this change order increase or decrease the number of beneficiaries? ☐ Increase ☐ Decrease ☑ No Change

If there is a change, how many beneficiaries will be affected? Total ______ LMI ______

2. Effect of this change on the scope of work: ☐ Increase ☑ Decrease ☐ No Change

3. Effect on operation and maintenance costs: ☐ Increase ☐ Decrease ☑ No Change

4. Are all prices in the change order dependent upon unit prices found in the original bid? ☑ Yes ☐ No

If "no", explain:

5. Has the change created new circumstances or environmental conditions which may affect the project's impact, such as concealed or unexpected conditions discovered during actual construction? ☐ Yes ☑ No

If "yes", is an environmental assessment required?

COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Construction Change Order Request

6. Is the Texas Council on Environmental Quality (TCEQ) clearance still valid (if applicable)?	☑ Yes	☐ No
7. Is the CCN permit still valid? (*sewer projects only*)	☑ Yes	☐ No
8. Are the disability access requirements/approval still valid (if applicable)?	☑ Yes	☐ No
9. Are other Disaster Recovery contractural special condition clearances still valid?	☑ Yes	☐ No

If "no", explain:

***Disclaimer:** The Texas General Land Office has made every effort to ensure the information contained on this form is accurate and in compliance with the most up-to-date CDBG-DR and/or CDBG-MIT federal rules and regulations, as applicable. It should be noted that the Texas General Land Office assumes no liability or responsibility for any error or omission on this form that may result from the interim period between the publication of amended and/or revised federal rules and regulations and the Texas General Land Office's standard review and update schedule.*

AGENDA ITEM #5

TO:

CC:

FROM:

DATE:

SUBJECT: Consider Approving Change Order No. 6 Bid No. 25-13 for the General Land Office (GLO) Community Development Block Grant Mitigation (CDBG-MIT) Contract No. 22-085-009-D237 Project 10 – Armstrong Drainage Improvements

Purpose:

Consider approving Change Order No. 6 (CO-5) for the General Land Office (GLO) Community Development Block Grant Mitigation (CDBG-MIT) Contract No. 22-085-009-D237. CO-6 is to decrease the contract amount by $70,528.

This change order addresses the items associated with demolition and repairing of existing project conditions, as well as other items such as junction boxes and curb inlets. Unknown utility water utilities that conflict with the design were discovered during construction. This change order is to reduce two junction boxes and three curb inlets from the proposed construction near the intersection of Armstrong Street and Santa Gertrudis Street. Which includes all related work for these items. This results in a net decrease of $70,528 to the construction contract for this change order.

Summary:

GLO Change Order No. 6 – Construction Cost

Description	Financial Impact
Reducing of junction box/curb inlets and related contract line items.	($70,528)

Background:

As part of the GLO CDBG-MIT Hurricane Harvey State Mitigation Competition grant. Project 10 – Armstrong Drainage Improvements is a critical component of the city's infrastructure upgrades. This project includes the installation of additional inlets along Armstrong Street from Corral Ave. to Santa Gertrudis St.

Financial Impact:

The cost is a contract decrease of $70,528 (Fund 122) which is grant funded.

Recommendation:

Staff recommends approving Change Order No. 6 for CDBG-MIT GLO Contract No. 22-085-009-D237 – Project 10 (Armstrong Drainage Improvements) for the decrease of $70,528 for reducing of junction box/curb inlets and all related line items.

Attachments:

- Project 10 GLO Change Order No. 6
- Engineer's recommendation
- Redlined Drawings

ICE
INTERNATIONAL CONSULTING ENGINEERS

July 29, 2026

Juan Carlos "Charlie" Cardenas, P.E.
City Engineer
City of Kingsville
400 W. King Ave.
Kingsville, TX 78363

Re: CDBG-MIT GLO Contract No. 22-085-009-D237 Project 10, (City of Kingsville Bid No. 25-13) – ICE CO 6 Recommendation

Dear Mr. Cardenas,

This memorandum is in reference to ICE's recommendation to Change Order #6, a decrease in the amount of **$70,528.00**. This Change Order address items associated with demolition and repairing of existing project conditions, as well as other items such as junction boxes and curb inlets.

During construction, the contractor discovered unknown water utilities that conflict with the design. This Change Order is proposing reducing two junction boxes and three curb inlets from construction near the intersection between Armstrong Street and Santa Gertrudis Street. Including all related work for the junction boxes and curb inlets.

Additionally, the mill and overlay of asphalt is to remain in the construction contract throughout the original project limits. This is required to allow proper road crown and grading for efficient runoff. ICE has conducted multiple field inspections and has confirmed the items mentioned in this Change Order.

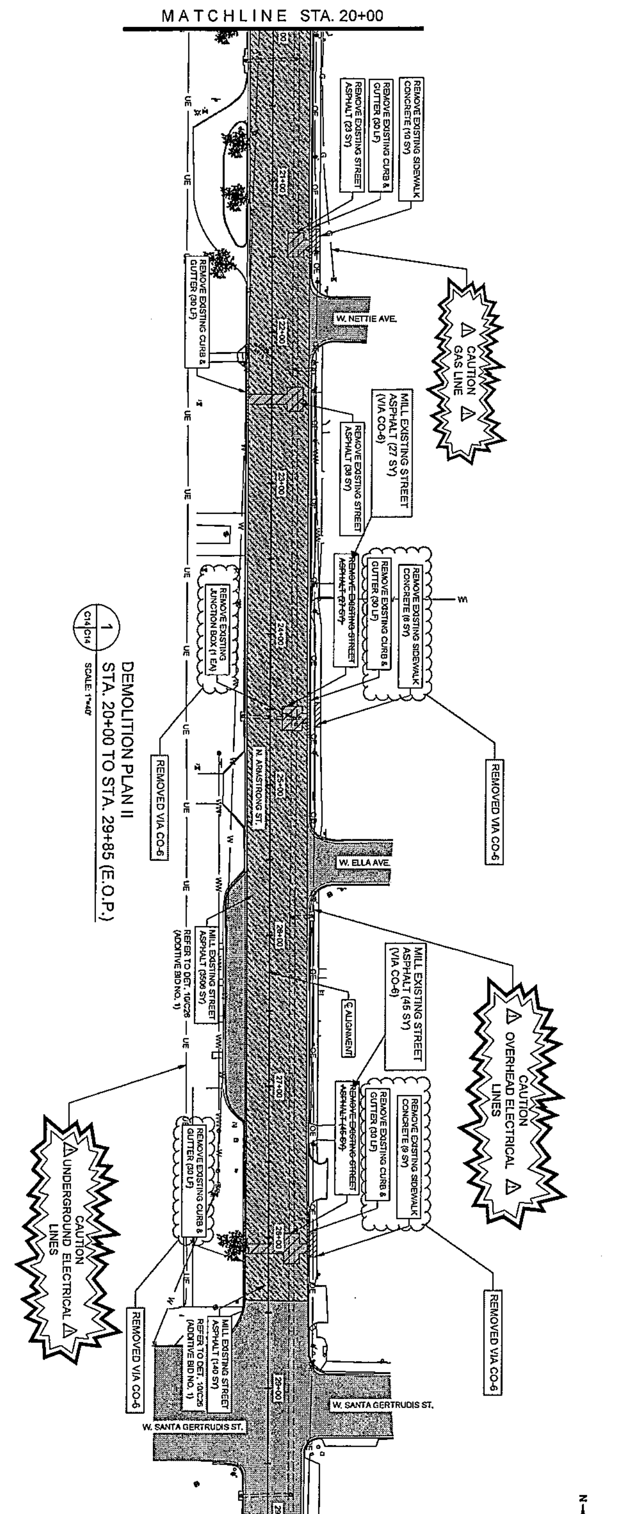
This Change Order 6, along with Change Orders 1,2,3,4, and 5 will decrease the original contract amount of $1,087,788.00 by approximately **1.81%**, which falls within the 18% allowance per the GLO contract. The adjusted contract amount with this and previous change orders will be $1,068,436.84.

Therefore, it is ICE's recommendation to approve Change Order #6. The City of Kingsville has the final decision to approve/not approve change orders.

If you have any questions or need additional information, please contact me at (361) 826-5805 or martin@icengineers.net

Sincerely,

Martin M. Medrano, P.E.
Project Engineer



SHEET QUANTITIES SUMMARY

ITEM	DESCRIPTION	UNIT	QUANTITY
A5	REMOVE EXISTING STREET ASPHALT	SY	61
A6	REMOVE EXISTING SIDEWALK CONCRETE	SY	27
A7	REMOVE EXISTING CURB & GUTTER	LF	150
A8	REMOVE EXISTING JUNCTION BOX	EA	
B1	MILL EXISTING STREET ASPHALT	SY	3,718

UPDATED VIA CO-8

REVISION NO.	DATE	BY	DESCRIPTION
1	02-04-25	JCC	REV. 1

DRAWING NO. C14

SHEET 15 of 56

CITY OF KINGSVILLE GLO SW PROJECT 10
(N. ARMSTRONG ST.) STORM WATER IMPROVEMENTS
KINGSVILLE, KLEBERG COUNTY, TEXAS

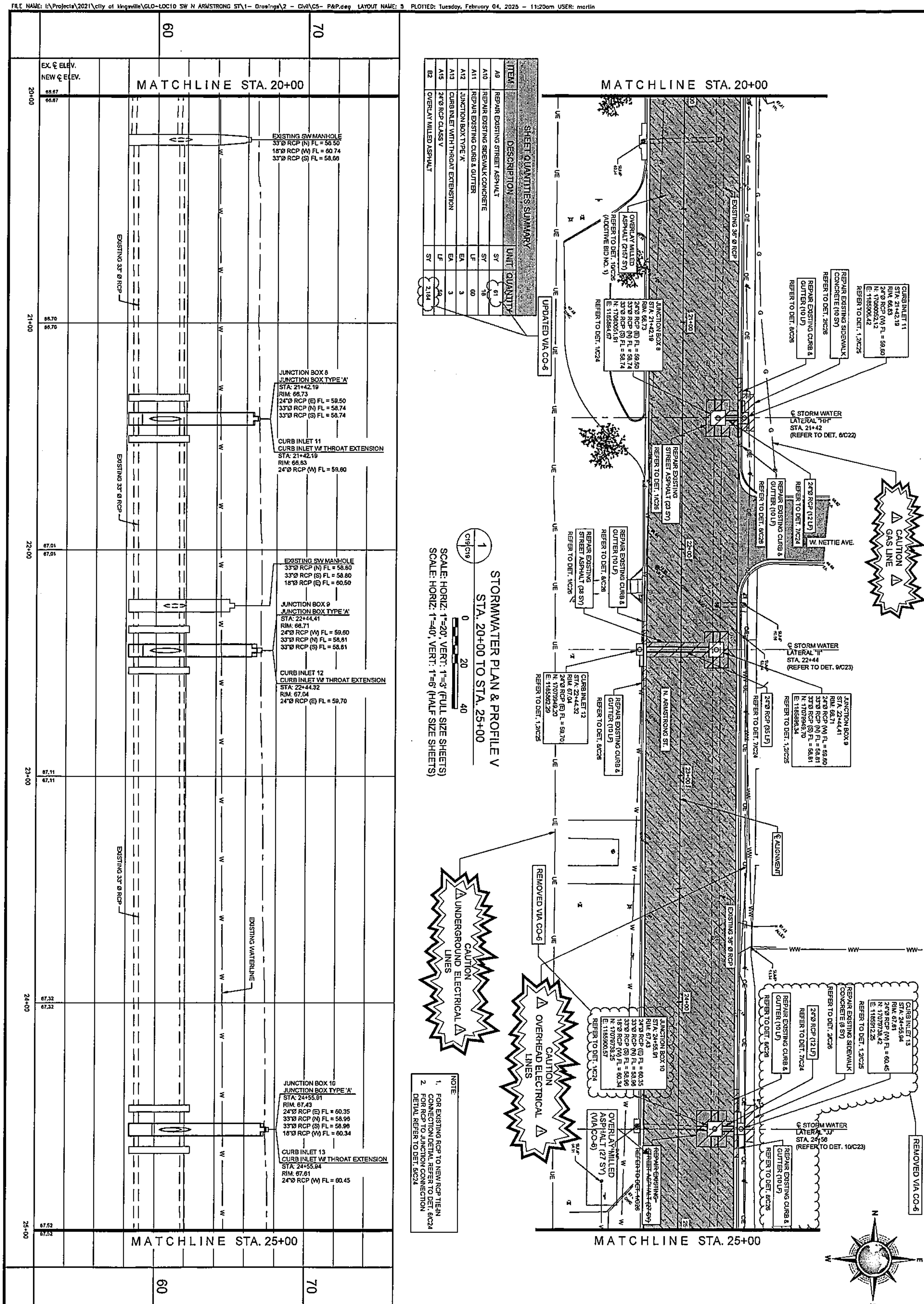
DEMOLITION PLAN II
STA. 20+00 TO STA. 29+85 (E.O.P.)

INTERNATIONAL CONSULTING ENGINEERS
PHONE: 361.826.5805 FAX: 361.826.5806
261 SARATOGA BLVD. CORPUS CHRISTI, TX 78417
T.B.P.E. FIRM REGISTRATION #F-10837

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF REVIEW UNDER THE AUTHORITY OF MARTIN M. MEDRANO P.E.# 161896 ON 8/07/26 IT IS NOT TO BE USED FOR ANY OTHER PURPOSE.

CONSULTANT'S SHEET PROJECT NO. 21107-01B

FILE NAME: I:\Projects\2021\city of kingsville\GLO-LOC10 SW N ARMSTRONG ST\1- Drawings\2 - Civil\C5- P&P.dwg LAYOUT NAME: 5 PLOTTED: Tuesday, February 04, 2025 - 11:20am USER: martin



SHEET QUANTITIES SUMMARY

ITEM	DESCRIPTION	UNIT	QUANTITY
A9	REPAIR EXISTING STREET ASPHALT	SY	61
A10	REPAIR EXISTING SIDEWALK CONCRETE	SY	18
A11	REPAIR EXISTING CURB & GUTTER	LF	60
A12	JUNCTION BOX TYPE 'A'	EA	3
A13	CURB INLET WITH THROAT EXTENSTION	EA	3
A15	24"Ø RCP CLASS V	LF	59
B2	OVERLAY MILLED ASPHALT	SY	2,184

UPDATED VIA CO-6

REVISION NO.	DATE	BY	DESCRIPTION
1	02-04-25	JCC	REV. 1

DRAWING NO. C19

SHEET 20 of 56

CITY OF KINGSVILLE GLO SW PROJECT 10
(N. ARMSTRONG ST.) STORM WATER IMPROVEMENTS
KINGSVILLE , KLEBERG COUNTY, TEXAS

STORM WATER PLAN & PROFILE V
STA. 20+00 TO STA. 25+00

ICE
INTERNATIONAL CONSULTING ENGINEERS
PHONE: 361.826.5805 FAX: 361.826.5806
261 SARATOGA BLVD. CORPUS CHRISTI, TX 78417
T.B.P.E. FIRM REGISTRATION #F-10837

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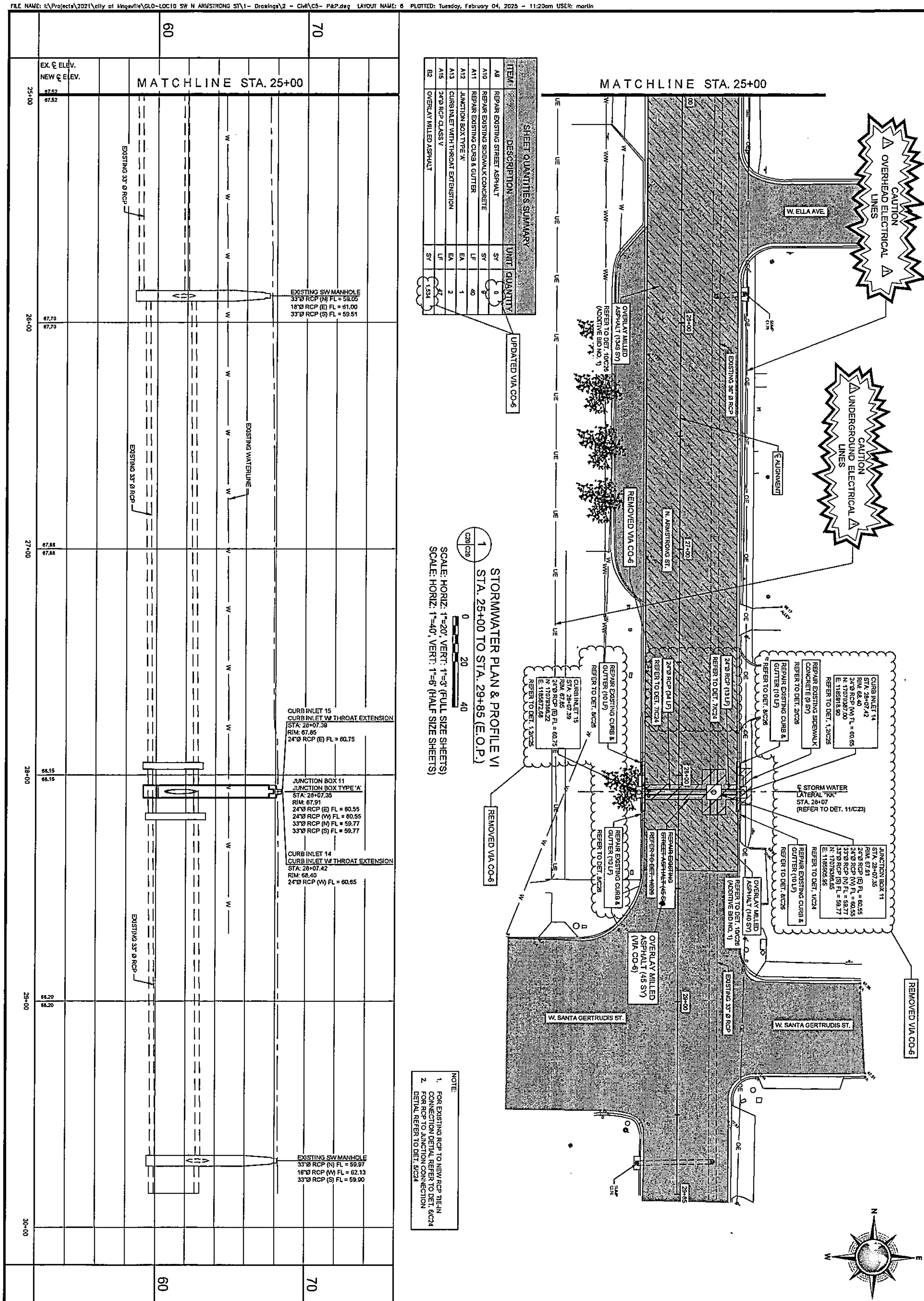
CONSULTANT'S SHEET PROJECT NO. 21107-018

FILE NAME: I:\Projects\2021\city of kingsville\GLO-LOC10 SW N ARMSTRONG ST\1- Drawings\2 - Civil\C5- P&P.dwg LAYOUT NAME: 6 PLOTTED: Tuesday, February 04, 2025 - 11:20am USER: martin



ITEM	DESCRIPTION	UNIT	QUANTITY
A9	REPAIR EXISTING STREET ASPHALT	SY	0
A10	REPAIR EXISTING SIDEWALK CONCRETE	SY	9
A11	REPAIR EXISTING CURB & GUTTER	LF	40
A12	JUNCTION BOX TYPE 'A'	EA	1
A13	CURB INLET WITH THROAT EXTENSTION	EA	2
A15	24"Ø RCP CLASS V	LF	47
B2	OVERLAY MILLED ASPHALT	SY	1,534

REVISION NO.	DATE	BY	DESCRIPTION	REVISION NO.	DATE	BY	DESCRIPTION
1	02-04-25	JCC	REV. 1				

DRAWING NO. C20

SHEET 21 of 56

CITY OF KINGSVILLE GLO SW PROJECT 10
(N. ARMSTRONG ST.) STORM WATER IMPROVEMENTS
KINGSVILLE , KLEBERG COUNTY, TEXAS

STORM WATER PLAN & PROFILE VI
STA. 25+00 TO STA. 29+85 (E.O.P.)

CITY OF Kingsville TEXAS

ICE
INTERNATIONAL CONSULTING ENGINEERS
PHONE: 361.826.6806 FAX: 361.826.6806
261 SARATOGA BLVD. CORPUS CHRISTI, TX 78417
T.B.P.E. FIRM REGISTRATION #F-10837

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF REVIEW UNDER THE AUTHORITY OF MARTIN M. MEDRANO P.E.# 161896 ON 8/07/26 IT IS NOT TO BE USED FOR ANY OTHER PURPOSE.

CONSULTANT'S SHEET PROJECT NO. 21107-01B

RESOLUTION #2026-_______

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDER #6 FOR THE CONSTRUCTION CONTRACT WITH D&J UTILITY SERVICES LLC FOR THE GLO CDBG-MIT CONTRACT 22-085-009-D237 PROJECT 10: N. ARMSTRONG AVE. STORM WATER IMPROVEMENTS PROJECT; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville (City) intends to make some storm water improvements through a General Land Office (GLO) Community Development Block Grant (CDBG) -Mitigation (MIT) Program via Contract #22-085-009-D237 Project 10: N. Armstrong Ave. Storm Water Improvements (from Corral Ave. to Santa Gertrudis Ave.) and went out for bids via Bid #25-13 which was advertised on February 13th & 20th, 2025;

WHEREAS, the three bids were received by the March 18, 2025 deadline that were responsive to Bid #25-13 and after reviewing the bid submittals staff and the outside engineer (ICE) recommended the bid be awarded to the low bidder, which was D&J Utility Services LLC, from Sinton, Texas (Vendor);

WHEREAS, the City awarded Bid#25-13 to Vendor at a Commission meeting on April 14, 2025 for a total amount of $1,087,788.00 and 180 consecutive calendar days from the Notice to Proceed;

WHEREAS, the City and Vendor worked to prepare a contract for GLO CDBG-MIT Contract No. 22-085-009-D237 Project 10: N. Armstrong Ave. Storm Water Improvements and the parties both agree to the terms of the proposed contract for the base bid ($489,440.00) and for alternate no. 1 ($598,348.00), which together is a total amount of $1,087,788.00 and 180 calendar days, and approved the contract on April 28, 2025 via Resolution #2025-47;

WHEREAS, on July 28, 2025 Resolution #2025-71 was approved for additional work to include traffic control upgrades for motorists and non-motorists be done to enhance public safety that resulted in an additional $51,176.84 and 20 calendar days for a total amount of $1,138,964.84 with a contract time of 200 calendar days;

WHEREAS, there were unforeseen issues during construction, including utility adjustments and working the university to limit construction during football season at Javelina Stadium which is adjacent to the worksite, so it was recommended that 90 additional workdays be added to the contract;

WHEREAS, staff recommended and the City Commission approved Change Order #2 for the construction contract with vendor as presented for a total amount of $1,138,964.84 with a contract time of 290 calendar days via Resolution #2026-05 at a meeting on January 12, 2026;

WHEREAS, there were unforeseen issues during construction, including utility adjustments with a conflict with a waterline, causing construction, so it was recommended that 60 additional workdays be added to the contract;

WHEREAS, staff recommended and the City Commission approved Change Order #3 for the construction contract with vendor as presented for a total amount of $1,138,964.84 with a contract time of 350 calendar days, which was approved via Resolution #2026-38 at a City Commission meeting on March 23, 2026;

WHEREAS, there were unforeseen issues during construction, including utility adjustments with a conflict with a waterline, which were later deemed abandoned but still caused delays in construction, so it was recommended that 60 additional workdays be added to the contract with no change in the contract price;

WHEREAS, staff recommended and the City Commission approved Change Order #4 for the construction contract with Vendor as presented for a total amount of $1,138,964.84 with a contract time of 410 calendar days, which was approved via Resolution #2026-56 at a City Commission meeting on May 26, 2026;

WHEREAS, there were unforeseen issues during construction, including rain delays and material delivery, so it was recommended that 60 additional workdays be added to the contract with no change in the contract price;

WHEREAS, staff recommended and the City Commission approved Change Order #5 for the construction contract with Vendor as presented for a total amount of $1,138,964.84 with a contract time of 470 calendar days via Resolution #2026-72 on July 13, 2026;

WHEREAS, there have been unforeseen issues during construction, including the discovery of unknown water utilities that conflict with the design which caused the engineer to recommend reducing two junction boxes and three curb inlets from the project near the intersection between Armstrong Street and Santa Gertrudis Street, including all work related to the junction boxes and curb inlets, so it is recommended that the contract price be reduced by $70,528.00 with no change to the contract time;

WHEREAS, staff is recommending the City Commission approve Change Order #6 for the construction contract with Vendor as presented for a total amount of $1,068,436.84 with the same contract time of 470 calendar days;

BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Commission of the City of Kingsville, Texas to approves and authorizes the City Manager to execute Change Order #6 for the Construction Contract for General Land Office (GLO) Community Development Block Grant (CDBG) -Mitigation (MIT) program via Contract No. 22-085-009-D237 Project 10: N. Armstrong Ave. Storm Water Improvements between the City of Kingsville, Texas and D&J Utility Services LLC, from Sinton, Texas as per staff recommendation and in accordance with Exhibit A hereto attached and made a part hereof.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the ______24th day of _August, 2026.

____
Sam R. Fugate, Mayor

ATTEST:

____
Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

____
Courtney Alvarez, City Attorney

COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Construction Change Order Request

NOTE: Texas Local Government Code Sec. 262.031 "CHANGES IN PLANS AND SPECIFICATIONS" regulations apply. Generally, a cumulative increase in the contract price in excess of 25% or a cumulative decrease in excess of 18% are disallowed.

Subrecipient: City of Kingsville | GLO Contract Number: 22-085-009-D237 | Date: 7/29/2026

Engineer Name Address & Phone	Subrecipient Name, Address, & Phone Number:	Contractor Name, Address & Phone Number:
International Consulting Engineers 261 Saratoga Blvd. Corpus Christi, TX 78417 361-826-5805	City of Kingsville 400 W. King Ave. Kingsville, TX 78363 361-595-8040	D&J Utility Services, LLC 113 Candlelite Ln Sinton, TX 78387 361-814-3757

Project #: 10 | Bid Package #: 1 | Change Order #: 6

Contract Origination Date: 4/28/2025 | Project Description: Storm Water Improvements

You are hereby requested to comply with the following changes from the contract plans and specifications.

Item No.	Description of Changes: Quantities, Units, Unit Prices, Change in Completion Schedule etc.	Decrease in Contract Price	Increase in Contract Price
A5	REMOVE EXISTING STREET ASPHALT, $10.00/SY, - 72 SY	720	
A6	REMOVE EXISTING SIDEWALK CONCRETE, $90.00/SY, - 17 SY	1,530	
A7	REMOVE EXISTING CURB AND GUTTER, $10.00/LF, -90 LF	900	
A8	REMOVE EXISTING JUNCTION BOX, $3,500/EA, - 1 EA	3,500	
A9	REPAIR EXISTING STREET ASPHALT, $150.00/SY, -72 SY	10,800	
A10	REPAIR EXISTING SIDEWALK CONCRETE, $180.00/SY, -17 SY	3,060	
A11	REPAIR EXISTING CURB AND GUTTER, $30.00/LF, -60 LF	1,800	
A12	JUNCTION BOX TYPE A, $8,500/EA, -2 EA	17,000	
A13	CURB INLET WITH THROAT EXTENSION, $8,500/EA, -3 EA	25,500	
A15	24" RCP, $150.00/LF, -59 LF	8,850	
B1	MILL EXISTING STREET ASPHALT, $5.50/SY, +72 SY		396.00
B2	OVERLAY EXISTING STREET ASPHALT, $38.00/SY, +72 SY		2,736.00

See sheet 2 to add additional entries

Change in Construction Contract Price		Change in Contract Time (Calendar Days)	
Original Contract Price:	1,087,788.00	Original Contract Time in Days:	180
Cumulative Previous Change Order(s) Total:	51,176.84	Net Change from Previous Change Order(s) in Days	290
Contract Price Prior to this Change Order:	1,138,964.84	Contract Time Prior to this Change Order in Days	470
Net Increase/Decrease of this Change Order:	-70,528	Net Increase/Decrease of this Change Order in Days:	0

COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Construction Change Order Request

Contract Price with All Approved Change Orders:	1,068,436.84	Contract Time with All Approved Change Orders in Days:	470
Cumulative Percent Change in Contract Price (+/-)	-1.81%	Subrecipient Contract End Date:	1/31/2027
Construction Contract Start Date:	6/2/2025	Construction Contract End Date:	9/15/2026

Reimbursements of costs included in this change order are subject to review by GLO-CDR.

***This document may be executed prior to submission for GLO-CDR review, but all parties involved will be held responsible if the change order or amendment warranted as a result of this change order is not in compliance with CDBG or HUD Requirements**

	Martin M. Medrano P.E.	David Flores Jr
Subrecipient Signature	Engineer Signature	Contractor Signature
Charlie Sosa, City Manager	Martin M. Medrano, P.E., Project Engineer	David Flores, Jr., Managing Principal
Subrecipient Nam and Title (Printed)	Engineer Name and Title (Printed)	Contractor Name and Title (Printed)
Subrecipient Signature	Engineer Signature	Contractor Signature

Justification for Change Order

1. Will this change order increase or decrease the number of beneficiaries? ☐ Increase ☐ Decrease ☑ No Change

   If there is a change, how many beneficiaries will be affected? Total ______ LMI ______

2. Effect of this change on the scope of work: ☐ Increase ☑ Decrease ☐ No Change

3. Effect on operation and maintenance costs: ☐ Increase ☐ Decrease ☑ No Change

4. Are all prices in the change order dependent upon unit prices found in the original bid? ☑ Yes ☐ No

If "no", explain:

5. Has the change created new circumstances or environmental conditions which may affect the project's impact, such as concealed or unexpected conditions discovered during actual construction? ☐ Yes ☑ No

If "yes", is an environmental assessment required?

6. Is the Texas Council on Environmental Quality (TCEQ) clearance still valid (if applicable)?	☑ Yes	☐ No
7. Is the CCN permit still valid? (*sewer projects only*)	☑ Yes	☐ No
8. Are the disability access requirements/approval still valid (if applicable)?	☑ Yes	☐ No
9. Are other Disaster Recovery contractural special condition clearances still valid?	☑ Yes	☐ No

If "no", explain:

Disclaimer: *The Texas General Land Office has made every effort to ensure the information contained on this form is accurate and in compliance with the most up-to-date CDBG-DR and/or CDBG-MIT federal rules and regulations, as applicable. It should be noted that the Texas General Land Office assumes no liability or responsibility for any error or omission on this form that may result from the interim period between the publication of amended and/or revised federal rules and regulations and the Texas General Land Office's standard review and update schedule.*

AGENDA ITEM #6

City of Kingsville
Human Resource Department

TO:	Mayor and City Commissioners
CC:	Charles L. Sosa, City Manager
FROM:	Diana Gonzales, Human Resource Director
DATE:	August 11, 2026
SUBJECT:	Fire Department – Number of Classified Positions

Summary: Increase the number of Fire Department positions in the classified service from 41 to 42 eligible positions effective for Fiscal Year 2026/2027.

CLASSIFICATION	NUMBER OF AUTHORIZED POSITIONS
Fire Chief	1
Captains	4
Lieutenants	3
Engineers	6
Fire Fighters	~~26~~ *27*
Fire Marshal	1

Background: Previous changes to number of Firefighters occurred as follow:
FY 2017-2018 addition of 1 Firefighter position
FY 2021-2022 addition of 2 Firefighter positions
FY 2022-2023 addition of 2 Firefighter positions
FY 2023-2024 addition of 1 Firefighter and 1 Captain position
FY 2024-2025 addition of 2 Firefighters
FY 2026-2027 propose adding 1 Firefighter

Texas Local Government Code *§ 143.021 Classification; Examination Requirement*

> (a) The commission shall provide for the classification of all fire fighters and police officers. The municipality's governing body shall establish the classifications by ordinance. The governing body by ordinance shall prescribe the number of positions in each classification.

Financial Impact: The range of the annual financial impact for one new position is approximately \$ 74,498 - \$95,424 depending on certification, education and fringe benefits. The additional firefighter position is included in FY 26-27 proposed budget for the City of Kingsville.

Recommendation: Update the ordinance to increase the number of classified positions in the Fire Department to correspond to the number of personnel in the FY 2026-2027 proposed budget.

ORDINANCE NO. 2026-_______

AN ORDINANCE RATIFYING CLASSIFICATIONS AND PRESCRIBING THE NUMBER OF POSITIONS IN SUCH CLASSIFICATIONS FOR THE CLASSIFIED SERVICE IN THE FIRE DEPARTMENT BY ADDING ONE NEW CIVIL SERVICE POSITION; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, CODIFICATION INSTRUCTIONS, AND AN EFFECTIVE DATE.

WHEREAS, this Ordinance is necessary to protect the public safety, health, and welfare of the City of Kingsville;

WHEREAS, the City desires to add one (1) position to the Kingsville Fire Department as follows:

One (1) Fire Fighter position in Fiscal Year 2026-2027, increasing the number of those positions from 26 to 27;

WHEREAS, the expenses related to these positions are incorporated in the proposed FY 2026-2027 budget for the City of Kingsville.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT one (1) position of Fire Fighter is hereby added to the Kingsville Fire Department beginning in Fiscal Year 2026-2027.

II.

THAT in accordance with section 143.021, Texas Local Government Code, the City Commission ratifies the following previously established classifications and hereby prescribes the number of positions in each classification by Ordinance duly passed, to wit:

CLASSIFICATION	NUMBER OF POSITIONS
Fire Chief	1
Captain	4
Lieutenant	3
Engineer	6
Firefighter	~~26~~ 27
Fire Marshal	1

Notes: Previously increased by two (2) firefighter positions in October 2021; by two (2) firefighter positions in October 2022; by one (1) firefighter position and (1) captain position in October 2023; by two (2) firefighter positions in October 2024.

III.

THAT all ordinances or parts of ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

IV.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

V.

THAT this Ordinance shall be and become effective on and after adoption and publication as required by law.

INTRODUCED on this the __24th___ day of _August__, 2026.

PASSED AND APPROVED on this the __8th___ day of __September____, 2026.

Effective Date: __________________

____
Sam R. Fugate, Mayor

ATTEST:

____
Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

____
Courtney Alvarez, City Attorney

AGENDA ITEM #7

Res. — Accept Funds

CITY OF KINGSVILLE
FIRE DEPARTMENT

TO: Mayor and City Commissioners

CC: Charlie Sosa, City Manager

FROM: Juan J. Adame, Fire Chief

DATE: 8/11/2026

SUBJECT: New Station 2 Generator, Hurricane Beryl Grant #4798(HMGP)

Summary:
The Kingsville Fire Department has been awarded the HMGP Hurricane Beryl, FEMA DR-4798 Grant to replace the generator for fire station 2.

Background:
The Kingsville Fire Department (KFD) is involved in the prevention and mitigation of multiple hazards. Having well maintained and operable station generators is crucial in having the ability to provide emergency services. The current Fire Department's station 2 generator was manufactured on 2/6/2004 making over 21 years old. Being beyond its intended life span, the unit is growing obsolete due to increasing maintenance needs, associated repair costs and undependability. In response, we are requesting a new generator through grant funding. TDEM's HMGP funding will be used for the sole purpose of purchasing a state-of-the-art 26Kw stand-alone generator that will replace the current aged unit. The new generator will be used for powering the station's utilities, apparatus, radio systems and equipment in the event of a loss of power. The application will request $18,972.44 for the purchase, delivery, installation of the new generator and associated labor costs. Please place this item on the next available agenda. Thank you for your assistance regarding this matter.

Financial Impact:
The Severe Storms HMGP4798 grant requires the City to provide a 25% cost share at $4,743.11. The remaining $14,229.33 will be provided through federal resources. The grant is a reimbursement type grant. We are requesting $18,972.44 in costs for the new generator.

Recommendation:
We would request a resolution approving the acceptance of this grant via the TDEM grants portal by the grantee's authorized official as designated by the City Manager, Chief J. J. Adame.

RESOLUTION # 2025-41

A RESOLUTION AUTHORIZING THE CITY TO SUBMIT AN APPLICATION TO THE FEMA HAZARD MITIGATION GRANT PROGRAM, HURRICANE BERYL GRANT (DR-4798) REQUESTING FUNDING FOR A NEW GENERATOR AT FIRE STATION #2 WITH AN ANTICIPATED CASH MATCH; NAMING THE FIRE CHIEF AS THE GRANT ADMINISTRATOR.

WHEREAS, the City Commission of the City of Kingsville finds it in the best interest of the citizens of Kingsville that the Kingsville Fire Department participate in an application for grant monies from the FEMA Hazard Mitigation Grant Program, Hurricane Beryl Grant (DR-4798) for a new generator at Fire Station #2 (estimated to cost approximately $18,972.44); and

WHEREAS, the City's Fire Department has one generator at Station #2 from 2004, which is beyond its useful life and in need of constant repairs so the new generator would replace the outdated 2004 generator for a total grant request of $18,972.44; and

WHEREAS, the FEMA Hazard Mitigation Grant Program, Hurricane Beryl Grant (DR-4798) has a 25% cash match and the City's anticipated portion of the cash match if the item were awarded is estimated to be $4,743.11, which is proposed to come from the City's FY25-26 General Fund budget if approved; and

WHEREAS, the City Commission of the City of Kingsville through this resolution has authorized the Fire Chief to submit the grant and administer the grant and necessary paperwork if the grant is awarded to the City;

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Commission approves the submission of a grant application to the FEMA Hazard Mitigation Grant Program, Hurricane Beryl Grant (DR-4798) for a new generator at Fire Station #2 on behalf of the City of Kingsville Fire Department, with a total anticipated cash match of $4,743.11 from the City if the item is awarded.

II.

THAT the City Commission authorizes the Fire Chief to submit the grant and the Fire Chief to administer the grant and necessary paperwork.

III.

THAT this Resolution shall be and become effective on or after adoption.

PASSED AND APPROVED by a majority vote of the City Commission the 14th day of April, 2025.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela

Mary Valenzuela, City Secretary

APPROVED AS TO FORM

Courtney Alvarez, City Attorney

RESOLUTION # 2026-_________

A RESOLUTION AUTHORIZING THE CITY TO ACCEPT FUNDING FROM THE FEMA HAZARD MITIGATION GRANT PROGRAM (HMGP) DR-4781, HURRICANE BERYL, FOR A NEW GENERATOR AT FIRE STATION #2 WITH AN ANTICIPATED CASH MATCH; NAMING THE CITY MANAGER AS THE GRANT OFFICIAL AND THE FIRE CHIEF AS THE GRANT ADMINISTRATOR.

WHEREAS, the City Commission of the City of Kingsville finds it in the best interest of the citizens of Kingsville that the Kingsville Fire Department participate in an application for grant monies from the FEMA Hazard Mitigation Grant Program, April 2024 Severe Storms Grant (DR-4781) for a new generator at Fire Station #2 (estimated to cost approximately $18,972.44); and

WHEREAS, the City's Fire Department has one generator at Station #2 from 2004, which is beyond its useful life and in need of constant repairs so the new generator would replace the outdated 2004 generator for a total grant request of $18,972.44; and

WHEREAS, the FEMA Hazard Mitigation Grant Program, April 2024 Severe Storms Grant (DR-4781)-Hurricane Beryl, has a 25% cash match and the City's anticipated portion of the cash match if the item were awarded is estimated to be $4,743.11, which is proposed to come from the City's FY25-26 General Fund budget if approved; and

WHEREAS, the City Commission of the City of Kingsville through Resolution #2025-41 on April 14, 2025 authorized the Fire Chief to submit the grant and administer the grant and necessary paperwork if the grant was awarded to the City;

WHEREAS, the City was recently notified that the grant request of $18,972.44 for a new generator for Fire Station #2 had been awarded and needed to be accepted;

WHEREAS, the City authorizes the City Manager to accept the grant award and the Fire Chief to administer the grant;

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Commission authorizes the City Manager, as the grant official, to accept the grant award and execute necessary paperwork and the Fire Chief, as the designee, to administer the FEMA Hazard Mitigation Grant Program, April 2024 Severe Storms Grant (DR-4781)-Hurricane Beryl for a new generator at Fire Station #2 on behalf of the City of Kingsville Fire Department, with a total anticipated cash match of $4,743.11 from the City.

II.

THAT this Resolution shall be and become effective on or after adoption.

PASSED AND APPROVED by a majority vote of the City Commission the 24th day of August, 2026.

____
Sam R. Fugate, Mayor

ATTEST:

____
Mary Valenzuela, City Secretary

APPROVED AS TO FORM

____
Courtney Alvarez, City Attorney

TDEM
THE TEXAS A&M UNIVERSITY SYSTEM

June 30, 2026

Charlie Sosa
City Manager
City of Kingsville
400 W. King Avenue
Kingsville, TX 78364

Subject: Sub-Grant Award

Dear Mr. Sosa:

The Texas Division of Emergency Management (TDEM) has issued a sub-grant for the Hazard Mitigation Grant Program (HMGP) DR-4798, Hurricane Beryl. The following is the information related to this award:

Sub-Recipient Information:

UEI Number: DFRNR5XKKDZ3
TINS Number: 786340422
FIPS Number: 273-39352-00

Award Information:

Catalog of Federal Domestic Assistance: 97.039
FEMA Project Number: 109
Project Title: City of Kingsville Fire Station 2 Generator
Period of Performance (POP): 6/1/26 to 5/24/27

PROJECT FUNDS OBLIGATIONS						
Version/ Amendment	Date	Total Subgrant Amount	Federal Share %	Federal Share Amount	Local Share %	Local Share Amount
0	5/11/26	$18,972.44	75%	$14,229.33	25%	$4,743.11

Please Note: This award is not for research or development as defined in 2 Code of Federal Regulations (C.F.R.) § 200.87.

The eligible management costs for a reimbursement request are calculated by multiplying the eligible direct project costs submitted by the percentage of obligated management costs (up to 5%) for the project. In some cases, the management costs submitted for a reimbursement will exceed the eligible management cost amount. In this instance, the management costs will be trapped until additional eligible direct project costs are submitted for reimbursement.

MANAGEMENT COSTS OBLIGATIONS						
Version/ Amendment	Date	Total Management Costs	Federal Share %	Federal Share Amount	Local Share %	Local Share Amount
0	5/11/26	$948.62	100%	$948.62	0%	$0

The approved Scope of Work (SOW) follows and the terms and conditions of this award are attached. It is important that the sub-recipient read, understand and comply with the SOW and all terms and conditions. It is also vital that this information be disseminated to sub-recipient's staff and contractors involved in work related to this project.

The City of Kingsville proposes to purchase and install a standby 26kW fixed, single-phase natural gas generator to provide backup power and to ensure continuity of essential public services during extended power outages resulting from severe weather events. The project includes monitoring, control, and alarm capabilities; an automatic transfer switch; natural gas piping; and concrete pad reinforcement. The generator will be installed at 525 North Armstrong Avenue, Kingsville, TX 78363 (27.521200, -97.877900).
The standby generator system will be designed to automatically supply backup power to Fire Station 2's utilities, equipment, radio / dispatch systems, and apparatus through an automatic transfer switch configuration. Fire Station 2's generator will be fueled by natural gas via re-piping of existing lines, providing effectively indefinite run time so that emergency services for the citizens of Kingsville are not interrupted.

Generator Site Name	Generator Street Address	Generator Size	Portable/ Permanent	Latitude	Longitude
City of Kingsville Fire Station 2	525 North Armstrong Avenue, Kingsville, TX 78363	26KW	Permanent	27.521200	-97.877900

In accordance with FEMA Instruction 108-1-1 and DHS Instruction 023-01-001-01; this project has been determined to be Categorically Excluded (CATEX n18). FEMA concludes that the project is categorically excluded from the National Environmental Policy Act (NEPA) requirement to prepare further environmental documentation. No extraordinary conditions in accordance with DHS Instruction 023-01-001-01 exist involving this project.

Signing and returning this award letter indicates sub-recipient's acceptance of the SOW of the sub-award, the ability to pay the local cost share, and all grant terms and conditions outlined in the attached documents.

The sub-recipient must ensure that:

1. The initial quarterly progress report for the project is submitted at the end of the approving quarter. Please include the project number (provided above) in your future quarterly reports. Note that 44 C.F.R. § 206.438(c) indicates the state must provide a quarterly progress report to FEMA indicating the status and completion date for each project funded. The report must include any problems or circumstances affecting completion dates, SOW, or project cost that may result in non-compliance with the approved grant conditions.

2. In accordance with HMGP rules and policy, TDEM requires the submittal of all closeout documentation within 90-days of the project completion not to exceed the POP. The Governor's Authorized Representative (GAR) "shall certify that reported costs were incurred in the performance of eligible work, that the approved work was completed and that the mitigation measure is in compliance with the provisions of the FEMA-State Agreement" in accordance with 44 C.F.R. § 206.438(d).

If changes are needed to the SOW for the sub-award, period of performance or costs associated to the sub-award, the sub-recipient should immediately contact TDEM. No change to the sub-award will be considered approved until the sub-recipient is notified in writing by TDEM.

This signed and dated award letter and attached grant terms and conditions must be returned to TDEM before payment on the sub-award can be processed. Your signature is required on this award letter and on the last page of the attached grant terms and conditions. You must also initial each exhibit on the last page of the grant terms and conditions. Please sign, date, and return both the award letter along with the attached grant terms and conditions acknowledging acceptance of this sub-award via email to the assigned Mitigation Coordinator, Yolanda Cardona at Yolanda.Cardona@tdem.texas.gov}.

City Manager, Charlie Sosa | Date

Should you wish to appeal any determination related to this sub-award you must do so within 60 days of receipt of the notice of the action. You will need to provide your appeal with any documentation supporting your position to your assigned TDEM Mitigation Coordinator within the allotted time.

If you have any questions please contact your Mitigation Coordinator, Yolanda Cardona, at 956-414-9167 or Yolanda.Cardona@tdem.texas.gov.

Respectfully,

Nim Kidd

W. Nim Kidd, MPA, CEM®
Chief - Texas Division of Emergency Management
Vice Chancellor for Disaster and Emergency Services
The Texas A&M University System

ATTACHMENTS: FEMA Approval Letter
Grant Terms and Conditions
Record of Environmental Considerations
Project Cost Line Report
Project Management Report

Copy:

Charlie Sosa, City Manager
csosa@cityofkingsville.com

U.S. Department of Homeland Security
FEMA Region 6
800 N. Loop 288
Denton, TX 76209

FEMA

June 1, 2026

W. Nim Kidd, MPA, CEM
Chief, Texas Division of Emergency Management
Vice, Chancellor – The Texas A&M University System
2883 Highway 71 East
P.O. Box 285
Del Valle, TX 78617-9998

ATTN: Michelle Ellis, State Hazard Mitigation Officer

RE: DR-4798-0109-TX – City Kingsville
City of Kingsville Fire Station 2 Generator
Assistance Listing 97.039 Hazard Mitigation Grant Program

Dear Chief Kidd,

This letter provides official notification that the Federal Emergency Management Agency (FEMA) approves the application submitted by the City of Kingsville for the City of Kingsville Fire Station 2 Generator project. The total project cost is $18,972.44. The Federal share in the amount of $14,229.33, is available through the Hazard Mitigation Grant Program (HMGP) under FEMA-4798-DR-TX. The non-federal match requirement of $4,743.11 will be provided by City of Kingsville.

Pursuant to Section 1215 of the Disaster Recovery Reform Act of 2018, which amended Section 324 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, subrecipient Management Costs (MC) in the amount of $948.62 are available to the subrecipient at a Federal Cost Share of 100%.

The following is the approved Scope of Work (SOW) for the above-referenced project:

The City of Kingsville proposes to purchase and install a standby 26kW fixed, single-phase natural gas generator to provide backup power and to ensure continuity of essential public services during extended power outages resulting from severe weather events. The project includes monitoring, control, and alarm capabilities; an automatic transfer switch; natural gas piping; and concrete pad reinforcement. The generator will be installed at 525 North Armstrong Avenue, Kingsville, TX 78363 (27.521200, -97.877900).

The standby generator system will be designed to automatically supply backup power to Fire Station 2's utilities, equipment, radio / dispatch systems, and apparatus through an automatic transfer switch configuration. Fire Station 2's generator will be fueled by natural gas via re-piping of existing lines, providing effectively indefinite run time so that emergency services for the citizens of Kingsville are not interrupted.

Generators that have been approved as components in this project's SOW are listed below.

Generator Site Name	Generator Street Address	Generator Size	Portable/ Permanent	Latitude	Longitude
City of Kingsville Fire Station 2	525 North Armstrong Avenue, Kingsville, TX 78363	26KW	Permanent	27.521200	-97.877900

This project has been determined to be Categorically Excluded (CATEX) in accordance with FEMA Instruction 108-1-1 and Department of Homeland Security (DHS) Instruction 023-01-001-01; CATEX N18 from the need to prepare either an Environmental Impact Statement or Environmental Assessment. No extraordinary circumstances in accordance with DHS Instruction 023-01-001-01 have been identified regarding this action. The applicant must comply with all conditions set forth in the attached Record of Environmental Consideration (REC). Failure to comply with these conditions may jeopardize federal assistance including funding.

Environmental Conditions:

Unusable equipment, debris and materials shall be disposed of in an approved manner and location. In the event significant items (or evidence thereof) are discovered during implementation of the project, applicant shall handle, manage, and dispose of petroleum products, hazardous materials and toxic waste in accordance with the requirements and to the satisfaction of the governing local, state and federal agencies.

FEMA will not establish activity completion timeframes for individual sub awards. The Period of Performance (POP) for DR-4798-TX is set to expire on January 5, 2030. It is the responsibility of the Recipient and subrecipient to ensure all approved activities associated with this sub-award are completed by the end of the POP. Any costs incurred prior to the date of this approval or after the POP will be disallowed.

A change to the approved SOW requires prior approval from FEMA. The National Environmental Policy Act (NEPA) stipulates that additions or amendments to a HMGP SOW shall be reviewed by all state and federal agencies participating in the NEPA process. NEPA sign-off for all SOW additions or amendments is essential before the revised SOW can be approved by FEMA or implemented by the HMGP subrecipient.

In accordance with *2023 Hazard Mitigation Assistance Program and Policy Guidance Hazard Mitigation Grant Program Management Costs,* any MC provided will be obligated in increments sufficient to cover recipient and subrecipient needs for no more than one year unless contractual agreements require additional funding. Actual subrecipient MC are to be reconciled quarterly during the review of expenditures submitted by the subrecipient through quarterly report process. Subrecipient MC can be expended for a maximum time of 180 days after work is completed for the subaward or the end of the POP, whichever is sooner.

The initial quarterly progress reports for the HMGP project are due at the end of the approving quarter. Please include this HMGP project in your future quarterly reports. Title 44 of the Code of Federal Regulations (44 C.F.R.) § 206.438(c) indicates the State must provide a quarterly progress report to FEMA indicating the status and completion date for each project funded. The report will include any problems or circumstances affecting completion dates, SOW, or project cost that may result in non-compliance with the approved grant conditions.

Pursuant to 2 C.F.R. § 200.403 et seq. all costs, to include engineering fees, must be adequately documented, necessary and reasonable for the performance of the federal award and be allocable thereto under these principles except where otherwise authorized by statute. FEMA approval of a project budget is not a determination of the allowability of costs. Future amendments and closeout will require itemized budgets (no lump sums).

In accordance with HMGP rules and policy, we require the submittal of all closeout documentation within 120 days of the project completion, not to exceed POP. Section 206.438(d) of 44 C.F.R. requires the Governor's Authority Representative to "certify that reported costs were incurred in the performance of eligible work, that the approved work was completed, and that the mitigation measure is in compliance with the provisions of the FEMA-State Agreement."

The Obligation Report, Project Cost Line Report, Project Management Report and REC are included for your records.

If you have any questions regarding the information, please contact Shontae Davis, Disaster Branch Chief/Deputy Advisor, at (202) 957-3947 or Shontae.Davis@fema.dhs.gov.

Sincerely,

ROOSEVELT A GRANT

Digitally signed by ROOSEVELT A GRANT
Date: 2026.06.01 17:56:06 -05'00'

Roosevelt Grant III
Mitigation Division Director

Enclosures: Obligation Report
REC
Project Cost Line Report
Project Management Report

Grant Terms and Conditions

Subrecipient Agreement for Texas Division of Emergency Management Administered Awards

Revised August 2025

TEXAS DIVISION OF EMERGENCY MANAGEMENT

TDEM

THE TEXAS A&M UNIVERSITY SYSTEM

Table of Contents

Revisions

Rev. 1. General updates throughout reflect updates to Executive Orders and federal guidance.

Rev. 2. Updated links throughout the document.

State of the Agreement

Agreement Authority

This agreement applies to all Department of Homeland Security Federal Emergency Management Agency (DHS/FEMA) awards or other awarding agency financial assistance awards administered by the Texas Division of Emergency Management (TDEM), an agency of the State of Texas. The federal government, the State of Texas, and TDEM have the right to seek judicial enforcement of these actions.

Subrecipients are required to follow applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at Title 2, Code of Federal Regulations (CFR) Part 200, and adopted by DHS at 2 CFR Part 3002, as well as all other applicable federal, state, and local. laws, regulations, policies, procedures, and executive orders.

By accepting this agreement, Subrecipient and its executives certify that Subrecipient's policies are in accordance with guidance applicable to federal, state, and local laws, and relevant executive guidance. This agreement, consisting of these terms and conditions and all exhibits, is between TDEM and Subrecipient.

TDEM and Subrecipient are collectively hereinafter referred to as the parties. All awards made under this agreement are subject to the same terms and conditions, except where additional provisions may be added by TDEM to ensure compliance with the aforementioned authority.

Subrecipient may not assign or transfer any interest in this award without prior written consent of TDEM and, if required, DHS/FEMA or other awarding agency.

Agreement

I. General Terms

1. The terms recipient and pass-through entity have the same meaning as grantee, as used in governing statutes, regulations, and DHS/FEMA guidance.

2. Throughout this document, the terms grant and award will be used interchangeably.

3. A recipient means an entity that receives a federal award directly from a federal agency to carry out an activity under a federal program. The term recipient does not include Subrecipients or individuals that are participants or beneficiaries of the award.

4. Subrecipient means an entity that receives a subaward from a pass-through entity, in this case TDEM, to carry out part of a federal award. The term Subrecipient does not include a beneficiary or participant. Subrecipient may also be a recipient of other federal awards directly from a federal agency.

5. The grant referred to in this agreement is an award to the Subrecipient passed through from TDEM to the Subrecipient.

6. The certifying official is the mayor, judge, or executive director authorized to execute these terms and conditions, and to submit changes of Subrecipient agents. Contracted staff and/or vendors may assist the certifying official in completing related grant tasks but may not act in lieu of the certifying official.

7. Project and any subsequent versions for those projects accepted by Subrecipient and subsequently obligated or de-obligated by DHS/FEMA are considered subawards to this agreement.

8. TDEM uses contractors to assist in administering subawards, both in communication with Subrecipient and the awarding agency. A Subrecipient's point of contact for all awards will be the assigned regional staff. TDEM may task various grant management tasks to contractors to work directly with Subrecipients.

9. Within 10 calendar days of any change, Subrecipient must notify TDEM of any change in Designated Subrecipient Agent as submitted during the execution of this agreement, and any subsequent changes submitted by Subrecipient in TDEM's Grants Management System (GMS).

10. In the event Subrecipient hires a consultant to assist with managing its Public Assistance and Hazard Mitigation grants (or other), it must be listed on the Designated Subrecipient Agent Form (DSA) and may not act in lieu of the designated agent. TDEM will direct all correspondence to the Subrecipient.

Subrecipient is solely responsible for sharing written communications with the consultant. Subrecipient is the primary point of contact and must be included in all decision-making activities.

II. Standard of Performance

Subrecipient must perform all activities as approved by TDEM and that are required within applicable grant/ funding awards. Subrecipient must perform all activities in accordance with all terms, provisions, and requirements set forth in the award, including the following exhibits:

- Assurances – Non-Construction Programs (federal authority), hereinafter referred to as Exhibit A.
- Assurances – Construction Programs (federal authority), hereinafter referred to as Exhibit B.
- Certifications for Grant Agreements (federal authority), hereinafter referred to as Exhibit C.
- State of Texas Assurances (state authority), hereinafter referred to as Exhibit D.
- Environmental Review (federal authority), hereinafter referred to as Exhibit E.
- Additional Grant Certifications (state authority), hereinafter referred to as Exhibit F.
- Request for Information Procedure (state authority), hereinafter referred to as Exhibit G
- Hazard Mitigation Application Request for Information Procedure (state authority), hereinafter referred to as Exhibit H.
- Recoupment of Funds (state authority), hereinafter referred to as Exhibit I.

III. Failure to Perform

In the event Subrecipient fails to implement and complete the project(s) approved and awarded, or comply with any provision of this grant, Subrecipient is liable to TDEM for an amount, not to exceed, the award and may be barred from receiving additional DHS/FEMA grant program funds or any other grant program funds administered by the State of Texas until repayment is made and any other compliance or audit finding is satisfactorily resolved, in addition to any other remedy specified in this grant. Failure to timely implement and complete projects may reduce future funding from DHS/FEMA and/or other grant programs administered by TDEM.

IV. Funding Obligations

TDEM is not liable to Subrecipient for any costs incurred by Subrecipient that are not allowable costs, authorized under the applicable award.

- Notwithstanding any other provision of this grant, the total of all payments and other obligations incurred by TDEM under this award must not exceed the total cumulative award amounts listed on the subawards (projects and subsequent versions).
- Subrecipient must contribute the required cost share, also known as non-federal share or match, listed on the subaward.
- Subrecipient must provide supporting documentation that supports the totality of funding requests in accordance with program policy.
- Any private non-profit (PNP) will agree to name the Recipient (TDEM) as a beneficiary in any bankruptcy proceeding or must obtain a bond to guarantee funding until the project(s) are closed.
- In the event that TDEM is required to continue to manage the Subrecipient's award after the Recipient's (TDEM) allocated state management funds have been exhausted, Subrecipient agrees to reimburse TDEM for such costs necessary to close FEMA awards, including the final recoupment of any funds due to FEMA and/or TDEM and the State of Texas.

V. Recoupment of Funds

Subrecipient must refund, to TDEM, any sum of these award funds that TDEM and/or DHS/FEMA determines to be an overpayment to and/or has not been spent by Subrecipient in accordance with this award. Refund payment(s) may be made from local, state, or federal funds unless prohibited by federal regulation or other provision.

Nothing in Exhibit I shall limit TDEM's ability to implement alternative remedies for which it has authority to resolve outstanding recoupments or to limit TDEM's ability to take immediate recoupment action(s) after notice of required refund has been made.

VI. Uniform Administrative Requirements, Cost Principles and Audit Requirements

Except as specifically modified by law or this grant, Subrecipient shall administer this award through compliance with the most recent version of all applicable laws and regulations, including but not limited to DHS/FEMA program legislation, federal awarding agency regulations, and the terms and conditions of this grant. A non-exclusive list sanctioned by Federal is provided below (not all may apply in every project):

- Public Law 93-288, as amended (Stafford Act)

- 44 CFR, Emergency Management and Assistance
- 2 CFR 200, Grants and Agreements
- Disaster Mitigation Act of 2000
- Executive Order 11988, Floodplain Management
- Executive Order 11990, Protection of Wetlands
- Executive Order 12699, Seismic Design
- Coastal Barrier Resources Act, Public Law 97-348
- Single Audit Act, Public Law 98-502
- Sandy Recovery Improvement Act, Public Law 113-2
- Disaster Recovery Reform Act of 2018
- 16 U.S.C. § 470 National Historic Preservation Act
- 16 U.S.C. § 1531, Endangered Species Act
- FEMA program publications, guidance, and policies

VII. State Requirements for Grants

1. Subrecipient must comply with all other federal, state, and local laws and regulations applicable to this award including but not limited to the laws and the regulations promulgated in Texas Government Code, Chapter 783, Texas Grant Management Standards (TxGMS) and the most recent applicable version of the program State Administrative Plan (and all effective updates).

2. Subrecipient must, in addition to the assurances and certifications, comply and require each of its subcontractors, employed in the completion of the project, to comply with all applicable statutes, regulations, executive orders, Office of Management and Budget (OMB) uniform guidance, terms and conditions of this award, and the approved application.

3. Grant funds must not be awarded to or expended by any entity which performs political polling. This prohibition does not apply to a poll conducted by an academic institution as part of the institution's academic mission, that is not conducted for the benefit of a particular candidate or party.

4. Award funds may not be expended by a unit of local government unless the following limitations and reporting requirements are satisfied:

a. Texas General Appropriations Act, Art. IX, Parts 2 and 3, except there is no requirement for increased salaries for local government employees;

b. Texas Government Code Sections 556.004, 556.005, and 556.006, prohibits the use of any money or vehicle to support the candidacy of any person for office, influencing positively or negatively the payment, loan, or gift to a person or political organization for a political purpose, and using grant funds to influence the passage or defeat of legislation including not assisting with the funding of a lobbyist, or using grant funds to pay dues to an organization with a registered lobbyist;

c. Texas Government Code Sections 2113.012 and 2113.101 prohibit the use of grant funds to compensate any employee who uses alcoholic beverages on active duty. Subrecipient may not use grant funds to purchase an alcoholic beverage and may not pay or reimburse any travel expense for an alcoholic beverage;

d. Texas General Appropriations Act, Art. IX, Section 6.13, requires the Subrecipient to make every effort to attain key performance target levels associated with this grant, including performance milestones, milestone time frames, and related performance reporting requirements; and

e. Texas General Appropriations Act, Art. IX, Sections 7.01 and 7.02, and Texas Government Code §2102.0091, requires that this award may only be expended if Subrecipient timely completes and files its reports.

5. TDEM strongly encourages Subrecipient to complete refresher training in federal procurement standards as variances from these standards account for the majority of funding de-obligation. TDEM will provide training or sources for Subrecipient to attain training. Federal procurement training may be required in advance of funding or as a condition of funding and/or if additional monitoring is deemed appropriate by TDEM.

VIII. Restrictions and General Conditions

DHS/FEMA grant funds must only be used for the purposes set forth in this award and must be consistent with the grant's statutory authority. Award funds must not be used to match funds for other federal grants/cooperative agreements, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds must not be used to sue the Federal government or any other government entity.

1. Federal employees are prohibited from directly benefiting from any funds under this Grant.

2. In accordance with 2 CFR §25.300, TDEM will not make a subaward unless Subrecipient has obtained a unique entity identifier (UEI). A UEI is the identifier required for System for Award Management (SAM) registration to uniquely identify entities with which the federal government does business.

3. Subrecipient maintains that it has registered at SAM.gov or other federally established site for contractor registration and entered TDEM-required information. Subrecipient shall keep information current, and review and update at least annually; until the later of when it submits this grant's final financial report or receives final award payment. Subrecipient agrees that it must not make any subaward agreement or contract related to this award without first obtaining the vendor or subawardee's mandatory UEI. See Appendix A to Part 25, Title 2.

4. Subrecipient must report total compensation for each of the five most highly compensated executives for the preceding completed fiscal year if the following is applicable (Appendix A to Part 170, Title 2).

    a. Subrecipient shall report whether Subrecipient received $25 million or more in federal procurement contracts or financial assistance subject to the Transparency Act per 2 CFR Appendix-A-to-Part-170(b)(1)(ii)(B)

    b. Subrecipient shall report whether 80% or more of Subrecipient's annual gross revenues were from federal procurement contracts or federal financial assistance. If Subrecipient answers "yes" to both questions, Subrecipient shall report, along with Subrecipient's UEI, the names and total compensation (see 17 CFR §229.402(c)(2)) for each of Subrecipient's five most highly compensated executives for the preceding completed fiscal year.

    c. Subrecipient shall report executive total compensation at SAM.gov, or other federally established replacement site.

5. Subrecipient must comply with Federal Executive Orders 12549 and 12689, which provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government

6. A completed direct deposit authorization form from Subrecipient must be provided to TDEM, prior to receiving any funds under the provisions of this grant.

7. Subrecipient shall maintain property/inventory records which, at minimum, shall include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, the cost of the property, the percentage of federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. Subrecipient shall develop and implement a control system to prevent loss, damage, or theft of property and Subrecipient shall investigate and document any loss, damage or theft of property funded under this grant.

8. DHS/FEMA and/or TDEM, through its authorized representatives, have the right at all reasonable times to make site visits to review project accomplishments and management control systems and to provide such technical assistance as may be required. If any site visit is made by DHS/FEMA or TDEM on the premises of

Subrecipient or a contractor under this grant, Subrecipient must provide and must require its contractors to provide all reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner that will not unduly delay the work. A final physical site inspection for eligible scope of work and program compliance may be conducted after the Subrecipient's Project Completion and Certification Report has been submitted.

IX. Procurement Contracting

Subrecipient shall comply with all applicable federal, state, and local laws and requirements, including but not limited to proper competitive solicitation processes where required, for any procurement which utilizes federal funds awarded under this award in accordance with 2 CFR 200 § 317-327 and Appendix II to Part 200.

1. All contracts executed using funds awarded under this award shall contain the contract provisions listed under 2 CFR § 200.327 and Appendix II (A), Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

2. For each of the following types of procurement, activities must follow the most restrictive of federal, state, or local procurement regulations:

   a. Micro purchase (2 CFR 200.320(a)(1))

   b. Simplified acquisition (2 CFR 200.320(a)(2))

   c. Sealed bid (2 CFR 200.320(b)(1))--

   d. Competitive proposal (2 CFR 200.320(b)(2))

   e. Non-Competitive proposal (2 CFR 200.320(c))

3. The State must approve the use of a noncompetitive procurement method. Federal regulations allow for noncompetitive procurements under certain circumstances, including when a non-state entity determines that immediate actions required to address the public exigency or emergency cannot be delayed by a competitive solicitation.

   Failure to follow eligible procurement methods will result in ineligible costs. Other types of agreements for services must have State approval prior to use or execution. A copy of the local procurement policy must be provided to the State before initial payment.

4. Contracts attributed as "cost-plus-percentage-of-cost" or "percentage-of-construction-cost" are explicitly prohibited by federal procurement standards and are ineligible for DHS/FEMA grants.

5. Subrecipients must perform cost/price analysis for every procurement action in excess of the Simplified Acquisition Threshold as outlined in the Federal Acquisition Regulation (FAR).

6. Subrecipients must not make any award to any party that is debarred or suspended, or is otherwise excluded from participation in the federal assistance programs (Executive Order 12549, Debarment and Suspension).

   a. TDEM will not reimburse any expenses for a debarred vendor or Subrecipient that does not have a valid SAM.gov registration.

   b. Subrecipients must maintain documentation validating review of the debarment list of eligible contractors. Evidence of non-debarment for vendors must be documented through SAM.gov and the Comptroller of Texas and available for review. Subrecipients must maintain documentation to show that they have checked all vendors for debarment and suspension prior to engaging them in a contract using both SAM.gov and the Comptroller of Texas.

7. Subrecipients must comply with rules related to underutilized businesses (small and minority businesses, women's enterprises, veteran-owned, and labor surplus firms) at 2 CFR §200.321.

8. Subrecipients must comply with the rules of recovered materials for procurements at 2 CFR §200.323.

9. Subrecipients must comply with the rules for domestic preferences for procurements at 2 CFR § 200.322.

10. All procurement documentation must be submitted to the Texas Division of Emergency Management (TDEM) at the project level (or appropriate GMS location) prior to the award of any procurement contract by the sub-recipient in association with Hazard Mitigation.

X. Monitoring

Subrecipient will be monitored periodically by federal, state, or local entities, both programmatically and financially, to ensure that project goals, objectives, performance requirements, timelines, milestone completion, budget, and other program-related criteria are met.

Subrecipient must give DHS/FEMA, the Comptroller General of the United States, the Texas State Auditor, TDEM, or any of their duly authorized representatives access to and the right to conduct a financial or compliance review of funds received, and performances rendered under this award. Subrecipient must permit TDEM or its authorized representative to monitor Subrecipient's records. Subrecipient must provide any documents, materials, or information necessary to facilitate such monitoring activities.

- Subrecipient understands and agrees that it is liable to TDEM for any costs disallowed pursuant to any financial or compliance monitoring of these funds. Subrecipient further understands and agrees that reimbursement to TDEM of such disallowed costs shall be paid by Subrecipient from funds that were not provided or otherwise made available to the Subrecipient pursuant to this award or any other federal grant or contract.

- Subrecipient must take such action to facilitate the performance of such audit(s) conducted pursuant to this section as TDEM may require of Subrecipient. Subrecipient must ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Subrecipient and the requirement to cooperate is included in any subcontract it awards.

Subrecipient understands that acceptance of funds under this award acts as acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. Subrecipient further agrees to cooperate fully with the State Auditor's Office's audit or investigation, including providing all records requested. Subrecipient must ensure that this clause concerning the State Auditor's Office's authority to audit funds and the requirement to cooperate fully with the State Auditor's Office is included in any subgrants or subcontracts it awards. Additionally, the State Auditor's Office shall at any time have access to and the right to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of the Subrecipient relating to this award.

- TDEM, or its authorized representative, reserves the right to perform periodic desk/office-based and/or on-site monitoring of Subrecipient's compliance with this award and of the adequacy and timeliness of Subrecipient's performance pursuant to this award.

- After each monitoring visit, if the monitoring visit reveals deficiencies in the Subrecipient's performance under this grant, a monitoring report will be provided to the Subrecipient that includes requirements for the timely correction of such deficiencies by the Subrecipient. Failure by Subrecipient to take action(s) specified in the monitoring report may be cause for special conditions to be placed on future awards, suspension or termination of the current award pursuant to 2 CFR 200.339.

XI. Audit

Subrecipients expending $1,000,000 or more in total federal financial assistance during their fiscal year will be required to have and provide to TDEM a single audit in accordance with 2 CFR Part 200 Subpart F. .

- A copy of the Single Audit must be electronically submitted to the Federal Audit Clearinghouse (FAC). The audit must be submitted within 30 calendar days after the auditee receives the auditor's report(s) or nine months after the end of the audit period (whichever is earlier) in accordance with 2 CFR 200.507(c)..

- If the Subrecipient is not required to have a single audit, a response to the request will be required to be provided to TDEM for documentation.

Failing to follow the regulation can result in significant adverse consequences, including any action listed in the Enforcement Section (XIV) of this agreement and in accordance with 2 CFR 200.339.

XII. Retention and Accessibility of Records

Subrecipient shall follow its own internal document retention policy, or the State's document retention policy, whichever is more restrictive. At a minimum, Subrecipient must maintain fiscal records and supporting documentation for all expenditures of this award's funds pursuant to the applicable 2 CFR § 200.334-338, TAMU System Regulation 61.99.01, and this agreement.

1. Subrecipient shall retain these records and any supporting documentation for a minimum of three (3) years from the later of the completion of this project's public objective, submission of the final expenditure report, or any litigation, dispute, or audit.

2. Records shall be retained for three (3) years after the final disposition of real estate or equipment.

3. DHS/FEMA or TDEM may direct the Subrecipient to retain documents or to transfer certain records to DHS/FEMA custody when DHS/FEMA determines that the records possess long-term retention value. If documentation is not retained in accordance with the retention requirements, the subrecipient will be liable for any costs that cannot be substantiated.

Subrecipient must give DHS/FEMA, the Comptroller General of the United States, the Texas State Auditor, TDEM, or any of its duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files, other papers, things, or property belonging to or in use by the Subrecipient pertaining to this award including records concerning the past use of DHS/FEMA funds. Such rights to access shall continue as long as the records are retained by Subrecipient.

XIII. Changes or Amendments

TDEM may modify this agreement after an award has been made. Once notification has been made in writing, any subsequent request for funds indicates Subrecipient's acceptance of the changes to this award. Any alteration, addition, or deletion to this agreement made by Subrecipient is not valid.

Any alterations, additions, or deletions to this agreement that are required by changes in federal and state laws, regulations, or policy are automatically incorporated into this agreement without written amendment to this award and shall become effective upon the date designated by such law or regulation. In the event DHS/FEMA or TDEM determines that changes are necessary to this agreement after an award has been made, including changes to the period of performance of the award, or terms and conditions, the certifying official shall be notified electronically through GMS of the changes in writing. Once notification has been made, any subsequent request for reimbursement will indicate Subrecipients acceptance of the changes to this award.

XIV. Enforcement

Should Subrecipient materially fail to comply with any term of this award or agreement, whether stated in a federal or state statute or regulation, an assurance, in a state plan or application, a notice of award, or elsewhere, TDEM or DHS/FEMA may take one or more of the following actions, as appropriate in the circumstances:

1. Increased monitoring of projects and require additional financial and performance reports;
2. Require all payments as reimbursements rather than advance payments;
3. Temporarily withhold payments pending correction of the deficiency;
4. Disallow or deny use of funds and matching credit for all or part of the cost of the activity or action not in compliance;
5. Request DHS/FEMA to wholly or partially de-obligate funding for a project;
6. Withhold cash payments pending correction of the deficiency bySubrecipient or more severe enforcement action by TDEM or DHS/FEMA;
7. Terminate this award, in whole or in part, at any time before the end of the Performance Period, if TDEM determines that Subrecipient has failed to comply with any terms of this grant (2 CFR 200.339). TDEM shall provide written notice of the termination that includes:
    a. The reason(s) for such determination;
    b. The effective date of such termination; and
    c. The scope of the termination of the award.
    d. The termination of an award is final.
8. Withhold future awards for the grant program; and
9. Take other remedies that may be legally available.

In taking an enforcement action, TDEM will adhere to any administrative proceeding to which Subrecipient is entitled under any statute or regulation applicable to the action involved, and where TDEM, as the recipient, is obligated to follow.

Costs incurred by Subrecipient during a suspension or after the termination of this award are not allowable costs.

The enforcement remedies identified in this section, including suspension and termination, do not preclude Subrecipient from being subject to "Debarment and Suspension" under Executive Order 12549.

XV. Conflicts of Interest

Subrecipient must maintain and provide upon request written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts, and must establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain. (2 CFR 200.112 and 2 CFR 200.318(c))

XVI. Closing of this Award

TDEM will close each subaward after receiving all required final documentation from Subrecipient. If the close-out review and reconciliation indicate that the Subrecipient is owed additional funds, TDEM will send the final payment automatically to the Subrecipient. If Subrecipient did not use all the funds received, TDEM will recover the unused funds. This does not affect:

- DHS/FEMA or TDEM's right to disallow costs and recover funds on the basis of a later audit or other review;
- Subrecipient's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
- Records retention requirements, property management requirements, and audit requirements, as set forth herein; and
- Any other provisions of this award that impose continuing obligations on Subrecipient or that govern the rights and limitations of the parties to this award after the expiration or termination of this award.

XVII. Notices

All notices and other communications pertaining to this agreement shall be delivered in electronic format and shall be transmitted in TDEM's Grant Management System, hereinafter referred to as "GMS". TDEM reserves the right to use other delivery avenues as needed.

XVIII. TDEM's Grants Management System

TDEM requires the use of the TDEM's Grants Management System (GMS) for Subrecipient grant management functions. Subrecipients are required to use GMS for all grant-related functions as required by TDEM unless written authorization from

TDEM is given. Requested forms and processes may be adjusted and changed to accommodate GMS processes and requirements.

Subrecipient agrees to monitor GMS as necessary to properly manage and complete awarded projects under this agreement. Paper forms and email requests to initiate grant management functions within GMS are not accepted unless an alternative process has been pre-approved by TDEM as indicated above.

XIX. Performance Period

The performance period for this award is listed on the subaward letter for each project. All projects must be completed within the performance period and within the approved budget. Subrecipient shall have expended all award funds and must submit final requests for reimbursements, invoices, and any supporting documentation to TDEM no later than 30 calendar days after the end of the performance period. TDEM is not obligated to reimburse expenses incurred after the performance period or submitted after the deadline.

From time to time, the performance period for grants may be extended by TDEM. These extensions do not change the established performance periods for Subrecipients to submit final requests for reimbursements, invoices, and any supporting documentation.

1. All work must be completed prior to the approved project completion deadline assigned to each project.
   a. For Public Assistance projects written at 100% complete, documentation must be submitted within 60 days of the Recovery Scoping Meeting (or DHS/FEMA process equivalent).
   b. For projects not written at 100% complete for both Hazard Mitigation and Public Assistance awards, documentation must be submitted within 30 days of the work completion date.
2. Should additional time be required to complete a project, a time extension request must be submitted in GMS in advance to TDEM which:
   a. Identifies the projects requiring an extension;
   b. Explains the reason for an extension;
   c. Indicates the percentage of work that has been completed;
   d. Provides an anticipated completion date;
   e. Provides detailed milestones documenting expected progress.

The reason for an extension must be based on extenuating circumstances, or unusual project requirements that are beyond the control of Subrecipient. Failure to submit a time extension request 90 days prior to the end of the existing period of performance may result in denial, reduction, or withdrawal of federal funds for approved work. In some circumstances, a request for a project extension may extend beyond the period of performance between TDEM and DHS/FEMA, and so a request for an extension must be approved first by the federal agency before TDEM has authority to approve an extension for a Subrecipient.

XX. Cost/Scope Modification

Any change to a project's approved scope of work must be reported and approved through TDEM and DHS/FEMA before starting the project. Failure to do so will jeopardize award funding.

Subrecipient shall submit requests for cost overruns to TDEM for review. Any requests sent for a Public Assistance project will be submitted to DHS/FEMA for review and approval. Approval of these requests is not guaranteed and is subject to funding availability. Costs incurred prior to the approval of any scope or budget/cost changes may be denied.

XXI. Final Expenditures Report

The Project Completion and Certification Report (P4) must be submitted to TDEM within 60 calendar days of all approved work being completed for each project. If any project requires the purchase of insurance as a condition of receiving federal funds, a copy of the current policy must be attached to this report and the Applicant's Attestation for Duplication of Benefits (DOB) form certifying that other funds were received to complete the project.

XXII. Net Small Project Overrun

If the total actual cost of all of a Subrecipient's Public Assistance small projects combined exceeds the total obligated for all small projects, the Subrecipient may request additional funding through the appeal process, within 60 calendar days of the latest work completion date of all its Small Projects, as described in the Public Assistance Program and Policy Guide. A net small project overrun appeal will require a review of all small projects and could result in a reduction of funding.

XXIII. Appeals

1. Public Assistance

   In the event that Subrecipient does not agree with the determinations made by DHS/FEMA, Subrecipient has the right to file an appeal. This appeal must be submitted in GMS by initiating a New Project Appeal, attaching documented justification supporting Subrecipient's position, specifying the monetary figure in dispute and the provisions in federal law, regulation, or policy with which Subrecipient believes the initial action was inconsistent. Additionally, for disasters declared on or after January 1, 2022, Subrecipients must submit appeals using DHS/FEMA's Grants Portal system, in addition to GMS. An appeal must be submitted by Subrecipient within the following time frames:

a. Any DHS/FEMA determination – 60 calendar days from the written notice of the determination being made.

b. Second Appeal – 60 calendar days from the written notice of the determination made on the previous appeal.

Appeals should be addressed to the TDEM's Division Chief of Recovery and should contain additional information that the Subrecipient wants to have considered. Upon receipt of an appeal from Subrecipient, TDEM will review the material submitted and forward the appeal with a written recommendation to DHS/FEMA within 60 calendar days.

For presidentially declared disasters on or after January 1, 2016, the Subrecipient may choose to arbitrate in lieu of submitting a second appeal. The arbitration program is designed to offer an alternate second appeal process by providing final adjudication through an independent, neutral panel of arbitrators for particular PA projects involving a dispute equal to or in excess of $500,000 (or $100,000 if the Subrecipient is in a "rural area", defined as having a population of less than 200,000 living outside an urbanized area) and must be filed within 60 calendar days of receipt of the first appeal decision. For specific information, refer to 44 CFR § 206.206.

2. Hazard Mitigation

In the event that Subrecipient does not agree with the determinations made by DHS/FEMA, Subrecipient has the right to file an appeal. This appeal must be submitted in GMS by initiating a New Project Appeal, attaching documented justification supporting the Subrecipient's position, specifying the monetary figure in dispute, and the provisions in federal law, regulation, or policy with which the Subrecipient believes the initial action was inconsistent. An appeal must be submitted by Subrecipient within the following time frames (44 CFR § 206.440):

a. Any DHS/FEMA or TDEM determination – 60 calendar days from the date of the determination of the appeal written on the DHS/FEMA letter;

b. Second Appeal – 60 calendar days from the written notice of the determination made on the previous appeal. The decision of the Second Appeal is final and not subject to arbitration.

Appeals must be addressed to the State Hazard Mitigation Officer (SHMO) and should contain additional information, in accordance with Hazard Mitigation Assistance (HMA) guidance, that the Subrecipient wants to have considered by DHS/FEMA. Upon receipt of an appeal from Subrecipient, TDEM will forward the appeal to DHS/FEMA within 60 calendar days.

XXIV. Requests for Reimbursement and Advance of Funds

Subrecipient will request payment of funds on projects by initiating a request for reimbursement (RFR) in GMS or an advance of funds request (AFR) through GMS. The request must include documentation supporting the request.

Payments for open projects must be requested at least quarterly if expenditures have been made in that quarter. If payment is not requested quarterly, Subrecipient is subject to enforcement mechanisms described in the Enforcement section (XIV) of these terms and conditions. Additional monitoring may be required of Subrecipients if funds are advanced.

Small projects will be paid upon completion of work and submission of all necessary closeout documentation to TDEM. Due to the increase in the maximum small project amount, the Subrecipient may require an Advance of Funds to pay the eligible costs of the approved project scopes of work. The small project threshold is adjusted with each federal fiscal year.

Should the Subrecipient have an active receivable on any grant administered by TDEM, TDEM may choose not to process an advance of funds until the receivable is resolved or another arrangement is made.

XXV. Quarterly Report Requirements

Subrecipients must submit quarterly progress reports (QPR) for open, large projects in Public Assistance, all Hazard Mitigation Grant Program, Building Resilient Infrastructure and Committees (BRIC), and Pre-Disaster Mitigation Grant projects using GMS. QPRs are due to TDEM the 15th of the month after the reporting period ends. The reporting periods consist of four 3-month periods:

a. Quarter 1 (Q1): October – December

b. Quarter 2 (Q2): January – March

c. Quarter 3 (Q3): April – June

d. Quarter 4 (Q4): July – September

Failure to submit required QPRs that demonstrate appropriate project progress for two or more quarters, or Requests for Reimbursement (RFR) not submitted quarterly, can result in the withholding or de-obligation of funding for Subrecipient until all QPRs are submitted to TDEM, as outlined in XIV Enforcement of these terms and conditions.

TDEM may use the data provided in QPRs when considering requests for overruns, period of performance extensions, or any other award activity. If projects are not progressing, TDEM may require additional reporting or may take any other appropriate action to comply with the required standards.

XXVI. Equipment Records

When an individual item of equipment is no longer required for federally funded programs or projects, Subrecipient must calculate the current fair market value of the individual item. If items have a fair market value of more than $10,000 per unit, Subrecipient must report the equipment to TDEM. TDEM will work with DHS/FEMA to provide the Subrecipient with appropriate disposition instructions. For full rules and regulations regarding equipment, reference 2 CFR 200.313.

XXVII. FEMA Grants Portal and FEMA GO

In addition to TDEM's Grants Management System, Subrecipient may also utilize the required DHS/FEMA grant management systems; however, the TDEM GMS system is the official system of record. The FEMA Public Assistance Delivery Model, or Simplified Application process, is used to facilitate the writing of project worksheets in FEMA's Grants Portal system (Portal). Subrecipient must establish and maintain an active account in the Portal. It is the Subrecipient's responsibility to provide and upload all requested information in a timely manner, which is needed to write accurate project worksheets. The Portal provides the Subrecipient with visibility of the entire project writing process.

The FEMA Grant Outcomes (FEMA GO) platform is used to facilitate the application, tracking, and management of Hazard Mitigation Grant Programs (HMGP) including Building Resilient Infrastructure and Communities (BRIC), and additional programs anticipated in the future. The Subrecipient is responsible for requesting and maintaining an active account in FEMA GO and responding in a timely manner to any information requested to complete the award process.

The use of FEMA's Grants Portal and FEMA GO does not eliminate the requirement to use TDEM's Grants Management System.

XXVIII. Indirect Cost Rates

Subrecipient may use the negotiated Indirect Cost Rate approved by its cognizant agency, or may use the 15 percent de minimis rate of modified total direct costs (MTDC) (as per 2 CFR § 200.414) when receiving Management Costs.

XXIX. Request for Information

TDEM and/or DHS/FEMA may request additional information from Subrecipient throughout the life cycle of this grant. This process, Request for Information, is herein referred to as RFI. DHS/FEMA RFIs may be received directly from TDEM's Grants Management System (GMS), FEMA systems (FEMA Grants Portal & FEMA GO), DHS/FEMA employees, or indirectly through TDEM representatives. DHS/FEMA RFI timeframes may vary, but due dates are always communicated upon transmission of the RFI. The TDEM RFI policies can be found in Exhibits G & H.

Exhibits

Exhibit A: Assurance – Non-Construction Programs

(See Standard Form 424B)

As the duly authorized representative of applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C.§§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the

basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of

underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

Exhibit B: Assurances – Construction Programs

(See Standard Form 424D)

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.

4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.

5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

10. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title

VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681, 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29) U.S.C.§794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statue(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statue(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.

14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality

control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).

18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

Exhibit C: Certifications for Grant Agreements

The undersigned, as the authorized official, certifies the following to the best of his/her knowledge and belief:

1. No federal appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee or a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any 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 or a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL Disclosure of Lobbying Activities, in accordance with its instructions.

3. The undersigned shall require that the language of this certification prohibiting lobbying be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance wasplaced when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subjectto a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

4. As required by Executive Order 12549, Debarment and Suspension, and implemented at 28 CFR Part 67, for prospective participants in primary covered transactions, as defined at 28 CFR Part 67, Section 67.510. (Federal Certification), the Subrecipient certifies that it and its principals and vendors:

   a. Are not debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency. Subrecipientcan access debarment information by going to www.SAM.gov and the State Debarred Vendor List;

   b. Have not within a three-year period preceding this grant been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) withcommission of any of the offenses enumerated in paragraph (D)(2) of this certification;

d. Have not within a three-year period preceding this grant had one or more public transactions (federal, state, or local)terminated for cause or default; or

e. Where Subrecipient is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this grant. (Federal Certification).

5. Federal funds will be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the same purpose. Subrecipient may be required to supply documentation certifying that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

6. Subrecipient will comply with 2 CFR Part 180, Subpart C as a condition of receiving grant funds and Subrecipient will require such compliance in any subgrants or contract at the next tier.

7. Subrecipient will comply with the Drug-free Workplace Act, 2 CFR Part 3001.

8. Subrecipient is not delinquent on any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129, "Policies for Federal Credit Programs and Non-Tax Receivables."and form SF-424, item number 20 for additional information and guidance.

9. Subrecipient will comply with all applicable requirements of all other federal laws, executive orders, regulations, program andadministrative requirements, policies and any other requirements governing this grant.

10. Subrecipient understands that failure to comply with any of the above assurances may result in suspension, termination orreduction of funds in this grant.

Exhibit D: State of Texas Assurances

As the duly authorized representative of Subrecipient, I certify that Subrecipient:

1. Shall comply with Texas Government Code, Chapter 573, by ensuring that no officer, employee, or member of the Subrecipient's governing body or of the Subrecipient's contractor shall vote or confirm the employment of any person related within the second degree of affinity or the third degree of consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years, or such other period stipulated by local law, prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.

2. Shall ensure that all information collected, assembled, or maintained by the Subrecipient relative to a project will be available to the public during normal business hours in compliance with Texas Government Code, Chapter 552, unless otherwise expressly prohibited by law.

3. Shall comply with Texas Government Code, Chapter 551, which requires all regular, special, or called meetings of governmental bodies to be open to the public, except as otherwise provided by law or specifically permitted in the Texas Constitution.

4. Shall comply with Section 231.006, Texas Family Code, which prohibits payments to a person who is in arrears on child support payments.

5. Shall not contract with or issue a license, certificate, or permit to the owner, operator, or administrator of a facility if the Subrecipient is a health, human services, public safety, or law enforcement agency and the license, permit, or certificate has been revoked by another health and human services agency or public safety or law enforcement agency.

6. Shall comply with all rules adopted by the Texas Commission on Law Enforcement pursuant to Chapter 1701, Texas Occupations Code, or shall provide the grantor agency with a certification from the Texas Commission on Law Enforcement that the agency is in the process of achieving compliance with such rules if the Subrecipient is a law enforcement agency regulated by Texas Occupations Code, Chapter 1701.

7. Shall follow all assurances. When incorporated into a grant award or contract, standard assurances contained in the application package become terms or conditions for receipt of grant funds. Administering state agencies and Subrecipients shall maintain an appropriate contract administration system to ensure that all terms, conditions, and specifications are met. 2 CFR 200.300, 2 CFR 200.325(c)(2), and 2 CFR 200.332

8. Shall comply with the Texas Family Code, Section 261.101, which requires reporting of all suspected cases of child abuse to local law enforcement authorities and to the Texas Department of Child Protective and Regulatory Services. Subrecipient shall also ensure that all program personnel are properly trained and aware of this requirement.

9. Shall comply with all federal statutes relating to nondiscrimination. These include but are not limited to:

   (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color, or national origin;

   (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;

   (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps and the Americans with Disabilities Act of 1990 including Titles I, II, and III of the Americans with Disability Act which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities, 42 U.S.C. §§ 12101-12213;

   (d) the Age Discrimination Act of 1974, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;

   (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;

   (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to the nondiscrimination on the basis of alcohol abuse or alcoholism;

   (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290dd-3 and 290ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;

   (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental, or financing of housing;

   (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and

   (j) the requirements of any other nondiscrimination statute(s) which may apply to this grant.

10. Shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally assisted construction subagreements.

11. Shall comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91- 646), which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

12. Shall comply with the provisions of the Hatch Political Activity Act (5 U.S.C. §§7321-29), which limit the political activity of employees whose principal employment activities are funded in whole or in part with Federal funds.

13. Shall comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act and the Intergovernmental Personnel Act of 1970, as applicable.

14. Shall insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA (EO 11738).

15. Shall comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234. Section 102(a) requires the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition proposed for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards.

16. Shall comply with environmental standards which may be prescribed pursuant to the following:

    (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO 11514);

    (b) notification of violating facilities pursuant to EO 11738;

(c) protection of wetlands pursuant to EO 11990;

(d) evaluation of flood hazards in floodplains in accordance with EO 11988;

(e) assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);

(f) conformity of federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1977, as amended (42 U.S.C. §§7401 et seq.);

(g) protection of underground sources of drinking water underthe Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and

(h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

17. Shall comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

18. Shall assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

19. Shall comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) which requires the minimum standards of care and treatment for vertebrate animals bred for commercial sale, used in research, transported commercially, or exhibited to the public according to the Guide for Care and Use of Laboratory Animals and Public Health Service Policy and Government Principals Regarding the Care and Use of Animals.

20. Shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.), which prohibits the use of lead-based paint in the construction or rehabilitation of residential structures.

21. Shall comply with the Pro-Children Act of 1994 (Public Law 103-277), which prohibits smoking within any portion of any indoor facility used for the provision of services for children.

22. Shall comply with all federal tax laws and are solely responsible for filing all required state and federal tax forms.

23. Shall comply with all applicable requirements of all other federal and state laws, executive orders, regulations, and policies governing this program.

24. And its principals are eligible to participate and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state, or local governmental entity and it is not listed on a state or federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement have Exclusions listed at www.SAM.gov.

25. Shall adopt and implement applicable provisions of the model HIV/AIDS workplace guidelines of the Texas Department of Health as required by the Texas Health and Safety Code, Ann., Sec. 85.001, et seq.

Exhibit E: Environmental Review

As the duly authorized representative of Subrecipient, I certify that Subrecipient:

1. Shall assess its federally funded projects for potential impact to environmental resources and historic properties.

2. Shall submit any required screening form(s) as soon as possible and shall comply with deadlines established by TDEM. Timelines for the Environmental Planning and Historic Preservation (EHP) review process will vary based upon the complexity of the project and the potential for environmental or historical impact.

3. Shall include sufficient review time within its project management plan to comply with EHP requirements. Initiation of any activity prior to completion of FEMA's EHP review will result in a non-compliance finding and TDEM will not authorize or release Grant funds for non-compliant projects.

4. As soon as possible upon receiving this grant, shall provide information to TDEM to assist with the legally required EHP review and to ensure compliance with applicable EHP laws and Executive Orders (EO) currently using the FEMA EHP Screening Form OMB Number 1660-0115/FEMA Form 024-0-01 and submitting it, with all supporting documentation, to TDEM for review. These EHP requirements include but are not limited to the National Environmental Policy Act, the National Historic Preservation Act, the Endangered Species Act, EO 11988 – Floodplain Management, EO 11990 – Protection of Wetlands, and EO 12898 – Environmental Justice. Subrecipient shall comply with all Federal, State, and local EHP requirements and shall obtain applicable permits and clearances.

5. Shall not undertake any activity from the project that would result in ground disturbance, facility modification, or purchase and use of sonar equipment without the prior approval of FEMA. These include but are not limited to communications towers, physical securityenhancements involving ground disturbance, new construction, and modifications to buildings.

6. Shall comply with all mitigation or treatment measures required for the project as the result of FEMA's EHP review. Any changes to an approved project description will require re-evaluation for compliance with EHP requirements before the project can proceed.

7. If ground disturbing activities occur during project implementation, Subrecipient shall ensure monitoring of ground disturbance and if any potential archeological resources are discovered, Subrecipient shall immediately cease construction in that area and notify FEMAand the appropriate State Historical Preservation Office.

Exhibit F: Additional Grant Certifications

Public Assistance and Hazard Mitigation Program Grant (HMGP)

1. Match Certifications

   Subrecipient certifies that it has the ability to meet or exceed the cost share required for all subawards (projects) and amendments (versions) under this Grant Agreement. All matching funds must be documented in compliance with 2 CFR 200.306.

2. Duplication of Program Statement

   Subrecipient certifies there has not been, nor will be, a duplication of benefits for this project Match Certification.

3. Federal Debt Disclosure

   Subrecipient certifies that it is not delinquent on any Federal debt.

Hazard Mitigation Program Grant (HMGP) Only

1. Maintenance Agreement

   Applicant certifies that there is a Maintenance Agreement needed for this facility and that a copy of that agreement will be provided to TDEM.

2. Environmental Justice Statement

   Federal Executive Order 12898 compliance requirements – If there are any concentrations of low-income or minority populations in or near the HMGP projects:

   a. Applicant certifies that the HMGP project result will not result in a disproportionately high effect on low-income or minority populations, or

   b. Applicant certifies that actions will be taken to ensure environmental justice for low income and minority populations related to this HMGP project.

Exhibit G: Request for Information Procedure

Timelines for providing complete and accurate information and documentation are crucial to the success of the overall Grant Program and to the timely completion and closure of awarded projects. TDEM has developed a framework following a progressive series of communications for the Subrecipient, referred to as Request for Information (RFI). TDEM will work with Subrecipients throughout the RFI process as communication is the key to success.

This policy will be applied to Public Assistance and Hazard Mitigation projects for management and closeout activities after obligation. This policy will address non-responsive and inadequate responses to requests for information. TDEM at any point may compress timelines for RFI responses due to other factors such as audit deadlines, grant award deadlines or other deadlines imposed by the awarding/auditing agency. Although the timeline outlines milestones to be completed, nothing limits the ability of TDEM from sending communications.

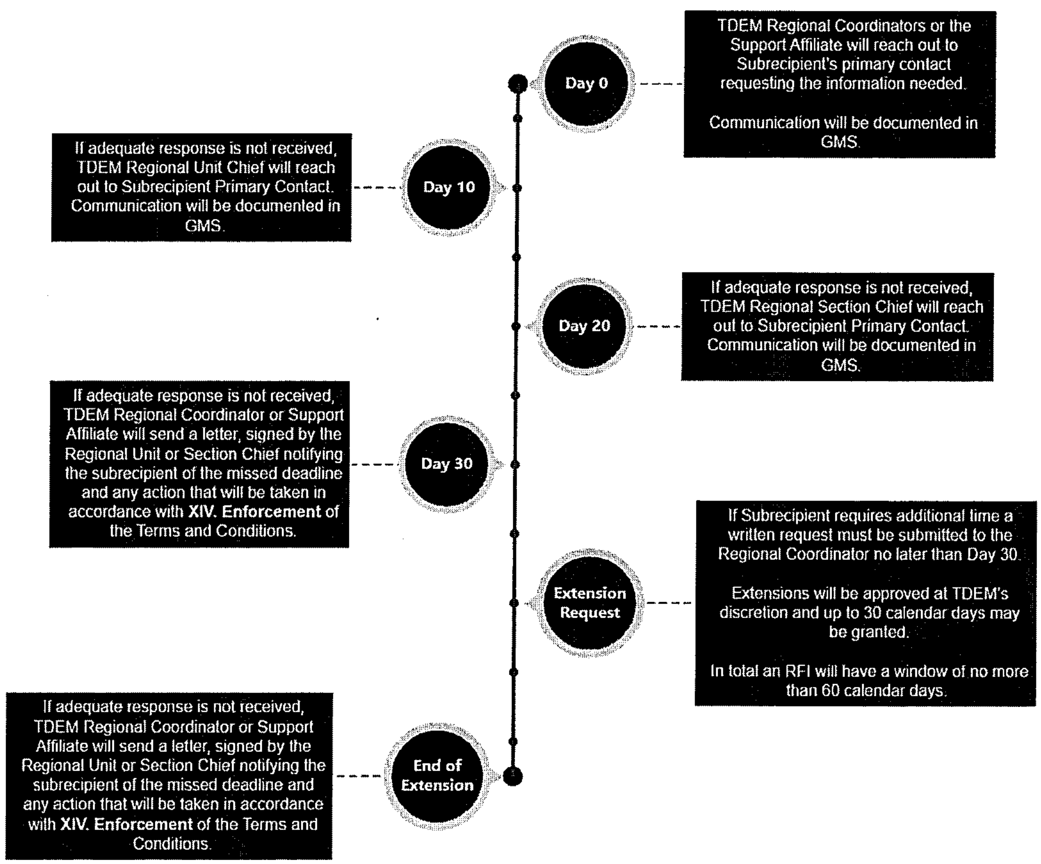


Exhibit H: Hazard Mitigation Application Request for Information Procedure

Timelines for providing complete and accurate information and documentation are crucial to the success of the overall Grant Program and to the timely obligation of projects. TDEM has developed a framework following a progressive series of communications for the Subrecipient, referred to as Request for Information (RFI). TDEM will work with Subrecipients throughout the RFI process as communication is the key to success.

This policy will be applied to Hazard Mitigation projects for management activities pre-obligation. This policy will address non-responsive and inadequate responses to requests for information. The timeline outlined below represents a single, 15-day calendar period beginning from TDEM's first review of the Subrecipient's application. Failure to supply timely responses could result in dismissal of the application or award submission. Although the timeline outlines milestones to be completed, nothing limits the ability of TDEM from sending communications.

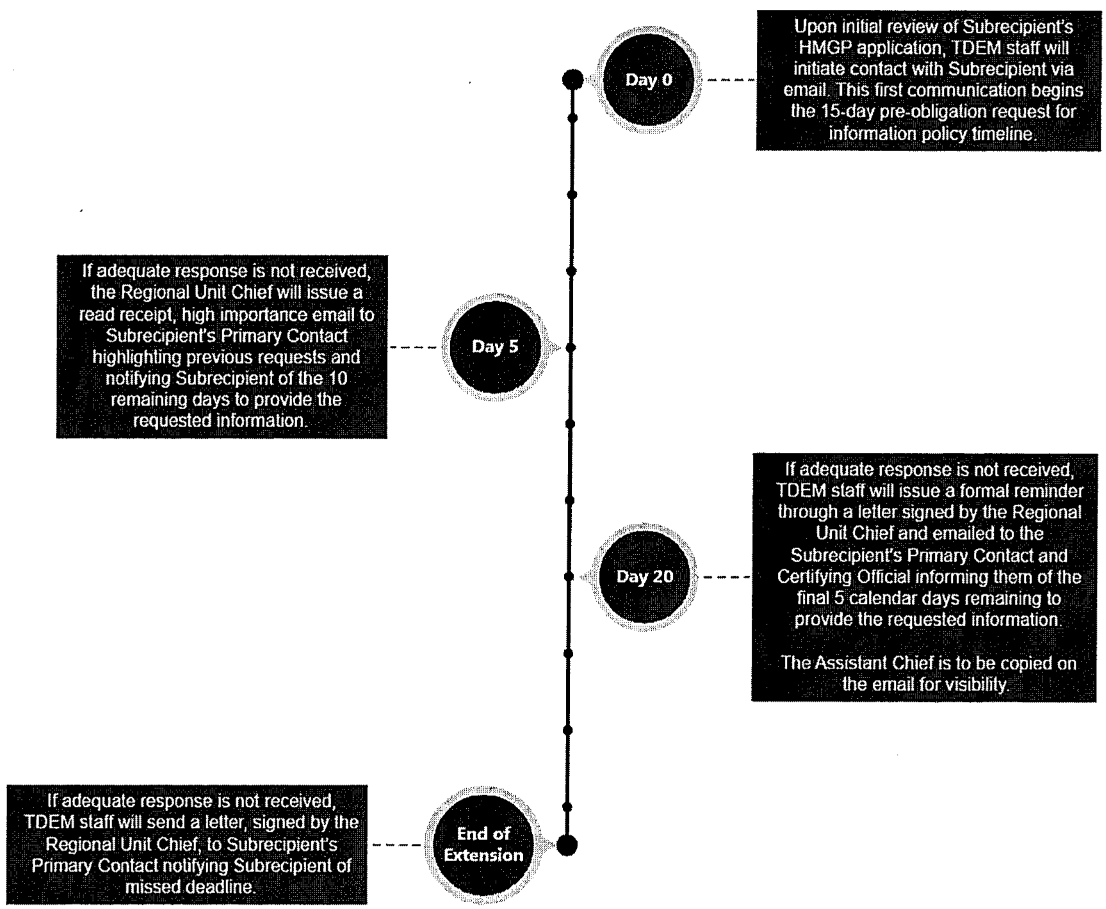


Exhibit I: Recoupment of Funds

Procedure Summary

1. This procedure is to ensure responsible spending of federal dollars, 2 CFR 200.428 and 2 CFR 200.305 require that the State of Texas and the Texas Division of Emergency Management (TDEM) act to identify and recover any improper payments.

2. This procedure applies to all Subrecipients that receive funds from or through TDEM and explains the process by which funding to Subrecipients will be recovered in the event that such funding is determined to be an overpayment or is not expended appropriately under the terms and conditions between TDEM and the Subrecipient and/or applicable FEMA program, statue, regulations, or guidance.

3. The federal dollars described in this policy are passed through TDEM, which serves as the Governor's authorized representative for the federal grants described in these Terms and Conditions. Any amount of debt owed to the federal government is ultimately the responsibility of the State of Texas, not specifically the responsibility of TDEM..

Procedure

1. Applicability of Recoupment

    1.1. This procedure will be applied to Subrecipients that have been determined by TDEM to have received an overpayment or that TDEM determines has not spent federal funds in accordance with their approved grant award.

2. Subrecipient's Responsibilities

    2.1. Subrecipients are required to sign Grant Terms and Conditions prior to receipt of funds that stipulate Subrecipients shall refund to TDEM any sum that has been determined by TDEM to be an overpayment to Subrecipient or that TDEM determines has not been spent by Subrecipient in accordance with their grant or financial award.

    2.2. No refund payment(s) shall be made from local, state or federal grant funds unless repayment with grant funds is specifically permitted under the applicable program.

    2.3. Subrecipients shall make such refund to TDEM within thirty (30) calendar days after TDEM requests such refund.

3. TDEM Collection Actions

3.1. Upon determination that a Subrecipient has received an overpayment or has not expended funds in accordance with the grant or fiscal award, the following steps will be taken:

3.1.1. First Formal Communication: A recoupment letter will be sent to the Subrecipient's Authorized Agent(s) highlighting the amount of federal funds owed, electronic transfer information, and the requirement to repay the amount within thirty (30) calendar days.

3.1.1.1. The communication will be sent using electronic mail to the designated agent identified in the grant/funding application, and;

3.1.1.2. Posted in TDEM's Grants Management System (GMS).

3.1.2. TDEM will confirm receipt of the recoupment letter by either receiving a written confirmation from the Subrecipient or making documented verbal contact with the Subrecipients designated agent, mayor, or county judge as applicable.

3.1.3. If the Subrecipient fails to make repayment of the amount identified in the recoupment letter within thirty (30) business days of receipt of the letter, TDEM may offset an applicant's owed funds against current available funding due to applicant unless an agreement to return funding is reached with the applicant as approved by TDEM.

3.1.4. If the repayment is not made, TDEM shall send an additional notice to the Subrecipient by electronic mail and posted to GMS within forty-five (45) calendar days after the first letter was sent and then confirm receipt of the recoupment letter by either receiving a written confirmation from the Subrecipients designated agent, mayor, or county judge as applicable. This letter will indicate the amount of funds that have been transferred to offset the amount due and remaining balance or will confirm if offset will occur. In addition, the letter will contain information related to recoupment options that may be taken in accordance with section 3.2 Delinquent Accounts.

If the repayment is not made after the second letter, TDEM shall send a third notice to the Subrecipient by electronic mail and posted to the GMS within forty-five (45) calendar days after the second letter was sent and then confirm receipt of the recoupment letter by either receiving a written confirmation from the Subrecipients designated agent, mayor, or county judge as applicable. This letter will indicate the amount of funds that have been transferred to offset the amount due and remaining balance or will confirm if offset will occur. In addition, the letter will contain information related to recoupment options that may be taken in accordance with section 3.2 Delinquent Accounts.

3.1.5. If the Subrecipient fails to make repayment of the amount identified in the recoupment letter or enter an agreement to repay the funding to TDEM within one hundred twenty (120) calendar days from the date that the original recoupment letter was sent, TDEM will take any and all authorized actions to withhold funding for other grants, including issuing a State Comptroller Warrant Hold and/or referring the matter to the attorney general. TDEM shall notify the Subrecipient of any such decision.

3.2. Delinquent Accounts

3.2.1. Delinquency Determination

3.2.1.1. If a Subrecipient fails to make repayment of the amount identified in the recoupment letter or enter an agreement approved by TDEM to repay the funding with TDEM within 120 calendar days from the date the original recoupment letter was sent, TDEM may determine that the account is delinquent.

3.2.1.2. At TDEM's sole discretion, TDEM may authorize payment plans that fully reimburse the full amount owed over a one to ninemonth period not to exceed the end of the grant period. From time to time, variances in approved timelines may occur based on the phase of the grant process and other timelines determined by FEMA such as periods of performance and closeout liquidation periods.

3.2.1.3. Should a Subrecipient enter into a payment plan and then fail to make more than one timely payment, the payment plan shall be considered invalid, and the full balance shall be due within 30 calendar days. If payment is not made within 30 calendar days, the actions contained within Section 3.1.7 and Section 3.2.

3.2.2. Warrant Hold Process

3.2.2.1. Once TDEM has determined that the debt is delinquent, TDEM may utilize the state comptroller's warrant hold process to ensure payments are not issued to the individual or entity that is indebted to the state.

3.2.3. Referral to the Attorney General

3.2.3.1. Once the account is determined to be delinquent, TDEM may determine whether to refer the account to the Attorney General through the System Office of the General Counsel.

3.2.3.2. The determination as to the manner in which to pursue the collection of the account must consider the following:

3.2.3.2.1. The size of the debt;

3.2.3.2.2. The existence of any security or collateral;

3.2.3.2.3. The likelihood of collection through passive means;

3.2.3.2.4. The cost to TDEM or the Attorney General in attempting to collect the obligation; and

3.2.3.2.5. The availability of resources within TDEM or the Attorney General to devote to the collection of the obligation.

3.2.3.3. Upon a determination to refer to the Attorney General, TDEM shall notify the Subrecipient of the delinquency status of the account, including the amount in no more than two mailed letters.

3.2.3.3.1. The first demand letter shall be mailed USPS First Class Mail within 30 calendar days after the debt has been determined delinquent and an Attorney General referral is desired.

3.2.3.3.2. The second demand letter shall be mailed USPS First Class Mail between 30-60 calendar days after the first demand letter was mailed if repayment of the amount has not occurred.

3.2.3.4. If TDEM determines that it will refer the matter to the Attorney General, it shall, through the System Office of the General Counsel, notify the Attorney General by 90 calendar days after the first demand letter was sent.

3.3. TDEM shall maintain copies of all communications with the Subrecipients regarding the recoupment of the grant or financial award funding.

4. TDEM's Ability to Remedy

Nothing in this procedure shall limit TDEM's ability to implement alternative remedies for which it has authority to resolve outstanding recoupments.

Nothing in this policy shall prohibit TDEM from immediately taking any recoupment action after the first thirty (30) calendar day notice has been issued requesting repayment.

Related Statutes, Policies, or Requirements

- Texas A&M University System Regulation 21.01.04
- 1 Tex. Admin. Code Section 59.2
- Tex. Gov't Code Section 403.055
- Tex. Gov't Code Chapter 2107
- Texas A&M University System Office Collection and Write-off Guidance
- Texas A&M University System Regulation 09.04.01

Grant Acknowledgement, Agreement and Signature

Please provide your signature next to each item in acknowledgement you have received, read, understand, and agree to abide by the terms.

I, ______________________ , the undersigned and Certifying Official of
Printed Name

______________________ certify
Subrecipient Entity Name

that I have read and understand each section of the TDEM Terms and Conditions. My signatures below serve as Subrecipient agreement to comply with all laws, rules, regulations, and policy presented herein.

______________________________ Signature	Agreement Authority
______________________________ Signature	Agreement (Section I – XXIX)
______________________________ Signature	Exhibit A: Assurance – Non-Construction Programs
______________________________ Signature	Exhibit B: Assurance – Construction Programs
______________________________ Signature	Exhibit C: Certifications for Grant Agreements
______________________________ Signature	Exhibit D: State of Texas Assurances
______________________________ Signature	Exhibit E: Environmental Review Certification
______________________________ Signature	Exhibit F: Additional Grant Certifications

______________________ Signature	Exhibit G: Request for Information Procedure
______________________ Signature	Exhibit H: Hazard Mitigation Application Request for Information Procedure
______________________ Signature	Exhibit I: Recoupment of Funds

Please sign below to acknowledge Subrecipient's acceptance of this grant and all exhibits and Subrecipient's agreement to abide by all terms and conditions.

______________________________ ______________

Signature of Certifying Official **Date**

______________________________ ______________

Printed Name **Title**

FEDERAL EMERGENCY MANAGEMENT AGENCY
HAZARD MITIGATION GRANT PROGRAM
Project Management Report

Disaster Number	FEMA Project Number	Amendment Number	App ID	State	Recipient
4798	**109 - F**	**0**	**216**	**TX**	**Statewide**

Subrecipient: Kingsville
FIPS Code: 273-39352

Project Title : City of Kingsville Fire Station 2 Generator

Mitigation Project Description

Amendment Status : Approved

Approval Status: Approved

Project Title : City of Kingsville Fire Station 2 Generator

Recipient :	Statewide	**Subrecipient :**	Kingsville
Recipient County Name :	Kleberg	Subrecipient County Name :	Kleberg
Recipient County Code :	273	Subrecipient County Code :	273
Recipient Place Name :	Kingsville	Subrecipient Place Name :	Kingsville
Recipient Place Code :	0	Subrecipient Place Code :	39352
Project Closeout Date :	00/00/0000		

Work Schedule Status

Amend #	Description	Time Frame	Due Date	Revised Date	Completion Date
0	Signing Grant Agreement	1 to 90	00/00/0000	00/00/0000	00/00/0000
0	Purchase Generators	1 to 90	00/00/0000	00/00/0000	00/00/0000
0	Delivery of Generators	1 to 90	00/00/0000	00/00/0000	00/00/0000
0	Installation of Generators	91 to 271	00/00/0000	00/00/0000	00/00/0000
0	Operation and Maintenance Training	271 to 360	00/00/0000	00/00/0000	00/00/0000
0	Project Closeout	271 to 360	00/00/0000	00/00/0000	00/00/0000
0	FEMA Project Closeout	271 to 362	00/00/0000	00/00/0000	00/00/0000

Approved Amounts

Total Approved Net Eligible	Federal Share Percent	Total Approved Federal Share Amount	Non-Federal Share Percent	Total Approved Non-Fed Share Amount
$18,972.44	75.000000000	$14,229.33	25.00000000	$4,743.11

Allocations

Allocation Number	IFMIS Status	IFMIS Date	Submission Date	FY	ES/DFSC Support Req ID	ES/DFSC Amend Nr	Proj Alloc Amount Fed Share	Subrecipient Management Cost	Total Alloc Amount
5	A	05/11/2026	05/11/2026	2026	22657993		$14,229.33	$948.62	$15,177.95
						Total	$14,229.33	$948.62	$15,177.95

Obligations

Action Nr	IFMIS Status	IFMIS Date	Submission Date	FY	SFS Support Req ID	SFS Amend Number	Suppl Nr	Project Obligated Amt - Fed Share	Subrecipient Management Cost	Total Obligated Amount
1	A	05/11/202	05/11/2026	2026	22658477	0	6	$14,229.33	$948.62	$15,177.95
							Total	$14,229.33	$948.62	$15,177.95

FEDERAL EMERGENCY MANAGEMENT AGENCY
HAZARD MITIGATION GRANT PROGRAM
Project Cost Line Report

Project Cost Line Item Report

Disaster Number: 4798 State: TX FEMA Proj Nr: 109 - F Application ID: 216 Project Amendment Nr: 0

Do not Include Administrative Cost. These are calculated when funds are obligated for approved projects.

------------------ Item Name ------------------------	Unit Qty	Unit of Measure	Unit Cost	Cost Estimate
26kW Generac fixed Natural Gas Generator	1	LS	$6,429.00	$6,429.00
RXGW20SHA 200 Amp Single Phase ATS	1	EA	$2,737.99	$2,737.99
GenPad precast concrete pad, shipping, deliv	1	EA	$1,899.00	$1,899.00
Contingency 5%	1	EA	$903.45	$903.45
Installations, electrical labor, wiring, propane (	1	LS	$5,699.00	$5,699.00
Surge Protector	1	LS	$295.00	$295.00
Permits, inspection	1	EA	$595.00	$595.00
Electric footage	23	EA	$18.00	$414.00
			Total Project Cost Estimate	**$18,972.44**

FEDERAL EMERGENCY MANAGEMENT AGENCY

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project ID: HMGP-4798-0109-TX (1)

Title: City of Kingsville Fire Station 2 Generator

NEPA DETERMINATION

Non Compliant Flag:	No	**EA Draft Date:**		**EA Final Date:**	
EA Public Notice Date:		**EA Fonsi Date:**		**Level:**	CATEX
EIS Notice of Intent Date:		**EIS ROD Date:**			

Comments: Utilizing Hazard Mitigation Grant Program (HMGP) funds, City of Kingsville proposes to install an emergency standby power generator at Fire Station #2 located at 525 North Armstrong Avenue Kingsville, TX 78363 (27.521200, -97.877900). The project includes installing an appropriately sized generator, monitoring, control and alarm capabilities, natural gas piping, and automatic transfer switches. This will ensure continuous operations and enhance community safety during power outages.

This project has been determined to be Categorically Excluded from the need to prepare either an Environmental Impact Statement or Environmental Assessment in accordance with FEMA Instruction 108-1-1 and DHS Instruction 023-01-001-01; CATEX N18. Particular attention should be given to the project conditions before and during project implementation. Failure to comply with these conditions may jeopardize federal assistance including funding.
- bunderw2 - 03/03/2026 16:46:41 GMT

CATEX CATEGORIES

Catex Category Code	Description	Selected
*n18	(*n18) Federal Assistance for Construction or Installation of Structures, Facilities, or Equipment to Ensure Continuity of Operations. Federal assistance for the construction or installation of measures for the purpose of ensuring the continuity of operations during incidents such as emergencies, disasters, flooding, and power outages involving less than one acre of ground disturbance. Examples include the installation of generators, installation of storage tanks of up to 10,000 gallons, installation of pumps, construction of structures to house emergency equipment, and utility line installation. This CATEX covers associated ground disturbing activities, such as trenching, excavation, and vegetation removal of less than one acre, as well as modification of existing structures.	Yes

EXTRAORDINARY CIRCUMSTANCES

Extraordinary Circumstance Code	Description	Selected ?
	No Extraordinary Circumstances were selected	

ENVIRONMENTAL LAW / EXECUTIVE ORDER

Environmental Law/ Executive Order	Status	Description	Comments
Clean Air Act (CAA)	Completed	Project will not result in permanent air emissions - Review concluded	
Coastal Barrier Resources Act (CBRA)	Completed	Project is not on or connected to CBRA Unit or otherwise protected area - Review concluded	

NOTE: All times are GMT using a 24-hour clock.

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project ID: HMGP-4798-0109-TX (1)

Title: City of Kingsville Fire Station 2 Generator

Environmental Law/ Executive Order	Status	Description	Comments
Clean Water Act (CWA)	Completed	Project would not affect any water of the U.S. - Review concluded	
Coastal Zone Management Act (CZMA)	Completed	Project is not located in a coastal zone area and does not affect a coastal zone area - Review concluded	
Executive Order 11988 - Floodplains	Completed	No effect on floodplain/flood levels and project outside floodplain - Review concluded	Per Flood Insurance Rate Map (FIRM) panel 48273C0095E, dated 3/17/2014, the project is located outside the 100-year floodplain, special flood hazard area and the activity does not adversely affect floodplain values. - bunderw2 - 03/03/2026 16:48:45 GMT
Executive Order 11990 - Wetlands	Completed	No effects on wetlands and project outside wetlands - Review concluded	A review of the National Wetland Inventory (NWI) online mapper, accessed on 02/19/2026, for the site indicates that the area is not located within, nor does it affect a designated wetland. - bunderw2 - 03/03/2026 16:49:00 GMT
Endangered Species Act (ESA)	Completed	Listed species and/or designated critical habitat present in areas affected directly or indirectly by the federal action	
	Completed	No effect to species or designated critical habitat (See comments for justification) - Review concluded	
Farmland Protection Policy Act (FPPA)	Completed	Project does not affect designated prime or unique farmland - Review concluded	
Migratory Bird Treaty Act (MBTA)	Completed	Project located within a flyway zone	
	Completed	Project does not have potential to take migratory birds - Review concluded	
Magnuson-Stevens Fishery Conservation and Management Act (MSA)	Completed	Project not located in or near Essential Fish Habitat - Review concluded	
National Historic Preservation Act (NHPA)	Completed	Applicable executed Programmatic Agreement. Activity meets Programmatic Allowance (enter date and # in comments) - Review concluded	The scope of work has been reviewed and meets the criteria in Appendix B - Programmatic Allowances, Tier II; Section D.2.a of FEMA's Programmatic Agreement (PA) dated March 16, 2022. In accordance with this PA, FEMA is not required to determine the National Register eligibility of properties where work performed meets the Appendix B criteria. - smcgove2 - 03/02/2026 14:25:03 GMT
Resource Conservation and Recovery Act, aka Solid Waste Disposal Act (RCRA)	Completed	Review concluded	
Wild and Scenic Rivers Act (WSR)	Completed	Project is not along and does not affect Wild and Scenic River - Review concluded	

NOTE: All times are GMT using a 24-hour clock.

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project ID: HMGP-4798-0109-TX (1)

Title: City of Kingsville Fire Station 2 Generator

CONDITIONS

Special Conditions required on implementation of Projects:

Unusable equipment, debris and material shall be disposed of in an approved manner and location. In the event significant items (or evidence thereof) are discovered during implementation of the project, applicant shall handle, manage, and dispose of petroleum products, hazardous materials and toxic waste in accordance to the requirements and to the satisfaction of the governing local, state and federal agencies.

Source of condition: Resource Conservation and Recovery Act, aka Solid Waste Disposal Act (RCRA) Monitoring Required: No

Standard Conditions:

Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.

This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize federal funding.

If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.

AGENDA ITEM #8

CITY OF KINGSVILLE
FIRE DEPARTMENT

Budget Amend.

TO: Mayor and City Commissioners

CC: Charlie Sosa, City Manager

FROM: Juan J. Adame, Fire Chief

DATE: 8/11/2026

SUBJECT: New Station 2 Generator, Hurricane Beryl Grant #4798(HMGP)

Summary:
The Kingsville Fire Department has been awarded the HMGP Hurricane Beryl, FEMA DR-4798 Grant to replace the generator for fire station 2.

Background:
The Kingsville Fire Department (KFD) is involved in the prevention and mitigation of multiple hazards. Having well maintained and operable station generators is crucial in having the ability to provide emergency services. The current Fire Department's station 2 generator was manufactured on 2/6/2004 making over 21 years old. Being beyond its intended life span, the unit is growing obsolete due to increasing maintenance needs, associated repair costs and undependability. In response, we are requesting a new generator through grant funding. TDEM's HMGP funding will be used for the sole purpose of purchasing a state-of-the-art 26Kw stand-alone generator that will replace the current aged unit. The new generator will be used for powering the station's utilities, apparatus, radio systems and equipment in the event of a loss of power. The application will request $18,972.44 for the purchase, delivery, installation of the new generator and associated labor costs. Please place this item on the next available agenda. Thank you for your assistance regarding this matter.

Financial Impact:
The Severe Storms HMGP4798 grant requires the City to provide a 25% cost share at $4,743.11. The remaining $14,229.33 will be provided through federal resources. The grant is a reimbursement type grant. We are requesting $18,972.44 in costs for the new generator.

Recommendation:
We would request a resolution approving the acceptance of this grant via the TDEM grants portal by the grantee's authorized official as designated by the City Manager, Chief J. J. Adame.

City of Kingsville TEXAS

ORDINANCE NO. 2026-______

AN ORDINANCE AMENDING THE FISCAL YEAR 2025-2026 BUDGET TO APPROPRIATE FUNDING FOR THE HURRICANE BERYL GRANT #4798(HMGP) AWARDED FOR THE PURCHASE OF A REPLACEMENT GENERATOR FOR FIRE STATION 2.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2025-2025 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#38

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
Fund 601 – Hurricane Beryl Grant #4798					
Revenues					
0000	Non Dept	Federal Grants	72005	$14,229.33	
0000	Non Dept	Transfer from Fund 001	75001	$4,743.11	
Expenditures					
2200	Fire	Machinery & Equipment	71200	$18,972.44	
Fund 001 – General Fund					
6900	Transfers	Transfer to Fund 601	80601	$4,743.11	
1030	City Special	Budget Amend Reserve	86000		$4,743.11

[To amend the City of Kingsville FY 25-26 budget to appropriate funding for the Hurricane Beryl Grant #4798(HMGP) awarded for the purchase of a replacement generator for Fire Sation 2. Funding for the City's 25% match will come from the General Fund Budget Amendment Reserve accounts.

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 24th day of August, 2026.

PASSED AND APPROVED on this the 8th day of September, 2026.

EFFECTIVE DATE:____________________

____
Sam R. Fugate, Mayor

ATTEST:

____
Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

____
Courtney Alvarez, City Attorney

AGENDA ITEM #9

City of Kingsville
Police Department

TO: Mayor and City Commissioners

CC: Charlie Sosa, City Manager

FROM: John Blair, Chief of Police

DATE: 8/6/2026

SUBJECT: Consider Approval of a Memorandum of Understanding with GBGC, LLC d/b/a Gulf Coast GunBusters for Firearm Destruction Services.

Summary:
The Kingsville Police Department respectfully requests City Commission approval of a Memorandum of Understanding (MOU) with GBGC, LLC d/b/a Gulf Coast GunBusters to provide secure destruction services for court-authorized firearms held by the Police Department.

Background:
The Kingsville Police Department maintains firearms that have been seized, confiscated, surrendered, or otherwise lawfully acquired and authorized for disposal by court order. The proposed MOU establishes a process for the secure transportation and destruction of these firearms using a specialized firearm pulverization system that complies with applicable ATF requirements. Under the agreement, GunBusters will provide transportation, destruction, and documentation services, including a signed affidavit of destruction and individual video documentation for each firearm destroyed.

The agreement has an initial term of one year with automatic annual renewals for up to three years unless terminated by either party with 30 days' written notice.

Financial Impact:
There is no anticipated fiscal impact to the City under the standard no-cost firearm destruction program.

Recommendation:
Staff recommends approval of the Memorandum of Understanding between the City of Kingsville and GBGC, LLC d/b/a Gulf Coast GunBusters and authorizes the Chief of Police to execute the agreement on behalf of the City.

GULF COAST

GUNBUSTERS®

FIREARMS PULVERIZER

Q&A About Firearms Destruction

1. *Is this service really and totally FREE for the agency?*

Yes, it is totally free, there is no charge. Our revenue is generated from the salvage and scrap material.

2. *Are you licensed by any federal or state agency?*

Yes, we are licensed by the Bureau of ATF for the purposes of interstate transport. We are also licensed as an LLC in Louisiana to do business. For the possession of NFA and DEFACED serials we are authorized, in writing, from ATF and are given 7 days from receipt to destroy the Defaced serials. We do *NOT* sell any firearms to anyone at any time.

3. *How do you destroy a firearm?*

The best and proper way (in my opinion) to destroy firearms is using the GunBusters patented system that utilizes video attached to the American Pulverizer machine that completely destroys the firearms using over 16,000 lbs of force. This machine weighs over 6,000 lbs and is made of heavy-duty steel that can handle the force necessary to crush and pulverize any firearm.

4. *Do you pickup the firearms or do we have to ship or deliver to you?*

Yes, we will pick them up. We try to keep it to a minimum of 50 firearms but can also be worked with multiple agencies in your area if you do not have the minimum. In special circumstances we will also make accommodations for less than 50 on a case by case basis. You are more than welcome to bring the firearms to us if you would like to inspect the facility. It is open to all law enforcement. We do NOT recommend shipping only because of the security protocols. I do not feel comfortable with this method, but it can be used if absolutely necessary.

5. *What is required of us to complete the process?*

We have a Memorandum of Understanding that needs to be signed and at the time of pickup we have an agency receipt that shows the number of guns being picked up. The other and rather important document is our Excel file that needs to be filled in prior to our arrival. This file gives us a chance to review and make any corrections and more importantly is what is used to import the data into our ATF Bound Book for record keeping.

6. *What do we get from you after the Firearms Destruction is complete?*

After we are complete with the destruction process and have made any and all corrections you will receive from us a signed affidavit listing of all firearms attesting to their destruction and DVD(s) containing the Individual Video of each and every firearm that has been destroyed. This DVD is searchable by either the serial number or your case number. So, if you give us 100 firearms you will receive 100 separate videos for cataloging purposes. We will also keep a backup copy if the need should ever arise that your agency would need another copy.

7. *How long does it take for the destruction process?*

That solely depends on our current workload and the number of firearms you send to us. We can normally do approximately 100 guns per week.

8. *Do you destroy anything other than firearms?*

Yes, we will destroy computer hard drives, cell phones, knives, swords, BB guns, license plates and other miscellaneous items that can fit into the machine. These items are typically NOT video recorded but can be if the agency requests it. Currently we do NOT do narcotics.

9. *What if a firearm is so badly rusted that we cannot verify if there is a loaded round in the chamber?*

Not a problem. Just notify us of the particular firearm(s) that may be loaded, and we will handle accordingly. If a firearm is put into the machine loaded and somehow discharges it is in a contained module and will be rendered safe. Although this is not recommended as a normal process.

10. *Do you take items that are classified as "Bio-Hazard" or with blood and residue still on them?*

Yes, but they need to be marked in such a way and contained (bagged, boxed, etc.) so that we can readily identify them. We will decontaminate the affected items prior to destruction so as not to contaminate the surrounding areas.

11. *How secure is your transport? What are your protocols?*

We do have strict security protocols and backup critieria in place for transport. However, due to the nature of what we do we cannot discuss this in an open forum for obvious security reasons. This is a topic we cover in person with the individual agencies.

GULF COAST
GUNBUSTERS®
FIREARMS PULVERIZER

Tim Heinzen, Owner
o: 337.345.6164 | c: 337.316.2963
P.O. Box 250 | Carencro, La .70520
timh@gulfcoastgunbusters.com
www.gulfcoastgunbusters.com

RESOLUTION #2026-________

A RESOLUTION AUTHORIZING THE CHIEF OF POLICE TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF KINGSVILLE POLICE DEPARTMENT AND GBGC, LLC D/B/A GULF COAST GUNBUSTERS; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Kingsville (City) finds it in the best interest of the citizens of Kingsville, that the City enter into a Memorandum of Understanding between the Kingsville Police Department ('Department") and GBGC, LLC d/b/a Gulf Coast Gunbusters ("Gunbusters") for the destruction of guns; and

WHEREAS, the Police Department confiscates, collects, seizes and maintains weapons for various legitimate law enforcement purposes and houses said weapons; and

WHEREAS, the Department has legal authority pursuant to Texas State law and the Kleberg County 105th Judicial District Court and the Kleberg County Court at Law to request that weapons being maintained and stored in the Department's property holding area be disposed of once various procedures and safeguards have been met; and

WHEREAS, the Kingsville Police Department has been approached by Gunbusters to assist with the disposition of such weapons as Gunbusters offers a Firearms Pulverizer system for law enforcement agencies to safely and efficiently destroy seized and surrendered firearms; and

WHEREAS, there is no cost to the City to participate in the agreement; and

WHEREAS, the parties have come to an agreement and now request the City Commission authorize the City of Kingsville Chief of Police to execute a Memorandum of Understanding between the Kingsville Police Department and GBGC, LLC d/b/a Gulf Coast Gunbusters.

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Commission of the City of Kingsville authorizes the City of Kingsville Chief of Police to execute a Memorandum of Understanding between the Kingsville Police Department and GBGC, LLC d/b/a Gulf Coast Gunbusters, as per the attached.

II.

THAT this Resolution shall be and become effective on or after adoption.

PASSED AND APPROVED by a majority vote of the City Commission the 24th day of August, 2026.

____

Sam R. Fugate, Mayor

ATTEST:

____

Mary Valenzuela, City Secretary

APPROVED AS TO FORM

____

Courtney Alvarez, City Attorney

MEMORANDUM OF UNDERSTANDING

BETWEEN

City of Kingsville, TX. Police Department **(Agency)**

AND

GBGC, LLC d/b/a Gulf Coast Gunbusters (Gunbusters)

WHEREAS, the City of Kingsville Police Department ("Agency") confiscates, collects, seizes and maintains weapons for various legitimate law enforcement purposes and houses said weapons in its Property Division; and

WHEREAS, Agency may condemn and dispose of said weapons pursuant to court orders through the Kleberg County District Court and the Kleberg County Court at Law (Court); and

WHEREAS, Agency has legal authority pursuant to Texas (state) State law and the Kleberg County District Court & the Kleberg County Court at Law (Court) to request that weapons being maintained and stored in Agency's Property Division be disposed of once various procedures and safeguards have been met; and

WHEREAS, Agency has been granted legal authority and permission to dispose of said weapons; and

WHEREAS, GBGC, LLC., d/b/a Gulf Coast Gunbusters ("GunBusters") offers a Firearms Pulverizer system for law enforcement agencies intent on safely and efficiently destroying seized and surrendered firearms.

WHEREAS, GunBusters has been in business since 2016, is well established, and conducts business transactions with various law enforcement agencies throughout the United States; and,

WHEREAS, Agency desires to enter into an arrangement with GunBusters in order to safely and efficiently destroy seized and surrendered firearms; and

WHEREAS, no money will be exchanged or reimbursed as a result of the destruction of the firearms. In the event the agency prefers a complete firearm destruction with NO parting allowed then refer to the section on pricing.

NOW, THEREFORE, Agency desires to enter into this Memorandum of Understanding as follows:

AGENCY AGREES TO:

1. Provide a Microsoft Excel spreadsheet to GunBusters at least ten (10) days prior to transfer of the firearms. The spreadsheet will contain at least the following fields: Make, Model, Caliber or Gauge, Serial Number, Action, Evidence Number.

2. Assign a designee(s) to work with a GunBusters representative to ensure that the inventory of weapons is accurate;

3. Provide Gunbusters with a signed authorization form that will authorize Gunbusters to act as an agent for the Agency for the sole purpose & authority to transport, house and destroy the designated firearms by pulverization.

GUNBUSTERS AGREES TO:

1. Destroy confiscated and surrendered firearms for the Agency by pulverization with the understanding that GunBusters will sell salvaged parts and scrap metals. Unless the Agency opts for full and complete destruction with no "parting" allowed. Refer to section on pricing.

2. Arrange for current or retired law enforcement/military officers to pick up and securely transport the firearms to their destruction center located in Lafayette, La. GunBusters agrees to provide an inventory receipt to Agency representatives and assume full responsibility for said firearms;

3. Within **30** days of pick up from the Agency, GunBusters will destroy firearms by pulverization per Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) guidelines the serialized frame or receiver and provide Agency with a signed affidavit of GunBusters' destruction record and a DVD documenting the video destruction of each individual frame or receiver. In the case of obliterated or non-serialized (pre-1968 rifles and shotguns) firearms, the record will document Agency's evidence or file number, along with GunBusters' record number assigned to each firearm. Gunbusters will destroy all defaced serials within 7 days of pick up or upon verification of defaced, whichever is later, per ATF Variance requirements.

RELEASE OF LIABILITY:

GBGC, LLC shall be responsible for acts or omissions of its personnel. GunBusters agrees to release and forever discharge the City of Kingsville, TX (Gov. Entity) and the City of Kingsville Police Department (Agency), their agents, servants and employees and their heirs, successors, executors, administrators and assigns of and from any and all claims, demands, damages, actions, causes of action, or suits at law or in equity of whatever kind or nature for or because of any matter or thing done, omitted or suffered to be done prior to and including the date of the execution of this release or in the future on account of any damages both to person or property.

TERM: The term of this Memorandum of Understanding is for a period of one (1) year from the effective date of this Agreement and may be automatically renewed annually for a maximum of 3 years.

Liability: Each Party shall not be bound by any action taken by the other party in good faith in the exercise of the powers and authority conferred upon such party under this Agreement. The parties are not jointly and severally liable for any tort, contractual liability, misfeasance or malfeasance, violation of civil or criminal laws, or any other action arising out of, or in relation to, this Agreement.

Prohibition on Boycotting Israel: Pursuant to Section 2270.002 of the Texas Government Code, by executing this Agreement GunBusters verifies that GunBusters: (1) does not boycott Israel; and (2) will not boycott Israel during the term of this Agreement.
Prohibition Against Business with Iran, Sudan or Foreign Terrorists Organizations: GunBusters warrants, covenants, and represents that GunBusters is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152 of the Texas Government Code.

Arbitration: Any civil action concerning any dispute arising out of this Agreement may, upon agreement of both parties, be submitted to arbitration under the auspices of the American Arbitration Association in the State of Agency. Such arbitration shall be conducted in accordance with the Commercial Arbitration Rules of that association before a single arbitrator. The parties agree that the venue for any arbitration or litigation shall be the state courts located therein, or the United States District Court of the state in which the Agency is primarily located, as per the relevant jurisdictional or choice of venue requirements.

Entire Agreement: This Agreement constitutes the entire agreement between Gunbusters and the Agency pertaining to the subject matter contained herein, and supersedes all prior agreements, representations, warranties and understanding of the parties.

Termination: This Agreement may be terminated by written request of either of the Parties hereto. Any Party may elect to terminate its participation in this Agreement by providing thirty (30) days prior written notice to the other Party hereto.

Auto Renewing Contract: This contract will auto renew each year but for no more than 3 consecutive years maximum after which time it will expire. Each party still retains the right to cancel at any time pursuant to the TERMINATION clause stated in this contract.

Execution in Counterpart: The Agreement may be executed in two (2) counterparts, each of which shall be taken on to be an original. The parties hereto, intending to be bound, have signed this Agreement as of the date and year as written below.

Pricing and Terms: For Agencies requesting a complete destruction service with no "parting" allowed the pricing is as follows with payments terms within 10 days of completion. Payment may be made via Check, Credit Card or ACH. If by Credit Card a 4% surcharge may be applied.

PLEASE SELECT ONE OPTION BELOW:

✓ ***FREE SERVICE For services per our default parting allowance)***

○ ***PAID SERVICE (see next page for pricing)***

Pricing and Terms for PAID SERVICE previously selected, Cont'd:

1. Firearms at **$95.00** each
2. Knives, swords, BB Guns and Misc items at **$4.50** each with no recording. (●)
3. Knives, swords, BB Guns and Misc items at **$12.00** each with recording. ( )
4. Transportation/Personnel Fee at **$1.85** per mile at **0** miles from our location.

____________________ Signature for acceptance of above terms.

John Blair Print Name

WITNESS:

GBGC, LLC, A Louisiana
Limited Liability Company

____

BY: ____________________ Date: ________
Tim Heinzen
Owner

WITNESS:

City of
Kingsville Police Department (Agency)

____

BY: ____________________ Date: ________

John Blair, Police Chief (Print Name & Title)

AGENDA ITEM #10

AGENDA ITEM #11

AGENDA ITEM #12