

Notice of Regular Meeting

April 13, 2026, 5:00 p.m.

City Council Chamber, 3947 Lincoln Ave., Groves, TX



City Council

Notice is given that the Groves City Council will hold a regular meeting in person on the date, time, and location listed above. Live streaming of the meeting is available for viewing at <https://us02web.zoom.us/j/85302678940> or by scanning the QR code to the right. The City Council welcomes citizen participation at all City Council meetings on any agenda items within the limitations of law and decorum. City Council may adjourn into Executive Session to deliberate any agenda item listed if the matter for discussion meets an exception for Executive Session under Texas Government Code Chapter 551. The City Council may also deliberate in public on any item that is listed on the agenda for Executive Session.



Opening Agenda

1. Call meeting to order.
2. Prayer.
3. Pledge of Allegiance.
4. Roll Call.
5. Welcome and recognition of guests and news media.
6. Reports from Mayor, Council Members, or city staff.
7. Citizen comments.

Regular Agenda

8. Deliberate and act on the minutes of the March 23, 2026, City Council Meeting.
9. Receive the minutes of the April 6, 2026, Planning and Zoning Meeting.
10. Deliberate and act on the approval of a replat at 6394 32nd Street, legal description TRACTS 10-A and 9-A, 0.6393 Acres of Land, Replat of all of Lot 10 and Part of Lot 9, BLK 1 Val Verde Gardens, also known as JCAD property ID 108660.
11. Hear and deliberate on the presentation of the FY2024-2025 audit.
12. Deliberate and act to amend Ordinance 2026-05, by adding Sec. 24(c), prescribing that all \$26,000,000 from the sale of the Series 2026 Certificates of Obligation be deposited into an encumbered fund.
13. Deliberate and act on a contract with Soutex Surveyors and Engineers for Project No. 25-0067, a.k.a. 25th Street Sewer Bottleneck.
14. Deliberate and act on construction of a disc golf course at John Spikes and West Groves Parks, and accepting sponsorship from Groves Equipment Rental Company.
15. Deliberate and act on Ordinance No. 2026-07, suspending the rates proposed by Texas Gas Service Company's March 10, 2026, Gas Reliability Infrastructure Program Filing.
16. Deliberate and act on the April 13, 2026, Invoice List.
17. Deliberate on presentation and on-site viewing of Acadian Ambulance Service's AMBUS Multi-Patient Vehicle in the driveway between the Activity Building and City Hall, with the meeting reconvening in the Council Chamber following the site visit.

Executive Session

18. City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:
 - a. Section 551.071 (1) (A) – Consultation with Attorney when the governmental body seeks the advice of its attorney about pending or contemplated litigation.
19. Reconvene into open session.

Closing Agenda

20. Hear and deliberate on Council Member comments.

21. Adjourn

Special Accommodations

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact City Clerk Clarissa Thibodeaux at (409) 960-5773 or cthibodeaux@cigrovestx.com at least three days before the meeting.

Certification

I certify that the above notice of meeting was posted on the bulletin board and front door of City Hall, 3947 Lincoln Avenue, on April 7, 2026, at _____AM/PM.

City of Groves

City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: City Manager Agenda Item No. 8

Title for Item (same as to be placed on Agenda): Deliberate and act to approve the minutes of the March 23, 2026, City Council Meeting.

Party(ies) requesting placement of this item on the agenda: Clarissa Thibodeaux, City Clerk

Submitted to City Manager's Office on: Date: 4/6/26 Time: 3:15 p.m. By: C. THIBODEAUX

Explanation of Item: _____

Deadline for Approval: Immediately.

Staff Recommendation: Approval of minutes, as presented.

Alternative (if any) for consideration: _____

Identify any attachments to this document: March 23, 2026, City Council Minutes.

Minutes.
Specific Council Action Requested: None (Information item only) _____ Motion X
Ordinance – Number _____ Resolution – Number _____ Other – Specify: _____
Signed: _____ Date: _____ Approved: [Signature] Date: 04/08/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO
If yes, specify account no. _____ If no, explain and identify intended funding source: _____

PAYMENT REQUEST

Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item
(if applicable): \$ _____ Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO
If yes, explain _____

A regular meeting of the Groves City Council was held on March 23, 2026, at 5:00 p.m. in the Groves City Council Chamber with Mayor Chris Borne, Mayor Pro Tem Rae Shauna Gay, Councilmember Mark McAdams, Councilmember Charles Chelette, and Councilmember Brandon Holmes in attendance. Mayor Borne called the meeting to order and welcomed the attendees. Councilmember Holmes then led the prayer and pledge of allegiance.

Mayor Borne asked for reports, and City Manager Kevin Carruth wanted to let the Council know that two Fridays ago, the City submitted a request for congressional earmarks totaling \$1 million to continue our pipe-bursting program. Mr. Carruth then stated that earmarks were stopped a number of years ago and resumed two years ago. This year is different from the last two years, when they basically put a million-dollar limit on applications, which is a good thing because it will help fund many smaller projects rather than a handful of very big ones. There were no other reports.

Mayor Borne then asked for citizen comments, and there were none.

DELIBERATE AND ACT ON THE MINUTES OF THE MARCH 9, 2026 CITY COUNCIL MEETING: Councilmember Chelette moved to approve the minutes of the March 9, 2026, City Council Meeting as written, and Councilmember McAdams seconded. Mayor Borne asked for questions, and there were none. Motion passed unanimously.

DELIBERATE AND ACT TO EXERCISE AN OPTION TO EXTEND FOR THREE YEARS THE TERM OF THE AGREEMENTS FOR DEBRIS REMOVAL SERVICE WITH CERES ENVIRONMENTAL SERVICES, INC., AND CROWDERGULF, AND FOR DISASTER DEBRIS MONITORING AND CONSULTING SERVICES WITH DEBRISTECH, FROM JULY 1, 2026, THROUGH JUNE 30, 2029: Councilmember Holmes made a motion to deliberate and act to exercise an option to extend for three years the term of the Agreements for debris removal service with Ceres Environmental Services, Inc., and Crowdergulf, and for disaster debris monitoring and consulting services with DebrisTech, from July 1, 2026, through June 30, 2029. Mayor Pro Tem Gay seconded. City Manager Kevin Carruth stated that two years ago, the three Mid-County cities went together and issued an RFP for these services, which is something we have done in the past. These firms were selected, and the first two-year term is coming due, but there is a two-year option to extend for three additional years. Staff's recommendation is to take the 3-year option to extend through June 30, 2029, which has no additional cost. Mayor Borne asked when we last had to use a debris removal company, and Public Works Director Troy Foxworth stated that the last time we had to use any company was during Hurricane Harvey. Finance Director stated that the company the city had a problem with was a different

company that took all of their trucks and went to Florida, and that's when Ceres came in and helped us. Councilmember Chelette asked if this is a contractual obligation, and Mr. Carruth stated that it is. Councilmember Holmes asked whether the other two neighboring cities are in the process of entering into the same agreement, and Mr. Carruth stated that staff in those cities are also making the same recommendation. There were no further questions, and the motion passed unanimously.

DELIBERATE AND ACT ON RESOLUTION 2026-12, ESTABLISHING A FEE FOR THE ISSUANCE AND RENEWAL OF HOME OCCUPATION SIGN PERMITS: Mayor Pro Tem Gay made a motion to deliberate and act on Resolution 2026-12, and Councilmember Holmes seconded. City Manager Kevin Carruth stated that at the last City Council Meeting, the Council adopted the ordinance providing for the home occupation business signs. The ordinance did call for a permit fee and a renewal fee; this proposed resolution would implement that fee. Councilmember Holmes asked whether there is a citation for anyone without a valid permit, and Mr. Carruth stated that it would be a Class C misdemeanor. Councilmember Chelette asked who would be responsible for monitoring the home occupation sign permits, and Mr. Carruth stated that code enforcement would be in charge. There were no further questions, and the motion passed unanimously.

DELIBERATE AND ACT ON AUTHORIZING A CUSTOMER-SIDE SHUTOFF VALVE PROGRAM FOR RESIDENTIAL WATER CUSTOMERS: Mayor Pro Tem Gay made a motion to deliberate and act on authorizing a customer-side shutoff valve program for residential water customers, and Councilmember McAdams seconded. City Manager Kevin Carruth stated that the water meter replacement program will have us at the residences changing out the water meters, and most of the homes here do not have a customer-side shut-off valve. So anytime someone has a leak, they have to call the city to come turn it off, or they turn it off themselves, which violates the ordinance. During the freeze event, they also had to call us to come turn their water off, then back on again. Since we'll be there replacing their water meter, it's an opportunity to install a customer-side shutoff valve outside the meter box. The city is proposing that the customer pay for this, and the city would share 50% of the expense to incentivize participation, since it benefits both the customer and the city. Councilmember Chelette asked if the cost for the customer is \$125, and Mr. Carruth stated that would be the cost for the standard installation only. Councilmember Chelette then asked whether the \$125 charge could be paid in installments, and Mr. Carruth stated that the city is proposing that they may pay it over three billing cycles. Councilmember Holmes asked if the city's portion would be

paid for with CO, and Mr. Carruth stated that it would come out of the funding for the meter change-out, which would be the CO. Councilmember Holmes asked how we intend to get the word out to the customers regarding this, and Mr. Carruth stated that we will use direct mail. Councilmember Chelette asked if we have a timeline on when the original water meter project will begin, and Mr. Carruth stated he believes it will start in May. There were no further questions, and the motion passed unanimously.

DELIBERATE AND ACT ON THE MARCH 23, 2026, INVOICE LIST: Councilmember McAdams made a motion to deliberate and act on the March 23, 2026, invoice list in the amount of \$327,028.60, and Councilmember Chelette seconded.

INVOICES: City Manager Kevin Carruth presented invoices for payment totaling \$327,028.62 as follows:

1. ACT Pipe	42" SS repair clamp.	\$8,172.52
2. Brenntag Southwest Inc.	Brennfloc.	\$12,225.00
3. BrooksWatson & Co.	First payment for City Auditor.	\$25,000.00
4. Citibank	Purchasing cards.	\$12,494.16
5. Epic Engineering LLC	2021 GLO CLRF Grant for new SCADA System.	\$206,851.46
6. Lower Neches Valley Authority	Raw water purchased.	\$30,809.32
7. NewGen	Utility rate and transportation use fee studies.	\$11,400.02
8. Republic Services	Sludge disposal for February 2026.	\$8,076.14
9. Zencity	Yearly payment for Zencity Essentials.	\$12,000.00

Mayor Borne asked for questions. Mayor Borne then asked what Zencity does, and Mr. Carruth stated that it is a service we use to monitor our social media. They also

do survey work and some other things, but primarily monitor our social media. Mayor Borne asked whether the SCADA job is 100% complete, and Mr. Carruth stated it is. There were no further questions, and the motion passed unanimously.

CITY COUNCIL WILL HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF CHAPTER 551 OF THE TEXAS GOVERNMENT CODE, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN:

- A. SECTION 551.071 (1) (A) – CONSULTATION WITH ATTORNEY WHEN THE GOVERNMENTAL BODY SEEKS THE ADVICE OF ITS ATTORNEY ABOUT PENDING OR CONTEMPLATED LITIGATION.
- B. RECONVENE INTO OPEN SESSION.

The Council went into Executive Session at 5:21 p.m.

The Council reconvened in an Open Session at 5:25 p.m.

Mayor Borne asked for Councilmember comments. Mayor Borne asked for prayers for Haden Groves, who lost his father recently.

There was no further business, and Mayor Borne adjourned the meeting at 5:26 p.m.

Mayor

ATTEST:

City Clerk

City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: City Manager Agenda Item No. 9

Title for Item (same as to be placed on Agenda): Receive the minutes of the April 6, 2026, Planning and Zoning Meeting.

Party(ies) requesting placement of this item on the agenda: Building Official Don Pedraza

Submitted to City Manager's Office on: Date: 4/7/26 Time: 8:45 a.m. By: C. THIBODEAUX

Explanation of Item: _____

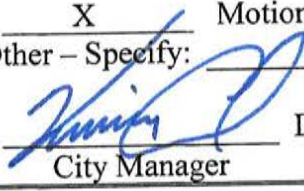
Deadline for Approval: Not an action item.

Staff Recommendation: Not an action item.

Alternative (if any) for consideration: _____

Identify any attachments to this document: Copy of the April 6, 2026, Planning and Zoning Meeting.

Specific Council Action Requested: None (Information item only) Motion _____
Ordinance – Number _____ Resolution – Number _____ Other – Specify: _____

Signed: _____ Date: _____ Approved:  Date: 04/08/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO
If yes, specify account no. _____ If no, explain and identify intended funding source: _____

PAYMENT REQUEST

Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item (if applicable): \$ _____
Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO
If yes, explain _____

**CITY OF GROVES
PLANNING AND ZONING COMMISSION WORKSHOP
APRIL 6, 2026**

The City of Groves Planning and Zoning Commission met in City Council Chamber, 3947 Lincoln Avenue, Monday, April 6, 2026, at 5:30PM.

Commissioner Campise led the Prayer and the Pledge of Allegiance.

Chairman Plokhooy asked for citizens comments:

Members Present: Chairman Plokhooy, Co-Chairman Crain, Commissioner Campise (Secretary), Commissioner Hagedorn, Ex Officio Chelette.

Absent: Commissioner Perez, Commissioner Stansbury (Alt).

Guest: Don Pedraza, Building Inspector, Mr. Kevin Carruth, City Manager, Louis Espinoza Property Owner, Juan Contreras with Gulf Coast Express Construction LLC.

Chairman Plokhooy called for citizen comments, and Louis Espinoza of 6394 - 32ND St stated he was the owner of the property to be replated. Juan Contreras stated he was with Gulf Coast Express Construction LLC.

DELIBERATE AND ACT TO APPROVE THE PLANNING & ZONING COMMISSION MINUTES OF FEBRUARY 12, 2026, AS WRITTEN: Commissioner Campise moved to approve the minutes of February 12, 2026, as written and Commissioner Crain Seconded. Chairman Plokhooy asked for questions or comments, and there were none. The motion passed unanimously.

DELIBERATE AND ACT TO ACCEPT THE REPLAT REQUEST FROM GULF EXPRESS CONSTRUCTION LLC AT 6394 - 32ND ST, GROVES, TEXAS. TRACTS 10-A & 9-A, 0.6393 ACRES OF LAND, REPLAT OF ALL OF LOT 10 AND PART OF LOT 9, BLOCK 1 VAL VERDE GARDENS, CITY OF GROVES, JEFFERSON COUNTY TEXAS, AND SEND IT TO CITY COUNCIL FOR THEIR APPROVAL:

Commissioner Crain made a motion to deliberate and act to accept the Replat Request from Louis Espinoza at 6394 - 32nd St, Groves, Texas. Tracts 10-A & 9-A, 0.6393 Acres of Land, Replat of all of Lot 10 and Part of Lot 9, Block 1 Val Verde Gardens, City of Groves, Jefferson County Texas, and send It to City Council for their approval. Chairman Plokhooy Seconded. Commissioner Crain stated all the utilities were there. Don confirmed all utilities were there. Commissioner Campise stated Juan Contreras had answered his question about the size of each lot after it has been replated. Don Stated, when it was originally plated as you can tell, on the water and sewer and other test we have from the city the lots are 60 foot width to begin with and somehow down the line, 6379 which is the new house that was rebuilt in lot 9 next to 6394, lot 10 which is where the house was at. It was somehow combined and had

Planning & Zoning Commission Workshop

April 6, 2026

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a new lot line. So now that you are changing to where each lot line, they would be the same size or relatively close to the same size. Even though one is only going to be a little shy of 60 feet. The surveying company is still calling it 60 feet. Chairman Plokhooy stated, so they are restoring it back to the original lots. Don stated, yes. There was no further discussion, and the motion passed unanimously.

NEW BUSINESS

Building Official Don Pedraza stated we have an item of new business. It is for the Food Truck Ordinance. Council is wanting to have a workshop on April 21, 2026, at 5:00pm in council chamber. Planning & Zoning Commission is asked to attend. City manager stated, just so you know what is driving this is state law will change July1, 2026 and will basically remove the city's ability to regulate food trucks except for zoning requirements. So, we need to decide if we want to zone for food trucks at all. Or if we do, what do we want to do? Chairman Plokhooy asked, do we have any other regulations on food trucks. Commissioner Campise stated, we do not have that many food trucks in our area, do we? City Manager stated, no, not in town, but our regulations set a fairly high bar. Commissioner Crain stated they are not consistent, but when it sets a high standard.

Chairman Plokhooy asked for Commissioner comments, and there were none.

There was no further business.

Adjourned 5:41PM

MAC

City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: City Manager Agenda Item No. 10

Title for Item (same as to be placed on Agenda): Deliberate and act on the approval of a replat at 6394 32nd Street, legal description TRACTS 10-A and 9-A, 0.6393 Acres of Land, Replat of all of Lot 10 and Part of Lot 9, BLK 1 Val Verde Gardens, also known as JCAD property ID 108660.

Party(ies) requesting placement of this item on the agenda: Building Official Don Pedraza

Submitted to City Manager's Office on: Date: 4/7/26 Time: 8:30 a.m. By: C. THIBODEAUX

Explanation of Item: Mr. Luis Espinoza is requesting to replat the property at 6394 32nd Street, into two separate parcels of land. The Planning and Zoning Commission reviewed the replat application at their April 6, 2026, meeting and recommends approval. The requested replat restores to their dimensions at the time the original subdivision was filed.

Deadline for Approval: Immediately.

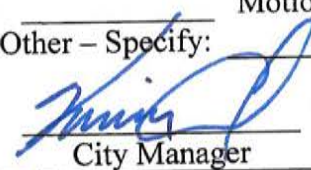
Staff Recommendation: Staff concurs with P & Z's recommendation for the Council to approve a replat of 6394 32nd Street, legal description TRACTS 10-A and 9-A, 0.6393 ACRES OF LAND, Replat of all of Lot 10 and Part of Lot 9, BLK 1 Val Verde Gardens, also known as JCAD property ID 108660.

Alternative (if any) for consideration: Deny the request.

Identify any attachments to this document: 1) aerial; 2) application; 3) transmittal letter; 4) survey; 5) replat; 6) zoning map; 7) water main map; 8) sewer main map; and 9) P&Z meeting notice.

Specific Council Action Requested: None (Information item only) Motion X

Ordinance - Number _____ Resolution - Number _____ Other - Specify: _____

Signed: _____ Date: _____ Approved:  Date: 04/09/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO
If yes, specify account no. _____ If no, explain and identify intended funding source: _____

PAYMENT REQUEST

Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item (if applicable): \$ _____
Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO
If yes, explain _____

Replat Request – 6394 32nd Street/JCAD #108660





Record Report for Replat #REPL-26-0001

Record Overview

Record Number: REPL-26-0001
Record Type: Replat
Record Status: In Progress
Record Submitted At: Wednesday March 25, 2026
Record Address: 6394 32ND ST, GROVES, TX 77619
Record Owner: Don Pedraza
Record Applicant: Stacey Garza

Form Submission

Property Address:
108660

Legal Description:
LT 9 TR 2 & LT 10 BLK 1 VAL VERDE GARDENS *

Parcel Number: 000108660

Legal Acreage: 0.634

Applicant:
SOUTEX Surveyors & Engineers, Stacey Garza
3737 Doctors Drive
Port Arthur, TX 77642
stacey@soutex.net, (409) 983-2004

Property Owner:
Gulf Express Construction Gulf Express Construction
5589 Gulfway Drive
GROVES, TX 77619
office.gulfexpressconstruction@gmail.com, (409) 454-1689

Please describe the purpose of this replat request (e.g., subdivision of lots, creation of new tracts, etc.):

The Purpose is to DIVIDE said land into 2 new Tracts for Single Family Dwelling

Number of Existing Lots/Tracts: 2

Number of Proposed Lots/Tracts: 2

Proposed Use of New Tracts (Select all that apply.): Single Family Residential

If Other, please specify.:

-

By signing below, the applicant certifies that all information provided is accurate and complete, and that the proposed replat complies with applicable City of Groves ordinances and regulations.:

Generated Documents

No documents generated

Activity History

Email April 7, 2026, 2:48pm	Subject: #REPL-26-0001 Added to City Council Meeting (Stacey Garza) (6394 32ND ST, GROVES, TX 77619) To: Stacey Garza
Meeting April 7, 2026, 2:48pm	Don Pedraza added the record to the City Council meeting scheduled for April 13, 2026 at 5:00pm
Email April 7, 2026, 2:47pm	Subject: #REPL-26-0001 New Task - Submit Scan of Signed and Recorded Plat (Stacey Garza) (6394 32ND ST, GROVES, TX 77619) To: Don Pedraza
Email April 7, 2026, 2:42pm	Subject: #REPL-26-0001 New Task - Log Meeting (Stacey Garza) (6394 32ND ST, GROVES, TX 77619) To: Don Pedraza
Email April 7, 2026, 2:25pm	Subject: #REPL-26-0001 Thank You For Your Payment (Stacey Garza) (6394 32ND ST, GROVES, TX 77619) To: Stacey Garza
Email April 7, 2026, 2:25pm	Subject: #REPL-26-0001 New Task - Log Meeting (Stacey Garza) (6394 32ND ST, GROVES, TX 77619) To: Don Pedraza
Payment April 7, 2026, 2:25pm	GULF EXPRESS CONSTRUCTION paid fees in the amount of \$25.00.
Email April 1, 2026, 2:45pm	Subject: #REPL-26-0001 Payment is Required (Stacey Garza) (6394 32ND ST, GROVES, TX 77619) To: Stacey Garza
Payment April 1, 2026, 2:45pm	System requested fees in the amount of \$25.00 on behalf of Don Pedraza.
Email April 1, 2026, 1:47pm	Subject: #REPL-26-0001 Planning & Zoning Commission Meeting Updated (Stacey Garza) (6394 32ND ST, GROVES, TX 77619) To: Stacey Garza
Email April 1, 2026, 1:39pm	Subject: #REPL-26-0001 Added to Planning & Zoning Commission Meeting (Stacey Garza) (6394 32ND ST, GROVES, TX 77619) To: Stacey Garza
Email April 1, 2026, 1:39pm	Subject: #REPL-26-0001 New Task - Add to Meeting (Stacey Garza) (6394 32ND ST, GROVES, TX 77619) To: Don Pedraza
Meeting April 1, 2026, 1:39pm	Don Pedraza added the record to the Planning & Zoning Commission meeting scheduled for April 6, 2026 at 5:30pm

Email
March 26, 2026, 8:52am

Subject: #REPL-26-0001 | New Task - Add to Meeting (Stacey Garza) (6394 32ND ST, GROVES, TX 77619)
To: Don Pedraza

Status Changed
March 26, 2026, 8:52am

From: Submitted
To: In Progress

Email
March 25, 2026, 3:13pm

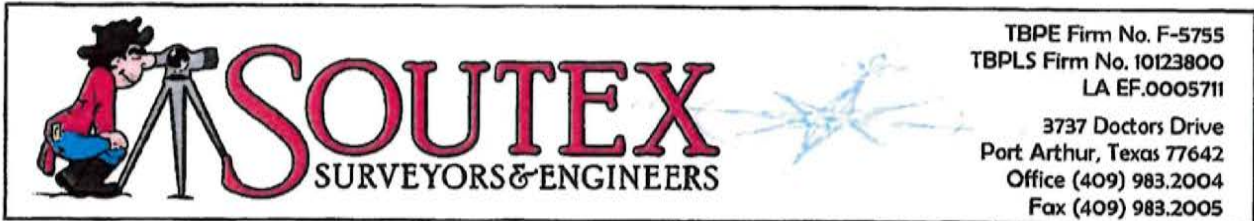
Subject: #REPL-26-0001 | Groves: Submission Received and Status Tracker (Stacey Garza) (6394 32ND ST, GROVES, TX 77619)
To: Stacey Garza

Email
March 25, 2026, 3:13pm

Subject: #REPL-26-0001 | New Task - Review Application (Stacey Garza) (6394 32ND ST, GROVES, TX 77619)
To: Don Pedraza

Record Submitted
March 25, 2026, 3:13pm

Stacey Garza submitted the application.



March 17, 2026

Don Pedraza
Director of Neighborhood Services
City of Groves
P.O. Box 846
Groves, Texas 77651

Ref: **Tracts 10-A & 9-A**, 0.6393 Acres of Land, Replat of all of Lot 10 and Part of Lot 9, Blk. 1 Val Verde Gardens, City of Groves, Jefferson County Texas.
SOUTEX Job # 26-0058

Owner Info: Gulf Express Construction LLC
5589 Gulfway Drive, Groves, Texas 77619
Luis Espinoza 409-454-1689
office.gulfexpressconstruction@gmail.com

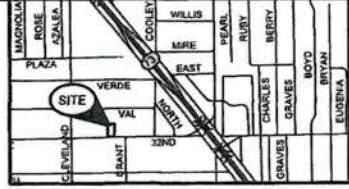
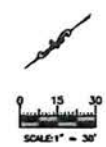
Mr. Pedraza:

Transmitted herewith is the Replat for the above referenced property located at 6394 32nd Street to be reviewed and approved at Planning & Zoning, to then be submitted to the City of Groves Council for Approval and signatures. The purpose of this replat is to take the Lots and divide into 2 new defined Tracts for a New Single Family Dwelling. If you have any questions, please call.

Thank you,

Stacey Garza
Office Specialist
Soutex Surveyors & Engineers
stacey@soutex.net
409-983-2004

FILED FOR RECORD _____ TO _____ AT _____ O'CLOCK _____ A.M.
 ROMANA ACOSTA HELLBERG, COUNTY CLERK, JEFFERSON COUNTY, TEXAS
 BY _____ RECORDED _____ TO _____ AT _____ O'CLOCK _____ A.M.
 _____ DEPUTY CLERK, JEFFERSON COUNTY, TEXAS
 RECORDED IN FILE NO. _____ OFFICIAL PUBLIC RECORDS.



TRACTS 9-A & 10-A

0.6393 ACRE OF LAND
 REPLAT OF PART OF LOT 9, AND
 ALL OF LOT 10, BLOCK 1
 VAL VERDE GARDENS
 CITY OF GROVES
 JEFFERSON COUNTY, TEXAS

OWNERSHIP CERTIFICATE

Gulf Express Construction LLC, Owner of the Property described in the above and foregoing plat of Tracts 9-A & 10-A, 0.6393 acre of land, replat of part of lot 9, and all of lot 10, block 1, Val Verde Gardens, Volume 6, Pages 41 & 42, Map Records, Jefferson County, Texas, does hereby make jurisdiction of said property and dedicate to the public use easements shown therein forever, and does hereby bind itself, its successors and assigns to warrant and forever defend the title to the land so dedicated.

Gulf Express Construction LLC
 Project # - LUG-A, EEPH00A

STATE OF TEXAS
 COUNTY OF JEFFERSON

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THE DAY PERSONALLY APPEARED LUIS A. SEPULVEDA, PRESIDENT OF GULF EXPRESS CONSTRUCTION LLC, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN SET FORTH AND ARE IN THE CAPACITY THEREIN STATED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS _____ DAY OF _____, 20____

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

MY COMMISSION EXPIRES _____ (DATE)

SURVEYOR'S CERTIFICATE

IT IS TO CERTIFY THAT I, SANDAL ALLEN CREEL, A REGISTERED PROFESSIONAL LAND SURVEYOR OF THE STATE OF TEXAS, HAVE PLATED THE ABOVE INSTRUMENT FROM AN ACTUAL SURVEY MADE ON THE GROUND, AND THAT ALL CORNERS ARE PROPERLY MARKED WITH 1/2" STEEL RODS, CAPPED "SOUTEX" UNLESS OTHERWISE NOTED ON THIS PLAT, AND THAT THE PLAT CORRECTLY REPRESENTS THAT SURVEY MADE UNDER MY DIRECT SUPERVISION.

EXEMPTION: THIS SURVEYOR HAS NOT BEEN REGISTERED FOR ANY OTHER STATE AND IS NOT REGISTERED IN ANY OTHER STATE.
 A Final Survey Instrument - Survey Date: 11/23/2018
 TEXAS REGISTRATION NO. 6372

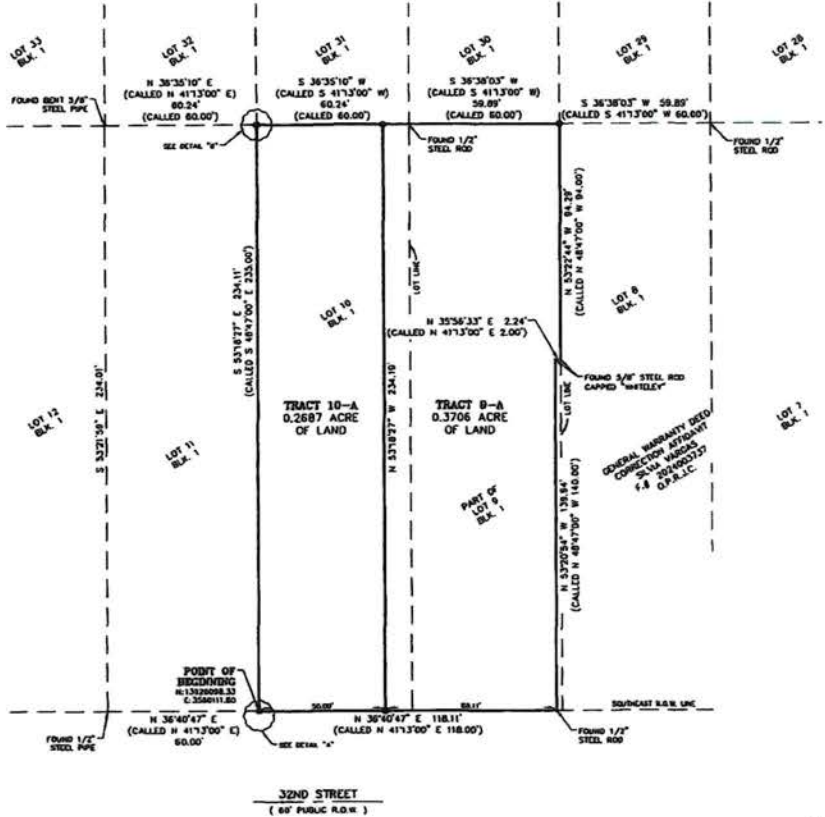
CERTIFICATE OF APPROVAL

CERTIFICATE OF APPROVAL APPROVED BY THE CITY OF GROVES, TEXAS

THIS _____ DAY OF _____, 20____

CHES BCBRNE MAYOR
 CLAUDIA THEODOREK CRT SECRETARY

CRANG FLORENCE CHAIRMAN OF PLANNING AND ZONING COMMISSION
 DON PEDRAZA GIS DRWG OFFICIAL



0.6393 ACRE OF LAND
 PART OF LOT 9 & ALL OF LOT 10, BLK. 1
 VAL VERDE GARDENS
 JEFFERSON COUNTY, TEXAS

BEING 0.6393 acre of land, part of Lot 9 and all of Lot 10, Block 1, Val Verde Gardens, as shown in Volume 6, Pages 41 and 42, Map Records, Jefferson County, Texas, being part of a tract of land described in a deed to Brandon Adam Varga, recorded in File No. 2005022222, Official Public Records, Jefferson County, Texas, said 0.6393 acre tract being more fully described by metes and bounds as follows, to-wit:

Notic: Bearings, coordinates, distances and bearings are based on the Texas Coordinate System of 1983, Central Zone, US Survey Feet, and are referenced to Statewide North America.

BEGINS at a half-inch steel rod, capped and marked "SOUTEX", set on the Southeast right-of-way line of 32nd Street, for the most westerly common corner of Lots 10 and 11, Block 1, and the most northerly corner of the herein described tract; wild capped rod having coordinates of N 1382089.33, C. 358011.82, from which a half-inch steel pipe, found for the most northerly common corner of Lots 11 and 12, Block 1, bears North 38 deg. 40 min. 47 sec. East (Called North 38 deg. 40 min. 47 sec. East) (Called North 38 deg. 40 min. 47 sec. East), a distance of 60.00'; also from said capped rod, a 1/2-inch steel pipe bears North 16 deg. 38 min. 28 sec. West, a distance of 4.64';

THENCE, South 53 deg. 18 min. 27 sec. East (Called South 48 deg. 47 min. 00 sec. East), on the common line of Lots 10 and 11, Block 1, a distance of 234.11' (Called 235.00') to a half-inch steel rod, capped and marked "SOUTEX", set for the common corner of Lots 10, 11, 21 and 32, Block 1, and the most westerly corner of the herein described tract; from which a bent 3/8-inch steel pipe, found for the common corner of Lots 11, 12, 32 and 33, Block 1, bears North 38 deg. 28 min. 10 sec. East (Called North 41 deg. 13 min. 00 sec. East), a distance of 60.24' (Called 60.00'); also from wild capped rod, a 1/2-inch steel pipe bears South 16 deg. 38 min. 28 sec. West, a distance of 4.64';

THENCE, South 38 deg. 35 min. 10 sec. West (Called South 41 deg. 13 min. 00 sec. West), on the common line of Lots 10 and 11, Block 1, a distance of 60.24' (Called 60.00') to a half-inch steel rod, found for the common corner of Lots 9, 10, 20 and 31, Block 1;

THENCE, South 36 deg. 38 min. 03 sec. West (Called South 41 deg. 13 min. 00 sec. West), on the common line of Lots 9 and 20, Block 1, a distance of 58.89' (Called 60.00') to a half-inch steel rod, capped and marked "SOUTEX", set for the common corner of Lots 9, 20 and 30, Block 1, the most westerly corner of a tract of land described in a General Warranty Deed Correction Affidavit to Shale Vargas, recorded in File No. 2015012737, and the most northerly corner of the herein described tract; from which a half-inch steel rod found for the common corner of Lots 7, 8, 28 and 29, Block 1, bears South 38 deg. 38 min. 03 sec. West (Called South 41 deg. 13 min. 00 sec. West), a distance of 35.89' (Called 60.00');

THENCE, South 53 deg. 22 min. 44 sec. West (Called North 48 deg. 47 min. 00 sec. West), on the common line of Lots 8 and 9, Block 1, and the Northeast line of said Vargas tract, a distance of 94.29' (Called 94.00') to a 5/8-inch steel rod, capped and marked "SOUTEX", found for corner;

THENCE, North 35 deg. 56 min. 35 sec. East (Called North 41 deg. 13 min. 00 sec. East), continuing on the Northeast line of said Vargas tract, a distance of 130.84' (Called 140.00') to a half-inch steel rod found on the Southeast right-of-way line of 32nd Street, for the most northerly corner of said Vargas tract, and the most westerly corner of the herein described tract;

THENCE, North 38 deg. 40 min. 47 sec. East (Called North 41 deg. 13 min. 00 sec. East), on the Southeast right-of-way line of 32nd Street, a distance of 118.11' (Called 118.00') to the POINT OF BEGINNING, and containing 0.6393 acre of land, more or less.

This description is based on the Land Survey made under the direct supervision of Ronald Alvey Galt, Registered Professional Land Surveyor No. 0578 on March 11, 2018.

Gulf Express Construction, LLC
 28-0258

SURVEYOR'S NOTES

- BEARINGS, COORDINATES, DISTANCES AND ACRES ARE BASED ON TEXAS COORDINATE SYSTEM OF 1983, SOUTH-CENTRAL ZONE, U.S. SURVEY FEET, REFERENCED TO DATUM 83, N.
- IN ACCORDANCE WITH THE FLOOD INSURANCE RATE MAP OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY, MAP REFERENCE NUMBER, THE SUBJECT TRACT LIES IN THE FLOOD ZONE "B". LOCATION ON MAP WAS DETERMINED BY SCALE. ACTUAL FLOOD ELEVATION NOT DETERMINED, UNLESS INDICATED. SOUTEX SURVEYORS, INC. DOES NOT WARRANT NOR ASSURE TO THE ACCURACY OR SCALE OF THIS MAP EXCEPT AS SHOWN HEREON.
- TEXAS 811-CALL SHOULD BE DONE PRIOR TO ANY DIGGING OR CONSTRUCTION IN CASE OF UNDERGROUND PIPELINES OR UTILITIES.

JOB NO. 26-0058	DRAWN BY: K CREEL	SHEET 1 OF 1
		3737 Doctor Drive Fort Worth, Texas 77642 Tel. 409.983.2004 Fax. 409.983.2005 soutexsurveyors.com
BRANG FLORENCE CHAIRMAN OF PLANNING AND ZONING COMMISSION		DON PEDRAZA GIS DRWG OFFICIAL
CHES BCBRNE MAYOR		CLAUDIA THEODOREK CRT SECRETARY
THIS _____ DAY OF _____, 20____		GALT EDDIE

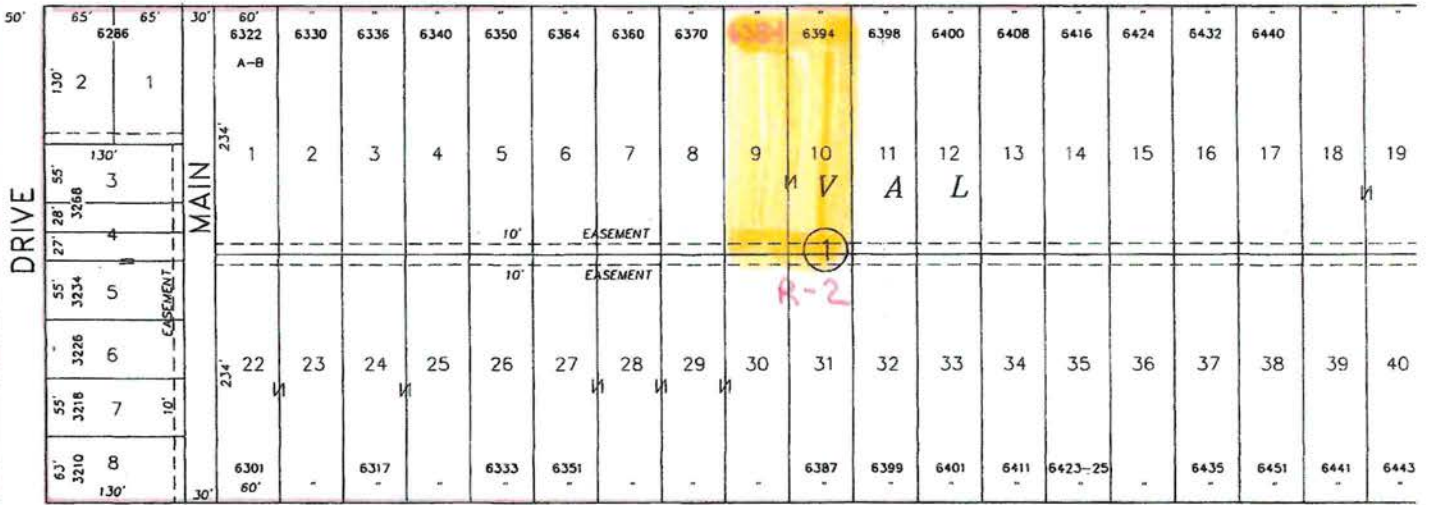
\\soutex\shared\m\p\l\2018\26-0058 Gulf Express Construction-6393 28deg05min35-028-021.dwg Plot 11, 2018-11-23 09:58

PLAT

6201	6211	6217	6225	6233	6251	6301	6309	6317	6325	6333	6341	60'	6351	6361	6371	6377	6401	6409	6417	6425	61'	6441	6457	
	79.08'										79.08'		77.18'					77.18'	65'	77.18'				

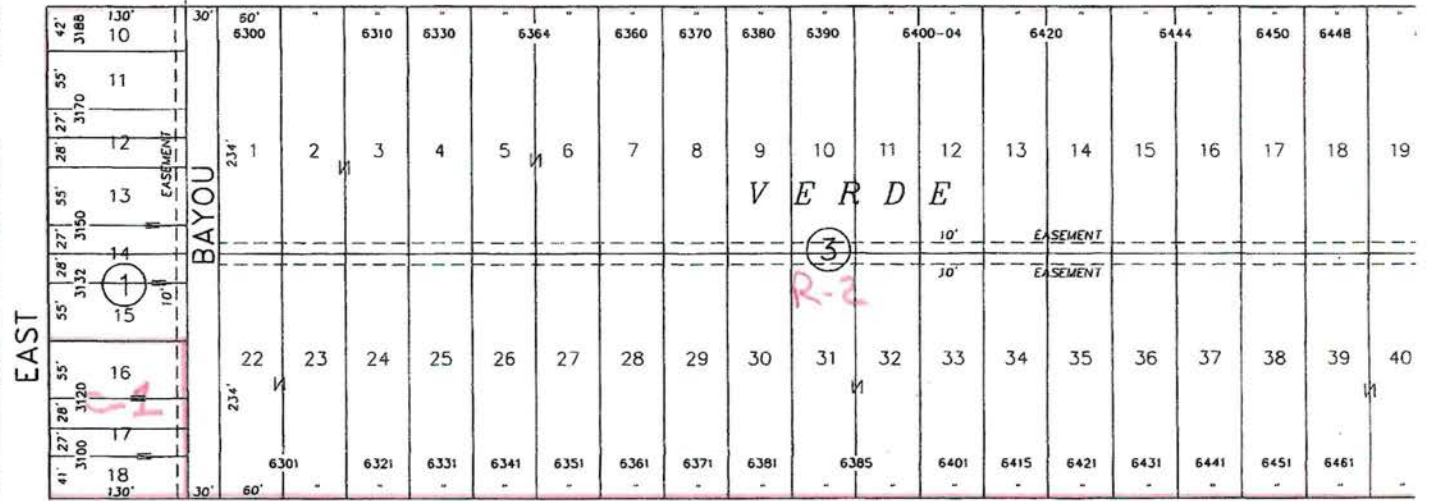
32ND

STREET



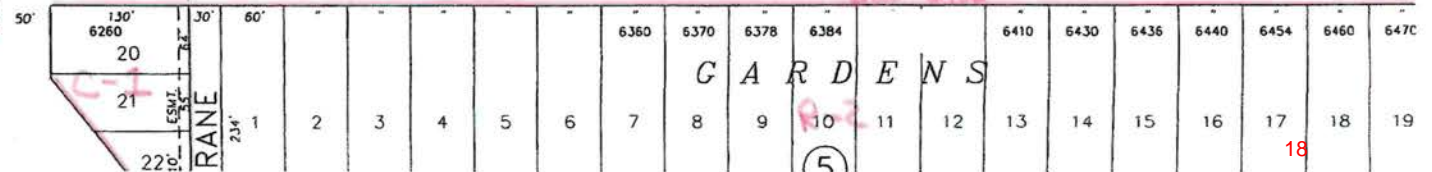
VAL

STREET



VERDE

STREET



RANE

GARDENS

SEWER

18

DISCLAIMER:
INFORMATION SHOWN ON THIS MAP IS COMPILED FROM
NUMEROUS SOURCES AND MAY NOT BE COMPLETE



Notice of Meeting

April 6, 2026, 5:30 p.m.

City Council Chamber, 3947 Lincoln Ave., Groves, TX



Planning and Zoning Commission

Notice is given that the Groves Planning and Zoning Commission will hold a regular meeting in person on the date, time, and location listed above. Live streaming of the meeting is available for viewing at <https://us02web.zoom.us/j/88400146189> or by scanning the QR code to the right. The Planning and Zoning Commission welcomes citizen participation at all meetings on any agenda items within the limitations of law and decorum. The Planning and Zoning Commission may adjourn into Executive Session to deliberate any agenda item listed if the matter for discussion meets an exception for Executive Session under Texas Government Code Chapter 551. The Planning and Zoning Commission may also deliberate in public on any item that is listed on the agenda for Executive Session.



Opening Agenda

1. Call meeting to order.
2. Prayer.
3. Pledge of Allegiance
4. Roll Call.
5. Welcome and recognition of guests and news media.
6. Citizen comments.

Regular Agenda

7. Deliberate and act to approve the minutes of February 12, 2026, Planning and Zoning Commission workshop.
8. Deliberate and act to accept the Replat Request from Gulf Express Construction LLC, 6394 32nd Street, Tracts 10-A & 9-A, 0.6393 Acres of Land, Replat of all of Lot 10 and Part of Lot 9, Block 1 Val Verde Gardens, City of Groves, Jefferson County Texas.

Closing Agenda

9. Hear and deliberate on Planning and Zoning Commissioner comments.
10. Adjourn.

Special Accommodations

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact City Clerk Clarissa Thibodeaux at (409) 960-5773 or cthibodeaux@cigrovestx.com at least three days before the meeting.

Certification

I certify that the above notice of meeting was posted on the bulletin board and front door of City Hall, 3947 Lincoln Avenue, on March 27, 2026, at _____ AM/PM.

City of Groves

City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: Finance Agenda Item No. 11

Title for Item (same as to be placed on Agenda): Hear and deliberate on the presentation of the FY2024-2025 audit.

Party(ies) requesting placement of this item on the agenda: Lamar A. Ozley, Finance Director

Submitted to City Manager's Office on: Date: 4/8/26 Time: 2:00 p.m. By: C. THIBODEAUX

Explanation of Item: Receive FY 2024-2025 Annual Financial Report from the City Auditor.

Deadline for Approval: _____

Staff Recommendation: Staff recommends that the Council acknowledge receipt of the audit.

Alternative (if any) for consideration: _____

Identify any attachments to this document: 1) Council letter; 2) Audit Report.

Specific Council Action Requested: None (Information item only) Motion _____

Ordinance – Number _____ Resolution – Number _____ Other – Specify: _____

Signed: [Signature] Date: _____ Approved: [Signature] Date: 04/08/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO
If yes, specify account no. _____ If no, explain and identify intended funding source:
Transportation use fee.

PAYMENT REQUEST

Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item
(if applicable): \$ _____ Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO
If yes, explain _____

BW&C
BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

March 26, 2026

To the Honorable Mayor,
Members of the City Council
and management
City of Groves, Texas

In planning and performing our audit of the financial statements of the City of Groves, Texas (the "City"), as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Other matters are any additional noteworthy items that are unrelated to internal control such as compliance with laws and regulations. In addition, we noted other matters involving the internal control and its operation:

1. PURCHASING POLICY

Finding

Effective September 1, 2025, Texas Senate Bill 1173 amended the Texas Local Government Code §262.023 to increase the competitive bidding threshold for counties and municipalities from \$50,000 to \$100,000. In addition, the requirement to contact at least two Historically Underutilized Businesses (HUBs) on a rotating basis is also updated to apply to expenditures between \$3,000 and \$100,000.

Recommendation

We recommend the City update its purchasing policy to align with the current requirements of the Texas Local Government Code by revising the formal competitive bidding and HUB contractor language to reflect the new threshold of \$100,000. The revised policy should be formally approved by City Council and communicated to staff involved in procurement activities.

This communication is intended solely for the information and use of the City Council and management, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, slightly stylized font.

BrooksWatson & Co., PLLC
Houston, Texas



March 26, 2026

To the Honorable Mayor,
Members of the City Council
and management
City of Groves, Texas

We have audited the financial statements of the City of Groves, Texas as of and for the year ended September 30, 2025, and have issued our report thereon dated March 26, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 3, 2025, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Groves, Texas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting material weaknesses and material noncompliance, and other matters noted during our audit in a separate letter to you dated March 26, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and as appropriate, our firm have complied with all relevant ethical requirements regarding independence.

Our firm and staff do not have any existing relationships, conflicts of interest, or other conditions or circumstances that would impair our independence with the City under U.S. GAAS or [Government Auditing Standards](#)

For any nonattest service provided by our firm, management of the City maintained responsibility for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Groves, Texas is included in Note 1 to the financial statements. The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 101, compensated absences. during the year end September 30, 2025; No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are.

Management's estimate of the useful lives of capital assets is based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of Groves, Texas's financial statements relate to the City's disclosure of capital assets and long-term debt.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements to report during the year.

In addition, professional standards require us to communicate to you all material, audit adjustments that were brought to the attention of management as a result of our audit procedures. See exhibit 1 for a listing of audit adjustments noted during the year.

Significant Risks Identified

Significant risks are inherent within all financial statement audits. We are required to share significant risks identified during our audit. After significant risks are identified during the planning phase, or later phases of the audit, where applicable, we design audit procedures specifically to address and mitigate the associated audit risk to an appropriate level for forming our audit opinion.

We identified the following significant risks during this process:

- Improper revenue recognition is considered an inherent risk according to GAAS.
- Management override of controls is considered an inherent risk according to GAAS.

These risks were addressed and sufficiently mitigated through our audit procedures, which included gaining an understanding over client processes and controls, and substantive testing over samples of transactions. No findings were noted as a result of these audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Groves, Texas's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 26, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Groves, Texas, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Groves, Texas's auditors.

Emphasis of Matter

As discussed in Note V.G. in the footnotes, due to corrections to capital assets, long-term liabilities, reclassification of funds, and the implementation of GASB Statement No. 101 regarding compensated absences, the City restated beginning fund balance/net position for governmental activities, the water and sewer fund, the solid waste fund, business-type activities, major and nonmajor governmental funds, and the Groves EDC. Our opinion is not modified with respect to these matters.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City of Groves, Texas’s audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing body and management of the City of Groves, Texas and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



BrooksWatson & Co., PLLC
Houston, Texas

Exhibit 1

Correcting Audit Entries

Adjusting Journal Entries JE # 1			
To true up the penalty & interest			
01-4-00-360-00	MISCELLANEOUS INCOME	43,459.52	
35-1-00-101-20	I&S CASH WITH AGENT	3,921.07	
01-4-00-319-00	CURRENT PENALTY & INTEREST		11,986.07
01-4-00-319-10	DELINQUENT PENALTY & INTEREST		31,473.45
35-4-00-319-00	CURRENT PENALTY & INTEREST		3,178.27
35-4-00-319-10	DELINQUENT PENALTY & INTEREST		742.80
Total		<u>47,380.59</u>	<u>47,380.59</u>

Adjusting Journal Entries JE # 2			
To adjust the UB receivable in the FY25			
05-1-00-131-00	DUE TO/FROM SYSTEMS FUNDS	31,619.00	
05-1-00-131-00	DUE TO/FROM SYSTEMS FUNDS	36,220.71	
11-1-00-115-00	ACCOUNTS RECEIVABLE	177,880.03	

11-4-00-344-70	WASTEWATER SALES	31,619.00	
05-4-00-344-10	SOLID WASTE SALES		31,619.00
05-4-00-344-10	SOLID WASTE SALES		36,220.71
11-1-00-131-40	DUE TO/FROM SOLID WASTE FUND		31,619.00
11-1-00-131-40	DUE TO/FROM SOLID WASTE FUND		36,220.71
11-4-00-344-50	WATER SALES		72,137.63
11-4-00-344-70	WASTEWATER SALES		69,521.69
Total		<u>277,338.74</u>	<u>277,338.74</u>

Adjusting Journal Entries JE # 3
 To adjust client entry for accruals as of FYE

01-5-05-06-195	LOT CLEANUP/GRASS CUTTING EXP	555.00	
01-5-13-09-240	COURT TECHNOLOGY	67.95	
01-5-31-04-010	ELECTRICITY	1,828.27	
01-5-31-04-201	REGIONAL RADIO MAINT	27,843.35	
01-5-42-07-260	UNIFORM SERVICE	46.15	
01-5-44-03-040	MOTOR VEHICLES	377.74	
01-5-44-09-010	CAPITAL OUTLAY	54,245.00	
01-5-46-03-070	PARKS	210.99	
05-5-55-03-050	SOLID WASTE TRUCKS	717.94	
05-5-55-03-050	SOLID WASTE TRUCKS	7,632.46	
05-5-55-05-020	LANDFILL & DISPOSAL	18,705.00	
11-5-64-03-110	WASTEWATER PLANT	16.00	
11-5-64-04-200	COMMUNICATION	23.75	
11-5-64-05-170	SLUDGE DISPOSAL	4,680.00	
11-5-64-06-220	LABORATORY CHARGES	1,295.00	
11-5-64-07-260	UNIFORM SERVICE	140.48	
11-5-67-03-060	SERVICE LINES	274.12	
11-5-67-03-270	WATER LINES	88.62	
11-5-99-04-010	ELECTRICITY	23.87	
01-2-00-220-00	ACCRUED EXPENSES		85,174.45
05-2-00-220-00	ACCRUED EXPENSES		27,055.40
11-2-00-220-00	ACCRUED EXPENSES		6,541.84
Total		<u>118,771.69</u>	<u>118,771.69</u>

Adjusting Journal Entries JE # 4
 To properly accrue expenses as of FYE and reverse one client accrual

01-2-00-220-00	ACCRUED EXPENSES	23,256.05	
01-5-21-04-010	ELECTRICITY	849.53	
01-5-25-04-020	ELECTRICITY-CITY PARKS	245.82	
01-5-25-04-040	ELECTRICITY-ACTIVITY BUILDING	777.23	
01-5-31-04-010	ELECTRICITY	21.94	
01-5-31-04-010	ELECTRICITY	21.94	
01-5-32-04-010	ELECTRICITY	240.22	
01-5-32-04-010	ELECTRICITY	366.07	
01-5-35-04-060	ELECTRICITY-CREMATORIU	59.71	
01-5-35-04-060	ELECTRICITY-CREMATORIU	258.61	
01-5-99-04-010	ELECTRICITY	518.15	
01-5-99-04-090	STREET LIGHTING	207.89	
01-5-99-04-090	STREET LIGHTING	16,290.66	

05-5-55-04-010	ELECTRICITY	518.14	
11-5-64-04-010	ELECTRICITY	1,647.16	
11-5-64-04-010	ELECTRICITY	2,522.79	
11-5-64-04-010	ELECTRICITY	13,176.63	
11-5-67-06-270	CONTRACT SERVICES	5,000.00	
11-5-67-09-604	2021 GLO CLFRF GRANT	10,000.00	
11-5-67-09-604	2021 GLO CLFRF GRANT	13,500.00	
11-5-99-04-010	ELECTRICITY	518.15	
11-5-99-04-010	ELECTRICITY	777.23	
11-5-99-07-580	SUBDIVIDER REBATES	30,673.58	
11-5-99-99-980	DEPRECIATION	25,438.03	
01-2-00-220-00	ACCRUED EXPENSES		19,857.77
01-4-00-351-10	MUNICIPAL COURT FEES		23,256.05
05-2-00-220-00	ACCRUED EXPENSES		518.14
11-1-00-141-25	RES.- DEPREC. TRUCKS & AUTOS		25,438.03
11-2-00-220-00	ACCRUED EXPENSES		73,135.54
11-5-64-05-170	SLUDGE DISPOSAL		4,680.00
Total		146,885.53	146,885.53

Adjusting Journal Entries JE # 5

To properly capitalize accrued expenses and properly classify grapple truck as WIP

11-1-00-141-30	EQUIPMENT AND TOOLS	12,750.00	
11-1-00-141-60	INFRASTRUCTURE	6,375.00	
11-1-00-141-65	RES.-DEPREC.	10,754.10	
11-1-00-165-10	Construction In Process	28,500.00	
11-1-00-165-10	Construction In Process	107,541.00	
11-1-00-300-15	RES_DEPREC.	26,760.24	
11-1-00-141-20	TRUCKS AND AUTOMOBILES		107,541.00
11-1-00-163-10	BUILDINGS		12,750.00
11-1-00-163-20	MISCELLANEOUS		33,135.24
11-5-67-06-270	CONTRACT SERVICES		5,000.00
11-5-67-09-604	2021 GLO CLFRF GRANT		10,000.00
11-5-67-09-604	2021 GLO CLFRF GRANT		13,500.00
11-5-99-99-980	DEPRECIATION		10,754.10
Total		192,680.34	192,680.34

Adjusting Journal Entries JE # 6

To properly reclassify GASB 87 expenses

BWC 01-5-99-99-998	LEASE INTEREST	366.00	
BWC 01-5-99-99-999	LEASE PRINCIPAL	11,711.00	
01-5-02-02-050	COMPUTER AND TECHNOLOGY		6,045.14
01-5-03-02-050	COMPUTER & TECHNOLOGY		658.15
01-5-21-06-270	CONTRACT SERVICES		2,247.76
01-5-41-03-030	EQUIPMENT M&R		3,125.95
Total		12,077.00	12,077.00

Adjusting Journal Entries JE # 7

To reflect GASB 87 lease activity

01-5-31-09-010	CAPITAL OUTLAY	411,830.04	
11-1-00-169-99	AUDIT		
11-2-00-369-99	ROU CAPITAL ASSETS	148,378.67	
11-5-98-98-988	AUDIT		
11-5-98-98-988	ROU LIABILITY	21,670.83	
BWC 01-5-99-99-998	INTEREST	8,966.30	
BWC 01-5-99-99-999	LEASE INTEREST	23,782.86	
01-5-31-06-050	LEASE PRINCIPAL	56,922.87	
01-5-31-06-050	VEHICLE LEASE		16,887.63
01-5-32-06-050	VEHICLE LEASE		18,038.60
01-5-38-06-050	VEHICLE LEASE		4,878.89
01-5-42-06-050	VEHICLE LEASE		16,263.74
01-5-44-06-050	VEHICLE LEASE		8,897.32
01-5-46-06-050	VEHICLE LEASE		15,739.55
01-9-99-99-979	AUDIT		
11-2-00-369-99	LEASE PROCEEDS		411,830.04
11-2-00-369-99	AUDIT		
11-5-67-06-050	ROU LIABILITY		148,378.67
	VEHICLE LEASE		30,637.13
Total		671,551.57	671,551.57

Adjusting Journal Entries JE # 8

To book GASB 101 adjustments

05-2-00-219-00	ACCRUED SICK LEAVE	9,089.09	
05-3-00-266-00	NET ASSETS-UNRESTRICTED	23,008.90	
11-3-00-271-00	FUND BALANCE - UNAPPROP.	97,269.89	
11-5-63-01-010	SALARIES & WAGES	2,091.34	
05-2-00-219-00	ACCRUED SICK LEAVE		23,008.90
05-5-55-01-010	SALARIES & WAGES		9,089.09
11-2-00-300-90	SICK LEAVE ACCRUAL		2,091.34
11-2-00-300-90	SICK LEAVE ACCRUAL		97,269.89
Total		131,459.22	131,459.22

Adjusting Journal Entries JE # 9

To true up comp and vacation liability balances as of FYE

05-2-00-228-30	VACATION ACCRUAL	624.14	
11-5-64-01-010	SALARIES & WAGES	12,079.61	
05-5-55-01-010	SALARIES & WAGES		624.14
11-2-00-228-30	VACATION PAYABLE		12,079.61
Total		12,703.75	12,703.75

Adjusting Journal Entries JE # 10

To book GASB 68 adjustments as of FYE

05-1-00-180-01	NET PENSION ASSET (LIABILITY)	84,727.44	
05-1-00-180-04	DEFERRED INFLOW-ACTUAL EXP	8,802.73	
11-1-00-180-01	NET PENSION ASSET (LIABILITY)	377,109.79	

11-1-00-180-04	DEFERRED INFLOW-ACTUAL EXP	40,776.85	
05-1-00-180-02	DEFERRED OUTFLOW OF RESOURCES		43,905.44
05-1-00-180-03	Deferred Outflow-Investment Experience		13,121.70
05-1-00-180-05	Deferred Outflow- Assumption Changes		18,569.39
05-5-55-01-050	TMRS		17,933.64
11-1-00-180-02	DEFERRED OUTFLOW OF RESOURCES		220,002.45
11-1-00-180-03	Deferred Outflow-Investment Experience		57,450.12
11-1-00-180-05	Deferred Outflow- Assumption Changes		81,301.50
11-5-63-01-050	TMRS		19,744.25
11-5-64-01-050	TMRS		14,347.39
11-5-66-01-050	TMRS		3,520.12
11-5-67-01-050	TMRS		21,520.81
Total		<u>511,416.81</u>	<u>511,416.81</u>

Adjusting Journal Entries JE # 11
To recognize CLRF revenue as of FYE

11-2-00-205-13	DEFERRED REVENUE CLFRF GRANT	1,000,681.97	
11-4-00-375-13	2021 GLO CLFRF GRANT		1,000,681.97
Total		<u>1,000,681.97</u>	<u>1,000,681.97</u>



CITY OF
Groves, Texas

2025
ANNUAL
FINANCIAL
REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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ANNUAL FINANCIAL REPORT

of the

City of Groves, Texas

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

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City of Groves, Texas

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September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Emphasis of Matter

As discussed in Note V.G. in the footnotes, due to corrections to capital assets, long-term liabilities, reclassification of funds, and the implementation of GASB Statement No. 101 regarding compensated absences, the City restated beginning fund balance/net position for governmental activities, the water

and sewer fund, the solid waste fund, business-type activities, major and nonmajor governmental funds, and the Groves EDC. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Brooks Watson & Co.

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
March 26, 2026

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

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City of Groves, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2025

As management of the City of Groves, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information contained in this report.

Financial Highlights

- The City's total combined net position was \$40,177,478 at September 30, 2025. Of this, \$6,609,482 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$5,092,943, an increase of \$1,536,848.
- As of the end of the year, the unassigned fund balance of the general fund was \$4,096,606.
- The City had an overall increase in net position of \$4,509,567, driven primarily by positive results in both governmental and business-type activities.

Overview of the Financial Statements

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

Government-Wide Statements

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses

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

are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

City of Groves, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

The City adopts an annual appropriated budget for its general and debt service funds. A budgetary statement has been provided for each fund to demonstrate compliance with their respective budget.

Proprietary Funds

The City's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer and solid waste operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that the costs of providing services to the general public on a continuing basis are financed through user charges in a manner similar to those of a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer and solid waste funds, all of which are considered to be major funds of the City.

Component Unit

The City maintains the accounting and financial statements for one component unit. The Groves Economic Development Corporation, which is a discretely presented component unit, is presented alongside the government-wide statement of net position and statement of activities.

Notes to Financial Statements

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

Other Information

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Groves, assets exceeded liabilities by \$40,177,478 as of September 30, 2025, in the primary government.

The largest portion of the City's net position, \$32,219,914, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities. Current and other assets for governmental activities increased \$3,402,384 or 66% due to operating surpluses during the year and an increase in cash and receivables. The City's net pension balance went from a liability of \$813,228 to an asset of \$1,176,903.

The following table reflects the condensed Statement of Net Position:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 8,562,730	\$ 2,445,743	\$ 11,008,473	\$ 5,160,346	\$ 2,319,421	\$ 7,479,767
Internal balances	(1,243,687)	1,243,687	-	(186,163)	186,163	-
Net pension asset	899,669	277,234	1,176,903	-	-	-
Capital assets, net	17,194,955	26,363,688	43,558,643	16,953,066	26,271,242	43,224,308
Total Assets	25,413,667	30,330,352	55,744,019	21,927,249	28,776,826	50,704,075
Deferred Outflows of Resources	348,439	105,986	454,425	1,263,748	369,894	1,633,642
Other liabilities	3,253,304	2,647,844	5,901,148	2,128,705	3,121,880	5,250,585
Long-term liabilities	9,198,376	124,096	9,322,472	10,312,550	195,496	10,508,046
Total Liabilities	12,451,680	2,771,940	15,223,620	12,441,255	3,317,376	15,758,631
Deferred Inflows of Resources	609,521	187,825	797,346	228,025	66,962	294,987
Net Position:						
Net investment in capital assets	6,527,611	25,692,303	32,219,914	6,355,060	26,271,242	32,626,302
Restricted	1,070,848	277,234	1,348,082	207,144	-	207,144
Unrestricted	5,102,446	1,507,036	6,609,482	3,959,513	(508,860)	3,450,653
Total Net Position	\$ 12,700,905	\$ 27,476,573	\$ 40,177,478	\$ 10,521,717	\$ 25,762,382	\$ 36,284,099

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

Statement of Activities:

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

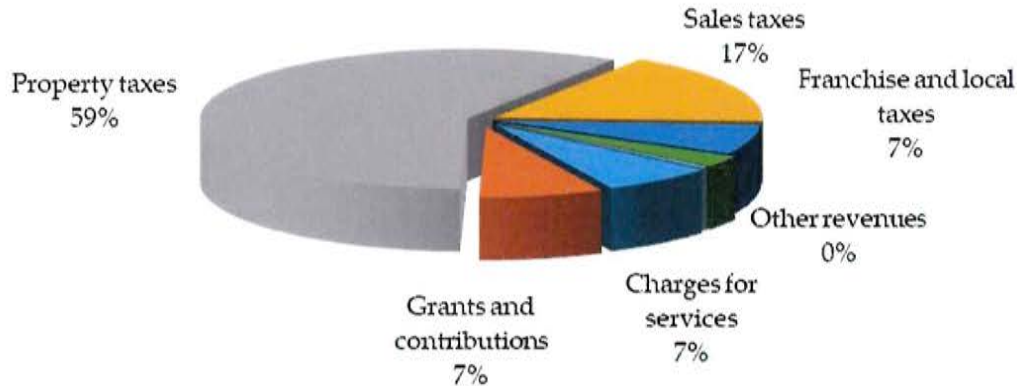
	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 895,755	\$ 9,359,551	\$ 10,255,306	\$ 968,423	\$ 7,653,742	\$ 8,622,165
Grants and contributions	974,066	1,023,893	1,997,959	4,603	1,936,314	1,940,917
General revenues:						
Property taxes	7,680,647	-	7,680,647	7,164,274	-	7,164,274
Sales taxes	2,192,762	-	2,192,762	2,051,737	-	2,051,737
Franchise and local taxes	926,689	-	926,689	848,127	-	848,127
Investment income	349,891	-	349,891	228,179	-	228,179
Other revenues	51,185	-	51,185	64,063	-	64,063
Total Revenues	13,070,995	10,383,444	23,454,439	11,329,406	9,590,056	20,919,462
Expenses						
General government	1,660,267	-	1,660,267	1,779,521	-	1,779,521
Public safety	6,486,137	-	6,486,137	6,010,001	-	6,010,001
Public works	2,919,390	-	2,919,390	2,726,475	-	2,726,475
Culture and recreation	740,615	-	740,615	698,573	-	698,573
Interest and fiscal charges	300,487	8,966	309,453	301,111	-	301,111
Water & sewer	-	5,585,834	5,585,834	-	5,562,048	5,562,048
Solid waste	-	1,243,175	1,243,175	-	1,198,937	1,198,937
Total Expenses	12,106,897	6,837,975	18,944,872	11,515,681	6,760,985	18,276,666
Change in Net Position						
Before Transfers	964,098	3,545,469	4,509,567	(186,275)	2,829,071	2,642,796
Transfers	1,711,000	(1,711,000)	-	1,396,500	(1,396,500)	-
Total	1,711,000	(1,711,000)	-	1,396,500	(1,396,500)	-
Change in Net Position	2,675,098	1,834,469	4,509,567	1,210,225	1,432,571	2,642,796
Beginning Net Position	10,025,807 *	25,642,104 *	35,667,911	9,311,492	24,329,811	33,641,303
Ending Net Position	\$ 12,700,905	\$ 27,476,573	\$ 40,177,478	\$ 10,521,717	\$ 25,762,382	\$ 36,284,099

*The City adopted GASB 101 over compensated absences retroactively.

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

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

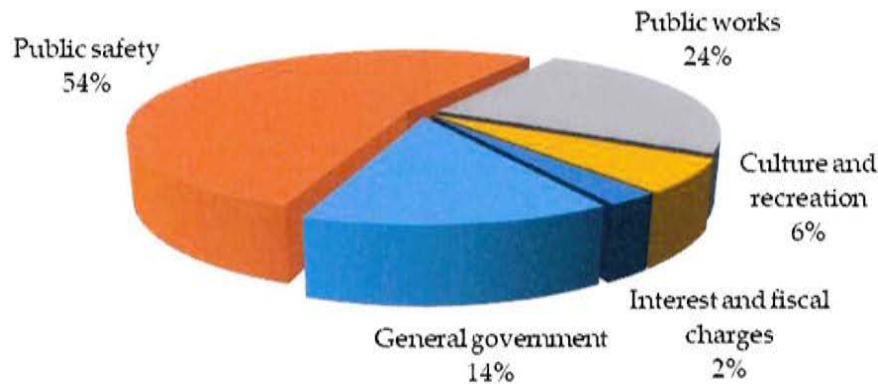
Governmental Activities - Revenues



For the year ended September 30, 2025, revenues from governmental activities totaled \$13,070,995. Property tax, sales tax and grants and contributions are the City's largest revenue sources. Grants and contributions increased by \$969,463 primarily due to nonrecurring grants received in the current year. Sales taxes and franchise taxes increased by \$141,025 and \$78,562, respectively, due to higher than average sales and economic activity in the current year. Property tax increased by \$516,373 or 7% due to an increase in the appraised taxable property values. Investment income increased by \$121,712 due to an increase in interest-bearing cash accounts. Other revenues decreased \$12,878 or 20% primarily as a result of nonrecurring activity in the prior year. All other revenues remained relatively consistent when compared to the previous year.

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

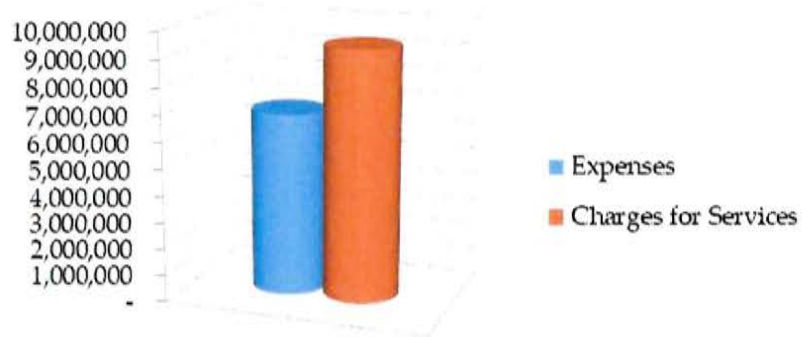


City of Groves, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

For the year ended September 30, 2025, expenses for governmental activities totaled \$12,106,897. This represents an increase of \$591,216 or 5% from the prior year. The City's largest functional expense is public safety of \$6,486,137, which increased by \$476,136 or 8% due to an increase in salaries and overtime related costs. Public works expenses increased by \$192,915 or 7% primarily due to an increase in street repair projects. All other expenditures remained relatively consistent with the previous year.

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2025, charges for services by business-type activities totaled \$9,359,551. This is an increase of \$1,705,809 or 22% from the previous year, which is primarily attributed to an increase in the base rates charged and growth in consumption by the City's utility customers.

Total expenses amounted to \$6,837,975, an increase of \$76,990 or 1% during the year which is consistent with the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

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

As of the end of the year, the general fund reflected a fund balance of \$4,921,764. Of this, \$5,975 is considered nonspendable due to inventory and prepaid assets, \$819,183 is assigned for equipment replacement, and unassigned fund balance totaled \$4,096,606 as of year end.

The debt service fund had an ending fund balance of \$134,012 at yearend, an increase of \$27,596 from the prior year. Total principal and interest payments made during the year were \$860,000 and \$290,563, respectively.

There was an overall increase in governmental fund balance of \$1,536,848 from the prior year. The increase was primarily a result of transfers from the City's proprietary funds.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive revenue variance of \$1,025,569 and a negative expenditure variance of \$145,449 for the year. Other financing sources and uses had an overall positive budget variance of \$398,973. No supplemental budget amendments were made during the year.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$17,194,955 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$26,363,688 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Multiple vehicles leased from Enterprise leasing with a value of \$560,209.
- Overlay and street improvements totaling \$476,531.
- Technology System Grant: body cameras and radios totaling \$176,027.
- Kubota Skid Steer SVL-75-3HFWVC for \$73,602.
- Grapple truck totaling \$107,541.
- Sewer plant improvements of \$913,225.
- Purchase of new lift pumps and water meters totaling \$149,096.
- Water pump repair and related purchase of \$108,905.

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

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds, notes, and leases outstanding of \$10,194,173. During the year, the City's payments on long-term debt totaled \$950,305. The City's debt issued during the year totaled \$560,209 during the year. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall well-being of the City of Groves and enhancing services provided to its residents. The City is budgeting for growth in the upcoming year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Groves' finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 3947 Lincoln Avenue, Groves, Texas 77619.

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FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 6,968,416	\$ 1,389,595	\$ 8,358,011
Receivables, net	1,588,339	1,008,854	2,597,193
Inventories	5,299	47,293	52,592
Prepays	676	-	676
Due from primary government	-	-	-
Internal balances	(1,243,687)	1,243,687	-
Total Current Assets	7,319,043	3,689,429	11,008,472
Noncurrent assets:			
Net pension asset	899,669	277,234	1,176,903
Capital assets:			
Non-depreciable	764,104	2,053,133	2,817,237
Net depreciable capital assets	16,430,851	24,310,555	40,741,406
Total Capital Assets	17,194,955	26,363,688	43,558,643
Total Assets	25,413,667	30,330,351	55,744,018
<u>Deferred Outflows of Resources</u>			
Deferred outflows - TMRS	343,942	105,986	449,928
Deferred charges on refunding	4,497	-	4,497
Total Deferred Outflows of Resources	348,439	105,986	454,425

See Notes to Financial Statements.

Component Unit
Groves
EDC

\$	1,875,277	-	-	-	203,831	-
					2,079,108	
		-	-	-		
		-	-	-		
		-	-	-	2,079,108	
		-	-	-		
		-	-	-		

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	1,229,601	962,164	2,191,765
Customer deposits	-	889,556	889,556
Unearned revenue	-	548,833	548,833
Accrued interest payable	27,262	-	27,262
Due to component unit	203,831	-	203,831
Compensated absences due in one year	831,169	220,210	1,051,379
Long-term debt due in one year	961,441	27,080	988,521
Tota Current liabilities	3,253,304	2,647,843	5,901,147
Noncurrent liabilities:			
Compensated absences	92,352	24,468	116,820
Long-term debt due in more than one year	9,106,024	99,628	9,205,652
Tota Noncurrent liabilities	9,198,376	124,096	9,322,472
Total Liabilities	12,451,680	2,771,939	15,223,619
Deferred Inflows of Resources			
Deferred inflows - TMRS	609,521	187,825	797,346
Total Deferred Inflows of Resources	609,521	187,825	797,346
Net Position			
Net investment in capital assets	6,527,611	25,692,303	32,219,914
Restricted for:			
Pensions	899,669	277,234	1,176,903
Enabling legislation	37,167	-	37,167
Debt service	134,012	-	134,012
Unrestricted	5,102,446	1,507,036	6,609,482
Total Net Position	\$ 12,700,905	\$ 27,476,573	\$ 40,177,478

See Notes to Financial Statements.

Component Unit
Groves
EDC

500
-
-
-
-
-
<u>500</u>
-
-
-
<u>500</u>
-
-
-
-
2,078,608
-
-
<u>\$ 2,078,608</u>

City of Groves, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,660,267	\$ 225,956	\$ 817,092	\$ -
Public safety	6,486,137	339,325	151,034	-
Public works	2,919,390	330,474	-	-
Culture and recreation	740,615	-	5,940	-
Interest and fiscal charges	300,487	-	-	-
Total Governmental Activities	12,106,897	895,755	974,066	-
Business-Type Activities				
Water & Sewer	5,594,800	7,405,840	-	1,023,893
Solid Waste	1,243,175	1,953,711	-	-
Total Business-Type Activities	6,837,975	9,359,551	-	1,023,893
Total Primary Government	\$ 18,944,872	\$ 10,255,306	\$ 974,066	\$ -
Component Unit				
Groves EDC	863,182	-	-	-
Total Component Units	\$ 863,182	\$ -	\$ -	\$ -

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Franchise and local taxes
- Investment income
- Insurance recoveries
- Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

- Beginning Net Position, as previously presented
- Change in financial reporting entity
 - New accounting standard
 - Error corrections
- Beginning Net Position, as adjusted
- Ending Net Position**

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Groves EDC
\$ (617,219)	\$ -	\$ (617,219)	\$ -
(5,995,778)	-	(5,995,778)	-
(2,588,916)	-	(2,588,916)	-
(734,675)	-	(734,675)	-
(300,487)	-	(300,487)	-
<u>(10,237,076)</u>	<u>-</u>	<u>(10,237,076)</u>	<u>-</u>
-	2,834,933	2,834,933	-
-	710,536	710,536	-
<u>-</u>	<u>3,545,469</u>	<u>3,545,469</u>	<u>-</u>
<u>(10,237,076)</u>	<u>3,545,469</u>	<u>(6,691,607)</u>	<u>-</u>
			<u>(863,182)</u>
			<u>(863,182)</u>
7,680,647	-	7,680,647	-
2,192,762	-	2,192,762	1,076,222
926,689	-	926,689	-
349,891	-	349,891	403
12,143	-	12,143	-
39,042	-	39,042	-
1,711,000	(1,711,000)	-	-
<u>12,912,174</u>	<u>(1,711,000)</u>	<u>11,201,174</u>	<u>1,076,625</u>
2,675,098	1,834,469	4,509,567	213,443
12,305,799	25,762,382	38,068,181	-
(1,865,165)	-	(1,865,165)	1,865,165
(495,910)	(120,278)	(616,188)	-
81,083	-	81,083	-
10,025,807	25,642,104	35,667,911	1,865,165
<u>\$ 12,700,905</u>	<u>\$ 27,476,573</u>	<u>\$ 40,177,478</u>	<u>\$ 2,078,608</u>

City of Groves, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2025

	General	Debt Service	Nonmajor Police Forfeitures	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 6,797,237	\$ 134,012	\$ 37,167	\$ 6,968,416
Receivables, net	908,399	67,352	-	975,751
Due from other governments	612,588	-	-	612,588
Due from other funds	17,463	-	-	17,463
Inventories	5,299	-	-	5,299
Prepays	676	-	-	676
Total Assets	\$ 8,341,662	\$ 201,364	\$ 37,167	\$ 8,580,193
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,229,601	\$ -	\$ -	\$ 1,229,601
Due to other funds	1,261,150	-	-	1,261,150
Due to component unit	203,831	-	-	203,831
Total Liabilities	2,694,582	-	-	2,694,582
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	691,377	67,352	-	758,729
Fines and fees	33,939	-	-	33,939
Total Deferred Inflows of Resources	725,316	67,352	-	792,668
<u>Fund Balances</u>				
Nonspendable:				
Inventories	5,299	-	-	5,299
Prepays	676	-	-	676
Restricted for:				
Enabling legislation	-	-	37,167	37,167
Debt service	-	134,012	-	134,012
Assigned for:				
Equipment replacement	819,183	-	-	819,183
Unassigned reported in:				
General fund	4,096,606	-	-	4,096,606
Total Fund Balances	4,921,764	134,012	37,167	5,092,943
Total Liabilities and Fund Balances	\$ 7,616,346	\$ 134,012	\$ 37,167	\$ 7,787,525

See Notes to Financial Statements.

City of Groves, Texas

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

September 30, 2025

Fund Balances - Total Governmental Funds \$ 5,092,943

Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable	764,104
Capital assets - net depreciable	16,430,851

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Property tax receivable	758,729
Fines and fees receivable	33,939

Deferred outflows (inflows) of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.

Pension contributions	343,942
Pension investment earnings	(229,016)
Pension assumption changes	(324,096)
Pension (gains) losses	(56,409)
Deferred charge on refunding	4,497

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest	(27,262)
Compensated absences	(923,521)
Net pension asset	899,669
Premiums on bonds	(339,695)
Bonds, notes, and leases	(9,727,770)

Net Position of Governmental Activities \$ 12,700,905

See Notes to Financial Statements.

City of Groves, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

	General	Formally Nonmajor Debt Service	Nonmajor Police Forfeitures	Total Governmental Funds
<u>Revenues</u>				
Property tax	\$ 7,046,647	\$ 575,442	\$ -	\$ 7,622,089
Sales tax	2,160,355	-	-	2,160,355
Franchise and local taxes	926,689	-	-	926,689
Intergovernmental	394,116	579,950	-	974,066
Charges for services	225,956	-	-	225,956
License and permits	330,474	-	-	330,474
Fines and forfeitures	339,325	-	-	339,325
Investment income	325,465	22,767	1,659	349,891
Other revenue	39,042	-	-	39,042
Total Revenues	11,788,069	1,178,159	1,659	12,967,887
<u>Expenditures</u>				
Current:				
General government	1,667,044	-	-	1,667,044
Public safety	6,226,481	-	-	6,226,481
Public works	3,271,317	-	-	3,271,317
Culture and recreation	730,107	-	-	730,107
Debt Service:				
Principal	68,634	860,000	-	928,634
Interest and fiscal charges	24,149	290,563	-	314,712
Capital outlay	427,717	-	-	427,717
Total Expenditures	12,415,449	1,150,563	-	13,566,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	(627,380)	27,596	1,659	(598,125)
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,711,000	-	-	1,711,000
Lease issuance	411,830	-	-	411,830
Insurance recoveries	12,143	-	-	12,143
Total	2,134,973	-	-	2,134,973
Net Change in Fund Balances	1,507,593	27,596	1,659	1,536,848
Beg. fund balances, as previously reported	3,414,171	-	2,007,089	5,421,260
Change in reporting entity	-	106,416	(1,971,581)	(1,865,165)
Beg. fund balance, as adjusted	3,414,171	106,416	35,508	3,556,095
Ending Fund Balances	\$ 4,921,764	\$ 134,012	\$ 37,167	\$ 5,092,943

See Notes to Financial Statements.

City of Groves, Texas

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

For the Year Ended September 30, 2025

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

Net changes in fund balances - total governmental funds	\$	1,536,848
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		1,336,342
Depreciation expense		(1,094,453)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		90,965
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences		39,881
Accrued interest		(4,009)
Pension expense		234,486
<p>The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Amortization of deferred charges on refunding		(2,997)
Amortization of bond premium		21,231
Lease issuance		(411,830)
Principal payments		928,634
Change in Net Position of Governmental Activities	\$	<u>2,675,098</u>

See Notes to Financial Statements.

City of Groves, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Water & Sewer	Solid Waste	Total
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 1,373,430	\$ 16,165	\$ 1,389,595
Receivables, net	809,944	198,910	1,008,854
Due from other funds	-	1,261,150	1,261,150
Inventories	47,293	-	47,293
Total Current Assets	2,230,667	1,476,225	3,706,892
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	2,053,133	-	2,053,133
Net depreciable capital assets	23,328,714	981,841	24,310,555
Total Capital Assets	25,381,847	981,841	26,363,688
Net pension asset	225,687	51,547	277,234
Total Noncurrent Assets	25,607,534	1,033,388	26,640,922
Total Assets	27,838,201	2,509,613	30,347,814
<u>Deferred Outflows of Resources</u>			
Deferred outflows - TMRS	86,280	19,706	105,986
Total Deferred Outflows of Resources	86,280	19,706	105,986
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	787,336	130,510	917,846
Retainage payable	44,318	-	44,318
Due to other funds	17,463	-	17,463
Customer deposits	889,556	-	889,556
Unearned revenue	548,833	-	548,833
Compensated absences due in one year	191,701	28,509	220,210
Lease payable due in one year	27,080	-	27,080
Total Current Liabilities	2,506,287	159,019	2,665,306
<u>Noncurrent Liabilities</u>			
Compensated absences	21,300	3,168	24,468
Lease payable	99,628	-	99,628
Total Liabilities	2,627,215	162,187	2,789,402
<u>Deferred Inflows of Resources</u>			
Deferred inflows - TMRS	152,902	34,923	187,825
Total Deferred Inflows of Resources	152,902	34,923	187,825
<u>Net Position</u>			
Net investment in capital assets	24,710,462	981,841	25,692,303
Restricted	225,687	51,547	277,234
Unrestricted	208,215	1,298,821	1,507,036
Total Net Position	\$ 25,144,364	\$ 2,332,209	\$ 27,476,573

See Notes to Financial Statements.

City of Groves, Texas

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

For the Year Ended September 30, 2025

	Water & Sewer	Solid Waste	Total
<u>Operating Revenues</u>			
Charges for services	\$ 7,405,840	\$ 1,953,711	\$ 9,359,551
Total Operating Revenues	7,405,840	1,953,711	9,359,551
 <u>Operating Expenses</u>			
Personal services	1,923,441	463,494	2,386,935
Supplies	1,103,993	148,672	1,252,665
Contractual services	362,241	352,100	714,341
Repairs and maintenance	443,834	120,051	563,885
Utilities	303,993	5,593	309,586
Depreciation	1,448,332	153,265	1,601,597
Total Operating Expenses	5,585,834	1,243,175	6,829,009
Operating Income (Loss)	1,820,006	710,536	2,530,542
 <u>Nonoperating Revenues (Expenses)</u>			
Interest expense	(8,966)	-	(8,966)
Total Nonoperating Revenues (Expenses)	(8,966)	-	(8,966)
Income (Loss) Before Capital Contributions and Transfers	1,811,040	710,536	2,521,576
 <u>Nonoperating Revenue (Expenses)</u>			
Capital grants and contributions	1,023,893	-	1,023,893
Transfers (out)	(1,160,000)	(551,000)	(1,711,000)
Change in Net Position	1,674,933	159,536	1,834,469
Beginning Balance as reported	23,566,701	2,195,681	25,762,382
Implementation of GASB 101	(97,270)	(23,008)	(120,278)
Beginning net position	23,469,431	2,172,673	25,642,104
Ending Net Position	\$ 25,144,364	\$ 2,332,209	\$ 27,476,573

See Notes to Financial Statements.

City of Groves, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2025

	<u>Water & Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 7,107,008	\$ 1,956,148	\$ 9,063,156
Payments to suppliers	(2,660,329)	(777,508)	(3,437,837)
Payments to employees	(2,033,820)	(488,933)	(2,522,753)
Net Cash Provided (Used) by Operating Activities	2,412,859	689,707	3,102,566
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfer (out)	(1,160,000)	(551,000)	(1,711,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(1,160,000)	(551,000)	(1,711,000)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital purchases	(1,423,122)	(122,542)	(1,545,664)
Capital grants and contributions	23,211	-	23,211
Principal paid on debt	(21,671)	-	(21,671)
Interest paid on debt	(8,966)	-	(8,966)
Net Cash (Used) by Capital and Related Financing Activities	(1,430,548)	(122,542)	(1,553,090)
Increase (Decrease) in Cash and Cash Equivalents	(177,689)	16,165	(161,524)
Beginning cash and cash equivalents	1,551,119	-	1,551,119
Ending Cash and Cash Equivalents	\$ 1,373,430	\$ 16,165	\$ 1,389,595

See Notes to Financial Statements.

City of Groves, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2025

	Water & Sewer	Solid Waste	Total
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash Provided by Operating Activities</u>			
Operating Income (Loss)	\$ 1,820,006	\$ 710,536	\$ 2,530,542
Adjustments to reconcile operating income (loss) to net cash provided:			
Depreciation	1,448,332	153,265	1,601,597
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(326,052)	2,437	(323,615)
Inventory	35,771	-	35,771
Net pension asset/liability	(377,110)	(84,727)	(461,837)
Due from other funds	(910,119)	(147,405)	(1,057,524)
Deferred Outflows of Resources:			
Pensions	220,002	43,906	263,908
Increase (Decrease) in:			
Accounts payable and accrued liabilities	428,080	(3,687)	424,393
Customer deposits	27,220	-	27,220
Compensated absences	(51,246)	(7,506)	(58,752)
Deferred Inflows of Resources:			
Pensions	97,975	22,888	120,863
Net Cash Provided (Used) by Operating Activities	\$ 2,412,859	\$ 689,707	\$ 3,102,566
<u>Schedule of Noncash Capital and Related Financing Activities</u>			
Lease issuance	\$ 148,379	\$ -	\$ 148,379

See Notes to Financial Statements.

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City of Groves, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

The City of Groves, Texas, was incorporated in December 1952. The City operates under a "Council-Manager" government. Pursuant to its provisions and subject only to its limitations imposed by the State Constitution and by the City's charter, all powers of the City shall be vested in an elective Council composed of four Council Members and a Mayor, collectively known as the City Council. The City Council enacts local legislation, adopts budgets, determines policies, and appoints the City Manager, who in turn is responsible to the City Council for the execution of laws and the administration of the government of the City. The City Marshal is elected at-large by the citizens in Groves to manage the municipal court and police department. Departments and agencies of the City submit budget requirements to the Mayor. The Mayor is the presiding officer of the City Council. The City provides the following services as authorized by its charter: public safety, public works, parks and recreation, library, water and sewer and general administrative services.

The City is an independent political subdivision of the State of Texas governed by an elected council and is considered a primary government for financial reporting purposes as its activities are not considered a part of any other governmental or other type of reporting entity. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Groves Economic Development Corporation ("EDC") although legally separate, is considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

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

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

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

Discretely Presented Component Unit

Groves Economic Development Corporation

The Groves Economic Development Corporation (the "EDC") serves all citizens of the City and is governed by a seven-member board of directors appointed by the Groves City Council. The GEDC is also obligated to pay a portion of the City's debt through sales tax revenue. The EDC fund was incorporated in the state of Texas as a nonprofit industrial development corporation under Section 4B of the Development Corporation Act of 1979. The purpose of the EDC is to promote economic and community development within the City of Groves. Separately audited financial statements are not issued.

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

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

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

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

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

The government reports the following major governmental funds:

General Fund

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

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB.

The government reports the following major enterprise funds:

Water and Sewer Fund

The water and sewer fund is used to account for the provision of water & wastewater collection and wastewater treatment operations. Activities of the fund include administration, operations and maintenance of the water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

City of Groves, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Solid Waste Fund

This fund is used to account for the provision of garbage and brush removal services to the residents of the City. Activities of the fund include administration, operations and maintenance and contract garbage services. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. These funds consist of the economic development fund and police forfeitures fund.

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

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

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus refers to what is being measured and basis of accounting refers to when transactions are recorded in the financial records and reported on the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

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

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable. Proprietary fund equity consists of net position. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

All governmental funds and component units are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current period. Property taxes, sales taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

E. Estimates

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

F. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position/Fund Balance

1. Deposits and Investments

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

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

consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

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

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

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

2. Fair Value

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

3. Receivables and Interfund Transactions

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

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

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

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

4. Property Taxes

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

5. Inventories and Prepaid Items

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

6. Capital Assets

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

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

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

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

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
ROU Assets	5 to 10 years
Water & sewer system	15 to 40 years
Buildings and improvements	15 to 40 years
Roads	15 to 40 years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government-wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Net Position Flow Assumption

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

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

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance.

Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

11. Compensated Absences

The City maintains formal programs for vacation and sick leave. Eligible employees are granted vacation pay benefits in varying amounts to specified maximums depending on tenure with the City. The City's personnel policy permits its eligible employees to accumulate earned but unused vacation pay benefits.

The City accounts for vacation and sick leave in accordance with the provisions of GASB Statement No. 101, Compensated Absences. Under GASB Statement No. 101, the City recognizes a liability for compensated absences for vacation leave that is attributable to services already rendered and for which the City has a present obligation to provide compensation through paid time off or cash settlement. Vacation leave is reported as a liability regardless of whether it is expected to be paid within one year.

Sick leave accrues to eligible employees to specified maximums, including the maximum number of hours that can be carried over from the previous year. Upon retirement or death, 50% of unused sick leave is paid to the employee. In addition, employees who are in good standing and continuously employed with the City since 1984 can have up to 960 hours of accrued sick leave compensated upon separation with the City. The remaining sick leave is considered a non-separation benefit and is recognized as a liability only to the extent it is probable that the leave will be used for qualifying absences and the amount can be reasonably estimated. Excluding amounts required to be paid upon termination, the City does not record a liability for sick leave beyond amounts expected to be taken as paid absences in the future.

12. Long-Term Obligations

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

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

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective

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

interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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

13. Pensions

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the water and sewer fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, EDC, water and sewer, and solid waste funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added to a budgeted fund without Council approval. Appropriations lapse at the end of the year.

A. Expenditures in Excess of Appropriations

For the current year, expenditures exceeded appropriations at the legal level of control as follows:

General fund:	
Principal	\$ 68,634
Interest and fiscal charges	\$24,149
Capital outlay	\$319,917

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

B. Restricted Net Position

The City records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted net position for the primary government was \$1,348,082. Of which, \$37,167 is restricted by enabling legislation.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Investment Type	Value	Average Maturity (Years)
External investment pools	\$ 2,699,080	0.12
Total value	\$ 2,699,080	
Portfolio weighted average maturity		0.12

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

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

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The City’s investment policy requires funds on bank deposit at the depository bank to be collateralized by securities with a collective market value (market value of the principal and accrued interest) of at least 102%. As of September 30, 2025, the market values of pledged securities and FDIC exceeded bank balances.

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

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

TexPool

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

B. Receivables

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

	<u>General</u>	<u>Debt Service</u>	<u>Water & Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
Property taxes	\$ 735,507	\$ 71,651	\$ -	\$ -	\$ 807,158
Sales tax	612,588	-	-	-	612,588
Franchise and other taxes	108,526	-	-	-	108,526
Fines and forfeitures	434,124	-	-	-	434,124
Grant	-	-	-	-	-
Other	40,618	-	-	-	40,618
Accounts	-	-	1,813,461	327,145	2,140,606
Allowance	(410,376)	(4,299)	(1,003,517)	(128,235)	(1,546,427)
	<u>\$ 1,520,987</u>	<u>\$ 67,352</u>	<u>\$ 809,944</u>	<u>\$ 198,910</u>	<u>\$ 2,597,193</u>

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

C. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 153,104	\$ -	\$ -	\$ 153,104
Construction-In-Progress	611,000	-	-	611,000
Total capital assets not being	<u>764,104</u>	<u>-</u>	<u>-</u>	<u>764,104</u>
Capital assets, being depreciated:				
Infrastructure	17,209,086	476,530	-	17,685,616
Buildings	16,240,220	50,307	-	16,290,526
Vehicles	3,999,215	-	(139,308)	3,859,907
Machinery & Equipment	4,623,906	397,676	-	5,021,582
Right to use - Equipment	39,468	411,830	-	451,298
Total capital assets being depreciate	<u>42,111,894</u>	<u>1,336,342</u>	<u>(139,308)</u>	<u>43,308,929</u>
Less accumulated depreciation				
Infrastructure	(13,228,902)	(330,324)	-	(13,559,227)
Buildings	(5,468,568)	(345,910)	-	(5,814,478)
Vehicles	(3,332,874)	(168,824)	-	(3,501,698)
Machinery & Equipment	(3,877,378)	(171,423)	139,308	(3,909,493)
Right to use - Equipment	(15,210)	(77,971)	-	(93,181)
Total accumulated depreciation	<u>(25,922,933)</u>	<u>(1,094,453)</u>	<u>139,308</u>	<u>(26,878,077)</u>
Net capital assets being depreciated	<u>16,188,962</u>	<u>241,889</u>	<u>-</u>	<u>16,430,851</u>
Total Net Capital Assets	<u>\$ 16,953,066</u>	<u>\$ 241,889</u>	<u>\$ -</u>	<u>\$ 17,194,955</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 16,022
Public safety	604,380
Public works	388,055
Culture and recreation	85,997
Total Governmental Activities Depreciation Expense	<u>\$ 1,094,453</u>

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

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 677,865	\$ -	\$ -	\$ 677,865
Construction in progress	714,661	1,184,903	(524,296)	1,375,268
Total capital assets not being depreciated	<u>1,392,526</u>	<u>1,184,903</u>	<u>(524,296)</u>	<u>2,053,133</u>
Capital assets, being depreciated:				
Buildings and systems	42,924,365	96,000	524,296	43,544,661
Machinery and equipment	18,142,574	264,761	(59,889)	18,347,446
Right-to-use Equipment	-	148,379	-	148,379
Total capital assets being depreciated	<u>61,066,939</u>	<u>509,140</u>	<u>464,407</u>	<u>62,040,486</u>
Less accumulated depreciation				
Buildings and systems	(21,315,569)	(1,189,228)	-	(22,504,797)
Machinery and equipment	(14,872,654)	(386,931)	59,889	(15,199,696)
Right-to-use Equipment	-	(25,438)	-	(25,438)
Total accumulated depreciation	<u>(36,188,223)</u>	<u>(1,601,597)</u>	<u>59,889</u>	<u>(37,729,931)</u>
Net capital assets being depreciated	24,878,716	(1,092,457)	524,296	24,310,555
Total Net Capital Assets	<u>\$ 26,271,242</u>	<u>\$ 92,446</u>	<u>\$ -</u>	<u>\$ 26,363,688</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 1,448,332
Solid waste	153,265
Total Business-type Activities Depreciation Expense	<u>\$ 1,601,597</u>

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

D. Long-term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds and other payables:					
Certificates of Obligation	\$ 9,190,000	\$ -	\$ (505,000)	\$ 8,685,000	\$ 515,000
General Obligation Bonds	1,030,000	-	(355,000)	675,000	360,000
Right of Use - Leases	24,574	411,830	(68,634)	367,770	86,441
Premiums on bonds	360,926	-	(21,231)	339,695	-
Total Governmental Activities	<u>\$ 10,605,500</u>	<u>\$ 411,830</u>	<u>\$ (949,865)</u>	<u>\$ 10,067,465</u>	<u>\$ 961,441</u>
Long-term liabilities due in more than one year				<u>\$ 9,106,024</u>	
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Business-Type Activities					
Bonds and other payables:					
Right of Use - Leases	-	148,379	(21,671)	126,708	27,080
Total Governmental Activities	<u>\$ -</u>	<u>\$ 148,379</u>	<u>\$ (21,671)</u>	<u>\$ 126,708</u>	<u>\$ 27,080</u>
Long-term liabilities due in more than one year				<u>\$ 99,628</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

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

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

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
General Obligation Refunding Bonds:			
\$5,915,000 General Obligation Bonds, Series 2016, due in annual installments through 2027, interest at 2.010%	\$ 675,000	\$ -	\$ 675,000
Total General Obligation bonds	<u>\$ 675,000</u>	<u>\$ -</u>	<u>\$ 675,000</u>
Certificates of Obligation:			
\$2,500,000 Certificates of Obligation, Series 2013, due in annual installments through 2033, interest at 2.60%	\$ 1,380,000	\$ -	\$ 1,380,000
\$2,500,000 Certificates of Obligation, Series 2020, due in annual installments through 2041, interest at 1.50%	7,305,000	-	7,305,000
Total Certificates of Obligation	<u>\$ 8,685,000</u>	<u>\$ -</u>	<u>\$ 8,685,000</u>
Lease Liabilities			
\$411,830 Right-to-Use Leases due in annual installments through 2030 interest at 7.63%	367,770	126,708	494,478
Total Right-to-Use	<u>\$ 367,770</u>	<u>\$ 126,708</u>	<u>\$ 494,478</u>
Premium (Discount)	\$ 339,695	\$ -	\$ 339,695
Total Debt	<u>\$ 10,067,465</u>	<u>\$ 126,708</u>	<u>\$ 10,194,173</u>

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

The annual requirements to amortize total government-wide debt issues outstanding at year ending were as follows:

Year ending September 30,	Governmental Activities					
	Certificates of Obligation		General Obligation Refunding Bonds		Right-to-Use Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 515,000	\$ 255,030	\$ 360,000	\$ 13,568	\$ 86,441	\$ 23,013
2027	535,000	240,200	315,000	6,332	82,057	16,904
2028	550,000	224,790	-	-	87,082	10,452
2029	565,000	208,950	-	-	93,907	3,506
2030	585,000	192,680	-	-	18,283	203
2031	600,000	175,830	-	-	-	-
2032	620,000	158,550	-	-	-	-
2033	635,000	140,690	-	-	-	-
2034	460,000	122,400	-	-	-	-
2035	475,000	108,600	-	-	-	-
2036	485,000	94,350	-	-	-	-
2037	500,000	79,800	-	-	-	-
2038	515,000	64,800	-	-	-	-
2039	530,000	49,350	-	-	-	-
2040	550,000	33,450	-	-	-	-
2041	565,000	16,950	-	-	-	-
Total	\$ 8,685,000	\$ 2,166,420	\$ 675,000	\$ 19,899	\$ 367,770	\$ 54,078

Year ending September 30,	Business-Type Activities	
	Right-to-Use Lease Obligations	
	Principal	Interest
2026	\$ 27,080	\$ 8,118
2027	29,194	5,965
2028	31,473	3,642
2029	33,930	1,144
2030	5,030	45
Total	\$ 126,708	\$ 18,915

Assets held under lease obligations had a book value of \$358,117 and \$122,941, for governmental activities and business-type activities, respectively.

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

E. Other Long-term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Other liabilities:					
Compensated Absences	\$ 963,401	\$ 827,181	\$ (867,061)	\$ 923,521	831,169
Total Governmental Activities	<u>\$ 963,401</u>	<u>\$ 827,181</u>	<u>\$ (867,061)</u>	<u>\$ 923,521</u>	<u>\$ 831,169</u>
Long-term liabilities due in more than one year				<u>\$ 92,352</u>	
Business-Type Activities:					
Other liabilities:					
Compensated Absences	\$ 303,430	\$ 216,635	\$ (275,387)	\$ 244,678	\$ 220,210
Total Business-Type Activities	<u>\$ 303,430</u>	<u>\$ 216,635</u>	<u>\$ (275,387)</u>	<u>\$ 244,678</u>	<u>\$ 220,210</u>
Long-term liabilities due in more than one year				<u>\$ 24,468</u>	

F. Customer Deposits

The City had customer deposits of \$889,556 in the water and sewer fund as of year end. The City requires a refundable deposit for all new utility customers. This amount will be returned to the customer when utility service is discontinued and all outstanding utility expenses are paid.

G. Interfund Transactions

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

	<u>Payable Fund:</u>		
	<u>General</u>	<u>Water & Sewer</u>	<u>Total</u>
Receivable Fund:			
General	\$ -	\$ 17,463	\$ 17,463
Solid Waste	1,261,150	-	1,261,150
Total	<u>\$ 1,261,150</u>	<u>\$ 17,463</u>	<u>\$ 1,278,613</u>

Interfund balances resulted from the timing difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are

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

recorded in the accounting system, and (3) payments between funds are made. All balances are expected to be paid in the subsequent year.

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

Transfer in:	Transfer out:		Total
	Water & Sewer	Solid Waste	
General	\$ 1,160,000	\$ 551,000	\$ 1,711,000
Total	\$ 1,160,000	\$ 551,000	\$ 1,711,000

Amounts transferred between funds relate to amounts collected by the governmental and enterprise funds for various operating capital expenditures and principal and interest payments.

During the year, the GEDC transferred \$125,000 to the general fund for administrative services reimbursement and \$579,950 to the debt service fund for principal and interest contributions.

H. Deferred Charges of Refunding

A deferred charge resulting from the issuance of the 2016 General Obligation Refunding Bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. Current year balances for governmental activities totaled \$4,497. Current year amortization expense for governmental activities totaled \$2,998.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with more than 2,800 other entities in the Texas Municipal League’s Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums.

The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The City uses a number of approaches to decrease risks and protect against losses to the City, including internal practices, employee training, and a code of ethics, which all employees are required to acknowledge

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

The City owns and operates motor vehicles and may provide such vehicle to employees for business use during the course and scope of their employment. The City is insured as to its own property losses, and the liability of loss to others.

B. Commitments and Contingent Liabilities

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

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

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City had not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired.

Litigation

The U.S. Environmental Protection Agency (the "EPA") has threatened litigation currently covered by a tolling agreement and made a demand of several entities. In 2023, the City of Groves authorized the City Attorney to engage in settlement discussions with the possibility of performing work to meet the EPA's demand. The range of the City's exposure is not estimable at present due to the uncertainty as to any ultimate City responsibility at the site in question. The City is defending its position vigorously and negotiating to represent its interests and limit exposure. A resolution may occur in 2026.

Developer Agreement

The City has entered into reimbursement agreements with the developer of the Indian Springs subdivision, Indian Springs ACH, LLC, for certain water, sanitary sewer, storm sewer, and related storm water retention improvements required by Jefferson County Drainage District No. 7. Under these agreements, the developer initially funded the eligible infrastructure costs, excluding private concrete streets and sidewalks, and the City agreed to reimburse the developer from water and sewer charge revenues generated within the subdivision. Annual reimbursements are payable on or before November 1 of each year for the preceding calendar year in an amount equal to 50 percent of the revenues received from sales and service charges within the subdivision, continuing until the eligible costs are repaid in full or until the contractual

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

reimbursement period expires. The developer is also required to convey and dedicate the related infrastructure to the City, while the streets and sidewalks remain private and are not dedicated to the public.

For Indian Springs Phases I and II, the original contract was executed on November 23, 2020. The City agreed to reimburse the developer up to \$1,419,553 over a period not to exceed twenty years, with payments based on 50 percent of subdivision utility revenues and ending no later than the payment due on or before November 1, 2040. In July 2024, the City also approved Ordinance No. 2024-09 formally dedicating and accepting the related Phase I and Phase II infrastructure into the City's inventory, while confirming that the streets and sidewalks, if any, remain private.

For Indian Springs Phase III, the City approved a separate contract with the developer on July 29, 2024, with reimbursement terms structured similarly through subdivision utility charge revenues, and also approved Ordinance No. 2024-12 dedicating and accepting the Phase III infrastructure into the City's inventory. The total amount to be reimbursed will be \$517,967.

As of the end of the year, the City had \$1,840,868 in unreimbursed developer costs under this agreement.

C. Arbitrage

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

D. Defined Benefit Pension Plans

Texas Municipal Retirement System

1. Plan Description

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

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

Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com. All eligible employees of the city are required to participate in TMRS.

2. Benefits Provided

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

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

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

	<u>Plan Year 2024</u>	<u>Plan Year 2025</u>
Employee deposit rate	6%	6%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service retirement eligibility		
(expressed as age / years of service)	60/10, 0/20	60/10, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	0% of CPI	0% of CPI

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

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	114
Inactive employees entitled to but not yet receiving benefits	68
Active employees	<u>91</u>
Total	<u>273</u>

3. Contributions

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

Employees for the City of Groves, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Groves, Texas were 7.99% and 8.26% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$610,827, and equaled the required contributions.

4. Net Pension Liability (Asset)

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

Actuarial assumptions

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

Inflation	2.5% per year
Overall payroll growth	3.6% to 11.85% per year, including inflation
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and

City of Groves, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, Gabriel, Roeder, Smith & Company (GRS) focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

City of Groves, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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Discount Rate

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

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

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 4,122,025	\$ (1,176,903)	\$ (5,636,214)

Changes in the Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/23	\$ 46,209,285	\$ 45,396,057	\$ 813,228
Changes for the year:			
Service cost	980,622	-	980,622
Interest	3,030,452	-	3,030,452
Change in benefit terms	(46,744)	-	(46,744)
Difference between expected and actual experience	(270,558)	-	(270,558)
Contributions – employer	-	581,799	(581,799)
Contributions – employee	-	432,946	(432,946)
Net investment income	-	4,700,116	(4,700,116)
Benefit payments, including refunds of emp. contributions	(3,514,528)	(3,514,528)	-
Administrative expense	-	(30,251)	30,251
Other changes	-	(707)	707
Net changes	179,244	2,169,375	(1,990,131)
Balance at 12/31/24	\$ 46,388,529	\$ 47,565,432	\$ (1,176,903)

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

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2025, the City recognized pension expense of \$299,276.

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and investment earnings	\$ -	\$ (299,588)
Differences between expected and actual economic experience	-	(73,791)
Pension assumption changes	-	(423,967)
Contributions subsequent to the measurement date	449,928	-
Total	\$ 449,928	\$ (797,346)

The City reported \$449,928 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2025	\$ (123,224)
2026	422,944
2027	(769,892)
2028	(327,174)
2029	-
Thereafter	-
	\$ (797,346)

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

E. Employee Benefit Plans

1. Section 457 Plan

The City offers its employees a deferred compensation plan through the International City Management Association (ICMA), created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Prior to the passage of a City ordinance on December 16, 1996, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts or rights were (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provision of benefits under the plan). As a result of these terms, the City considered itself as an agent of the plan acting in a fiduciary capacity and reflected this status in previous years' financial statements. However, as mentioned above, the City of Groves, Texas passed an ordinance on December 16, 1996, whereby the City amended and restated the deferred compensation plan (the "Plan") in the form of the ICMA Retirement Corporation Deferred Compensation Plan and Trust. The assets of the Plan shall be held in trust for the exclusive benefit of the Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The beneficial ownership of Plan assets held in the ICMA Retirement Trust shall be held for the participants and their beneficiaries, and not subject to the claims of the City's general creditors.

2. Section 401 Plan

The City offers its employees options under two separate qualified defined contribution retirement plans which meet the requirements of Section 401(a) of the Internal Revenue Code. The City has selected ICMA Retirement Corporation, an agent multiple-employer public employee retirement program, as the administrator for the employee 401(a) retirement programs.

- (1) Section 401 Money Purchase Plan - Each participant has a plan account to which they may contribute up to 8% of qualified earnings on a pretax basis with the City matching 4%. Employee contributions, employer contributions, and earnings are not taxed until they are withdrawn. Participants may choose from a variety of mutual funds available in which to invest. Participants are always fully vested in their own contributions and the earnings on those contributions. Participant vesting in employer contributions are based on years of service.
- (2) Section 401 Profit Sharing Plan - Each participant has a plan account to which he/she may contribute up to 8% of qualified earnings on an after-tax basis, with the City matching one-half up to 4% of employee earnings. Earnings on plan contributions are not taxed until withdrawn.

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

	Current Year
401 Money Purchase Plan	
Employee Contributions	\$ 218,998
Employer Contributions	109,499
Total	\$ 328,497
401 Profit Sharing	
Employee Contributions	\$ 153,312
Employer Contributions	76,656
Total	\$ 229,968

F. New Accounting Pronouncements

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

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

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

This standard was applied retroactively and resulted in a sick leave liability of \$616,188 as of September 30, 2024.

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

G. Restatement

Due to corrections to capital assets, long-term liabilities, reclassification of funds and the implementation of GASB 101 over compensated absences, the City restated beginning fund balance/net position for governmental activities, water and sewer fund, solid waste fund, business-type activities, major and nonmajor governmental funds, and the Groves EDC. The restatement of beginning fund balance/net position is as follows:

	<u>Governmental Activities</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Component Uni GEDC</u>
Prior year ending net position/fund balance, as reported	\$ 12,305,799	\$ -	\$ 2,007,089	\$ -
Reclassification of funds	(1,865,165)	106,416	(1,971,581)	1,865,165
Implementation of GASB 101	(495,910)	-	-	-
Correction to capital assets	(791,505)	-	-	-
Correction to long-term debt	872,588	-	-	-
Restated beginning net position/fund balance	<u>\$ 10,025,807</u>	<u>\$ 106,416</u>	<u>\$ 35,508</u>	<u>\$ 1,865,165</u>

	<u>Business-Type Activities</u>	<u>Water & Sewer</u>	<u>Solid Waste</u>
Prior year ending net position, as reported	\$ 25,762,382	\$ 23,566,701	\$ 2,195,681
Implementation of GASB 101	(120,278)	(97,270)	(23,008)
Restated beginning net position	<u>\$ 25,642,104</u>	<u>\$ 23,469,431</u>	<u>\$ 2,172,673</u>

H. Subsequent Events

On March 9, 2026, the City issued \$24,050,000 worth of certificates of obligation to pay for the construction of public works, more specifically, the construction of road and street improvements, improvements to the City's water system and wastewater treatment system, including acquisition and installation of automatic water meters, sewer line bottleneck repairs and improvements and rehabilitation and upgrades to the City's wastewater treatment plant, improvements to the City's parks and park facilities. The certificates carry an interest rate of 5% and are due in bi-annual installments through 2044.

There were no other material subsequent events through March 26, 2026, the date the financial statements were issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Groves, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 6,755,000	\$ 7,046,647	\$ 291,647
Sales tax	2,201,000	2,160,355	(40,645)
Franchise and local taxes	800,000	926,689	126,689
Intergovernmental	225,000	394,116	169,116
Charges for services	92,750	225,956	133,206
License and permits	232,750	330,474	97,724
Fines and forfeitures	270,000	339,325	69,325
Investment income	128,000	325,465	197,465
Other revenue	58,000	39,042	(18,958)
Total Revenues	10,762,500	11,788,069	1,025,569
<u>Expenditures</u>			
Current:			
General government	1,706,624	1,667,044	39,580
Public safety	6,335,896	6,226,481	109,415
Public works	3,342,051	3,271,317	70,734
Culture and recreation	777,629	730,107	47,522
Debt Service:			
Principal	-	68,634	(68,634) *
Interest and fiscal charges	-	24,149	(24,149) *
Capital outlay	107,800	427,717	(319,917) *
Total Expenditures	12,270,000	12,415,449	(145,449)
Revenues Over (Under) Expenditures	(1,507,500)	(627,380)	880,120
<u>Other Financing Sources (Uses)</u>			
Transfers in	1,711,000	1,711,000	-
Lease issuance	-	411,830	411,830
Insurance recoveries	25,000	12,143	(12,857)
Total Other Financing Sources (Uses)	1,736,000	2,134,973	398,973
Net Change in Fund Balance	\$ 228,500	1,507,593	\$ 1,279,093
Beginning fund balance		3,414,171	
Ending Fund Balance		\$ 4,921,764	

Notes to Required Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Groves, Texas

SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS

Years Ended:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Total pension liability				
Service cost	\$ 980,622	\$ 926,112	898,444	859,665
Interest	3,030,452	3,000,609	2,911,430	2,826,752
Changes in benefit terms	(46,744)	-	-	-
Differences between expected and actual experience	(270,558)	(224,869)	11,891	(61,523)
Changes of assumptions	-	(152,293)	-	-
Benefit payments, including refunds	(3,514,528)	(2,661,380)	(2,367,479)	# (2,412,101)
Net change in total pension liability	<u>179,244</u>	<u>888,179</u>	<u>1,454,286</u>	<u>1,212,793</u>
Total pension liability - beginning	<u>46,209,285</u>	<u>45,321,106</u>	<u>43,866,820</u>	<u>42,654,027</u>
Total pension liability - ending (a)	<u>46,388,529</u>	<u>46,209,285</u>	<u>45,321,106</u>	<u>43,866,820</u>
Plan fiduciary net position				
Contributions - employer	\$ 581,799	\$ 543,433	649,762	584,283
Contributions - members	432,946	426,780	423,234	394,342
Net investment income	4,700,116	4,875,086	(3,420,302)	5,575,952
Benefit payments, including refunds	(3,514,528)	(2,661,380)	(2,367,479)	(2,412,101)
Administrative expenses	(30,251)	(31,104)	(29,658)	(25,838)
Other	(707)	(216)	35,389	177
Net change in plan fiduciary net position	<u>2,169,375</u>	<u>3,152,599</u>	<u>(4,709,054)</u>	<u>4,116,815</u>
Plan fiduciary net position - beginning	<u>45,396,057</u>	<u>42,243,458</u>	<u>46,952,512</u>	<u>42,835,697</u>
Plan fiduciary net position - ending (b)	<u>\$ 47,565,432</u>	<u>\$ 45,396,057</u>	<u>\$ 42,243,458</u>	<u>\$ 46,952,512</u>
Fund's net pension liability (asset) - ending (a) - (b)	<u>\$ (1,176,903)</u>	<u>\$ 813,228</u>	<u>\$ 3,077,648</u>	<u>\$ (3,085,692)</u>
Plan fiduciary net position as a percentage of the total pension liability	103%	98%	93%	107%
Covered payroll	\$ 7,215,760	\$ 7,112,994	6,932,435	6,572,360
Fund's net pension liability as a percentage of covered payroll	-16%	11%	44%	-47%

<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
909,706	830,548	\$ 800,622	\$ 823,620	\$ 787,773	\$ 743,764
2,742,997	2,693,270	2,608,614	2,515,223	2,440,216	2,390,243
-	-	-	-	-	-
366,398	(250,811)	(94,707)	66,072	(202,070)	(49,009)
-	75,201	-	-	-	782,654
(3,094,416)	(2,207,784)	(1,942,868)	(2,076,815)	(1,788,454)	(1,980,822)
<u>924,685</u>	<u>1,140,424</u>	<u>1,371,661</u>	<u>1,328,100</u>	<u>1,237,465</u>	<u>1,886,830</u>
<u>41,729,342</u>	<u>40,588,918</u>	<u>39,217,257</u>	<u>37,889,157</u>	<u>36,651,692</u>	<u>34,764,862</u>
<u>42,654,027</u>	<u>41,729,342</u>	<u>40,588,918</u>	<u>39,217,257</u>	<u>37,889,157</u>	<u>36,651,692</u>
645,397	602,957	\$ 577,892	\$ 602,529	\$ 530,967	\$ 544,328
423,448	387,202	361,727	372,679	356,458	340,915
3,163,055	5,748,802	(1,180,239)	4,935,035	2,312,915	52,105
(3,094,416)	(2,207,784)	(1,942,868)	(2,076,815)	(1,788,454)	(1,980,822)
(20,491)	(32,515)	(22,827)	(25,587)	(26,133)	(31,740)
(799)	(977)	(1,193)	(1,296)	(1,407)	(1,568)
<u>1,116,194</u>	<u>4,497,685</u>	<u>(2,207,508)</u>	<u>3,806,545</u>	<u>1,384,346</u>	<u>(1,076,782)</u>
<u>41,719,503</u>	<u>37,221,818</u>	<u>39,429,326</u>	<u>35,622,781</u>	<u>34,238,435</u>	<u>35,315,217</u>
<u>\$ 42,835,697</u>	<u>\$ 41,719,503</u>	<u>\$ 37,221,818</u>	<u>\$ 39,429,326</u>	<u>\$ 35,622,781</u>	<u>\$ 34,238,435</u>
<u>\$ (181,670)</u>	<u>\$ 9,839</u>	<u>\$ 3,367,100</u>	<u>\$ (212,069)</u>	<u>\$ 2,266,376</u>	<u>\$ 2,413,257</u>

100%	100%	92%	101%	94%	93%
7,057,459	6,453,364	\$ 6,028,783	\$ 6,211,309	\$ 5,940,973	\$ 5,681,923
-3%	0%	56%	-3%	38%	42%

City of Groves, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Fiscal Years Ended:

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined employer contributions	\$ 610,827	\$ 572,636	\$ 575,668	\$ 614,853
Contributions in relation to the actuarially determined contribution	\$ 610,827	\$ 572,636	\$ 575,668	\$ 614,853
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 7,395,005	7,253,913	7,125,076	6,738,678
Employer contributions as a percentage of covered payroll	8.26%	7.89%	8.08%	9.12%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational

Other Information:

Notes Adopted 5 year vesting.

<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
\$ 588,389	\$ 623,739	\$ 592,999	\$ 528,815	\$ 588,767	\$ 545,248
<u>\$ 588,389</u>	<u>\$ 623,739</u>	<u>\$ 592,999</u>	<u>\$ 528,815</u>	<u>\$ 588,767</u>	<u>\$ 545,248</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,569,861	6,799,590	\$ 6,009,030	\$ 6,188,678	\$ 6,021,200	\$ 5,780,649
8.96%	9.17%	9.87%	8.54%	9.78%	9.43%

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***COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES***

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

	Police Forfeitures	Formally Nonmajor		Total
		Economic Development Corporation	Debt Service	
Revenues				
Investment income	\$ 1,659	\$ -	\$ -	\$ 1,659
Total Revenues	<u>1,659</u>	<u>-</u>	<u>-</u>	<u>1,659</u>
Net Change in Fund Balances	1,659	-	-	1,659
Beg. fund balances, as previously reported	35,508	1,865,165	106,416	2,007,089
Change in reporting entity	-	(1,865,165)	(106,416)	(1,971,581)
Beginning fund balances, as restated	35,508	-	-	35,508
Ending Fund Balances	<u>\$ 37,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,167</u>

City of Groves, Texas
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 568,613	\$ 575,442	\$ 6,829
Investment income	2,000	22,767	20,767
Intergovernmental	-	579,950	579,950
Total Revenues	570,613	1,178,159	607,546
<u>Expenditures</u>			
Debt service:			
Principal	860,000	860,000	-
Interest	290,563	290,563	-
Total Expenditures	1,150,563	1,150,563	-
Net Change in Fund Balance	\$ (579,950)	27,596	\$ 607,546
Beginning fund balances		106,416	
Ending Fund Balance		\$ 134,012	

Notes to Schedule:

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

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City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: City Manager Agenda Item No. 12

Title for Item (same as to be placed on Agenda): Deliberate and act to amend Ordinance 2026-05, by adding Sec. 24(c), prescribing that all \$26,000,000 from the sale of the Series 2026 Certificates of Obligation be deposited into an encumbered fund.

Party(ies) requesting placement of this item on the agenda: Kevin Carruth, City Manager

Submitted to City Manager's Office on: Date: 4/8/26 Time: 2:00 p.m. By: C. THIBODEAUX

Explanation of Item: Part of the review process for the issuance of debt, like CO's, includes review by the Texas Attorney General's Office. The City's recent CO issue was fine except the AG wanted a non-substantive addition to the ordinance confirming that all of the proceeds from the CO would go into a construction fund. See page 30 of the accompanying ordinance.

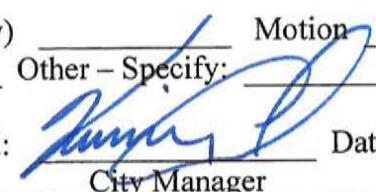
Deadline for Approval: 4/13/26

Staff Recommendation: Staff recommends the Council amend Ordinance 2026-05, adding Sec. 24(c), prescribing that all \$26,000,000 from the sale of the series 2026 Certificates of Obligation be deposited into an encumbered fund, as presented.

Alternative (if any) for consideration: None.

Identify any attachments to this document: Ordinance 2026-05

Specific Council Action Requested: None (Information item only) Motion X
Ordinance - Number 2026-05 Resolution - Number _____ Other - Specify: _____

Signed: _____ Date: _____ Approved:  Date: 04/08/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO
If yes, specify account no. _____ If no, explain and identify intended funding source:
Transportation use fee.

PAYMENT REQUEST

Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item
(if applicable): \$ _____ Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO
If yes, explain _____

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF JEFFERSON §
CITY OF GROVES §

We, the undersigned officers of the City Council of the City of Groves, Texas, hereby certify as follows:

1. The City Council of the City of Groves, Texas, convened in regular meeting on the 9th day of March, 2026, at the regular meeting place thereof, within said City, and the roll was called of the duly constituted officers and members of said City Council and the City Clerk, to-wit:

Chris Borne	Mayor
Mark McAdams	Councilmember, Ward 1
Brandon Holmes	Councilmember, Ward 2
Charles Chelette	Councilmember, Ward 3
Rae Shauna Gay	Councilmember, Ward 4
Clarissa Thibodeaux	City Clerk

and all of said persons were present, except the following absentees: BRANDON HOLMES, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDINANCE NO. 2026-05


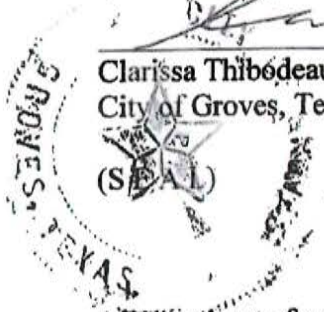
ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$24,050,000 CITY OF GROVES, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2026; LEVYING TAXES TO PROVIDE FOR PAYMENT THEREOF; AND CONTAINING OTHER MATTERS RELATED THERETO

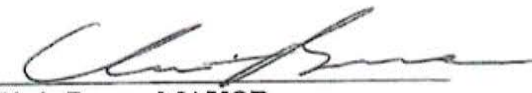
was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said ordinance, prevailed and carried by the following vote:

AYES: 4
NOES: 0


2. That a true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said ordinance has been duly recorded in said City Council's minutes of said meeting pertaining to the adoption of said ordinance; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes as indicated therein; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said ordinance would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551 of the Texas Government Code Annotated, Vernon's 1994, as amended.

SIGNED AND SEALED this 9th day of March, 2026.


Clarissa Thibodeaux, CITY CLERK
City of Groves, Texas
(SEAL)



Chris Borne, MAYOR
City of Groves, Texas

Approved as to form and legality.


Brandon Monk, City Attorney
City of Groves, Texas

ORDINANCE NO. 2026-05

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$24,050,000 CITY OF GROVES, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2026; LEVYING TAXES TO PROVIDE FOR PAYMENT THEREOF; AND CONTAINING OTHER MATTERS RELATED THERETO

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

CITY OF GROVES §

WHEREAS, the City Council of the **City of Groves, Texas** (the "City"), has heretofore authorized the publication and posting of a notice of intention to issue certificates of obligation to the effect that the City Council would meet on March 9, 2026, the date tentatively set for passage of an ordinance and such other action as may be deemed necessary to authorize the issuance of certificates of obligation payable from City ad valorem taxes and a pledge of certain surplus revenues of the City's water and sewer system, or as soon thereafter as may be practicable, for the purpose of evidencing the indebtedness of the City to finance the construction of public works, more specifically, the construction of road and street improvements, improvements to the City's water system and wastewater treatment system, including acquisition and installation of automatic water meters and rehabilitation, sewer line bottleneck repairs and improvements and upgrades to the City's wastewater treatment plant, improvements to the City's parks and park facilities, and any items related thereto, and payment of professional services incurred in connection with any of the foregoing, and to pay the cost of issuance of such certificates of obligation; and

WHEREAS, such notice was published and posted at the times and in the manner required by the Constitution and the laws of the State of Texas and the United States of America, respectively, particularly Chapter 271, Texas Local Government Code, as amended (the "Act"); and

WHEREAS, no petition or other request has been filed with or presented to any official of the City requesting that any of the proceedings authorizing such certificates of obligation be submitted to a referendum or other election; and

WHEREAS, the City Council of the City has determined to authorize such certificates of obligation for the purposes set out in this Ordinance; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271 of the Local Government

Code, as amended;

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE CITY OF GROVES, TEXAS:

1. Preamble. The matters and facts contained in the preamble to this Ordinance are hereby found to be true and correct.

2. Definitions. Throughout this Ordinance, the following terms and expressions as used herein shall have the meanings set forth below:

The term "Bond Insurer" shall mean Build America Mutual Assurance Company ("BAM"), New York, New York.

The term "Business Day" shall mean any day which is not a Saturday, Sunday, a legal holiday, or a day on which the Registrar is authorized by law or executive order to close.

The term "Certificates" or "Series 2026 Certificates" shall mean the **City of Groves, Texas, Certificates of Obligation, Series 2026**, authorized in this Ordinance, unless the context clearly indicates otherwise.

The term "City" shall mean the **City of Groves, Texas**.

The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

The term "Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas.

The term "Construction Fund" shall mean the construction fund established by the City pursuant to Section 19 of this Ordinance.

The term "DTC" shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

The term "DTC Participant" shall mean brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among the DTC Participants.

The term "Interest and Sinking Fund" shall mean the interest and sinking fund established by the City pursuant to Section 19 of this Ordinance.

The term "Interest Payment Date", when used in connection with any Certificate, shall mean March 1, 2027, and each March 1 and September 1 thereafter until maturity or earlier redemption.

The term "Issuance Date" shall mean the date on which the Certificates are authenticated by the Registrar and are delivered to and paid for by the Underwriters. Certificates delivered upon transfer of or in exchange for other Certificates shall bear the same issuance date as the Certificate or Certificates in lieu of or in exchange for which the new Certificate or Certificates may be delivered.

The term "Letter of Representation" shall mean the Letter of Representation delivered by the City to DTC.

The term "MSRB" means the Municipal Securities Rulemaking Board.

The term "Municipal Bond Insurance Policy" shall mean the financial guaranty insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on the Certificates as provided therein.

The term "Ordinance" as used herein and in the Certificates shall mean this Ordinance authorizing the Certificates.

The term "Owner" or "Registered Owner", when used with respect to any Certificate, shall mean the person or entity in whose name such Certificate is registered in the Register.

The term "Paying Agent" shall mean the Registrar.

The term "Record Date" shall mean, for any Interest Payment Date, the 15th day of the month next preceding such Interest Payment Date.

The term "Register" shall mean the books of registration kept by the Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

The term "Registrar" shall mean **BOKF, N.A.**, Dallas, Texas, and its successors in that capacity.

The term "Rule" means SEC Rule 15c2-12, as amended from time to time.

The term "SEC" shall mean the United States Securities and Exchange Commission and its successors.

The term "Surplus Revenues" shall mean the revenues of the System remaining after deduction of the reasonable and necessary expenses of operation and maintenance of the System

and all debt service, reserve and other requirements in connection with the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the surplus revenues of the System.

The term "System" shall mean the City's water and sewer system.

The term "Underwriters" shall mean BOK Financial Securities, Inc. and Raymond James & Associates, Inc.

3. Authorization. The Certificates shall be issued in fully registered form, without coupons, in the total authorized aggregate amount of **TWENTY-FOUR MILLION FIFTY THOUSAND DOLLARS (\$24,050,000)**, for the purpose of evidencing the indebtedness of the City for the cost of financing the construction of public works, more specifically, the construction of road and street improvements, improvements to the City's water system and wastewater treatment system, including acquisition and installation of automatic water meters and rehabilitation, sewer line bottleneck repairs and improvements and upgrades to the City's wastewater treatment plant, improvements to the City's parks and park facilities, and any items related thereto, and payment of professional services incurred in connection with any of the foregoing, and to pay the cost of issuance of such certificates of obligation (the "Project").

4. Designation, Date, and Interest Payment Dates. The Certificates shall be designated as the "**CITY OF GROVES, TEXAS, CERTIFICATES OF OBLIGATION, SERIES 2026**", and shall be dated March 1, 2026. The Certificates shall bear interest from the later of the date the Certificates are delivered to the Underwriters, or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, interest payable on March 1, 2027 and semi-annually thereafter on March 1 and September 1 of each year until maturity or earlier redemption.

5. Certificates, Numbers and Denominations. Other than the Initial Certificate, which shall be numbered I-1, the Certificates shall be issued bearing the numbers, in the principal amounts, and bearing interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Ordinance:

<u>Certificate Number</u>	<u>Year and Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
R-1	09/01/2027	\$ 80,000	5.00%
R-2	09/01/2028	\$ 785,000	5.00%
R-3	09/01/2029	\$ 825,000	5.00%
R-4	09/01/2030	\$ 865,000	5.00%
R-5	09/01/2031	\$ 910,000	5.00%
R-6	09/01/2032	\$ 955,000	5.00%

R-7	09/01/2033	\$1,000,000	5.00%
R-8	09/01/2034	\$1,050,000	5.00%
R-9	09/01/2035	\$1,105,000	5.00%
R-10	09/01/2036	\$1,160,000	5.00%
R-11	09/01/2037	\$1,220,000	5.00%
R-12	09/01/2038	\$1,280,000	5.00%
R-13	09/01/2039	\$1,345,000	5.00%
R-14	09/01/2040	\$1,410,000	5.00%
R-15	09/01/2041	\$1,480,000	5.00%
R-16	09/01/2042	\$1,555,000	5.00%
R-17	09/01/2043	\$1,630,000	5.00%
R-18	09/01/2044	\$1,715,000	5.00%

R-19	09/01/2046	\$3,680,000	4.50%

On the Closing Date, one Initial Certificate numbered I-1 and representing the entire principal amount of all Certificates, payable in stated installments to the Underwriters, or its designee, executed by the manual or facsimile signatures of the Mayor or Mayor Pro Tem and City Clerk of the City, approved by the Attorney General, and registered and manually or electronically signed by the Comptroller, will be delivered to the Underwriters or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of the Underwriters one registered definitive Certificate for each year of maturity of the Certificates in the aggregate principal amount of all Certificates for such maturity, registered in the name of Cede & Co., as the nominee of DTC

Certificates delivered upon transfer of or in exchange for other Certificates shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Certificate or Certificates in lieu of which they are delivered.

6. Execution of Certificates: Seal. The Certificates shall be signed by the Mayor of the City and countersigned by the City Clerk of the City, and signed by the City Attorney approving the form and legality thereof, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the City had been manually impressed upon each of the Certificates. If any officer of the City whose manual or facsimile signature shall appear on the Certificates shall cease to be such officer before the authentication of such Certificates or before the delivery of such Certificates, such manual or facsimile signature shall nevertheless be valid and sufficient for all

purposes as if such officer had remained in such office.

7. Approval by Attorney General; Registration by Comptroller. The Initial Certificate to be initially issued shall be delivered to the Attorney General of the State of Texas for approval and shall be registered by the Comptroller of Public Accounts of the State of Texas. The manually or electronically executed registration certificate of the Comptroller of Public Accounts substantially in the form provided in Section 17 of this Ordinance shall be attached or affixed to the initial Certificates.

8. Authentication. Except for the Certificates to be initially issued, which need not be authenticated by the Registrar, only Certificates which bear thereon a certificate of authentication, substantially in the form provided in Section 17(a) of this Ordinance, manually or electronically executed by an authorized representative of the Registrar, shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Certificates so authenticated were delivered by the Registrar hereunder. The Registrar shall not authenticate any Certificates until the initially issued Certificates have been canceled.

9. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Certificates. The principal of the Certificates shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they become due and payable, at the designated corporate trust office of the Registrar. The interest on each Certificate shall be payable by check payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register.

If the date for payment of the principal of or interest on any Certificate is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

10. Successor Registrars. The City covenants that at all times while any Certificates are outstanding it will provide a bank, trust company, financial institution or other entity duly qualified and duly authorized to act as Registrar for the Certificates. The City reserves the right to change the Registrar on not less than sixty (60) days' written notice to the Registrar, so long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Certificates. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

11. Special Record Date. If interest on any Certificate is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) business days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

12. Ownership: Unclaimed Principal and Interest. The City, the Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute Owner of such Certificate for the purpose of making payment of principal or interest on such Certificate, and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Certificate in accordance with this Section 12 shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Certificate to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Certificates remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the provisions of Texas law, including to the extent applicable, Title 6 of the Texas Property Code, as amended.

13. Registration, Transfer, and Exchange; Special Election for Uncertificated Certificates. So long as any Certificates remain outstanding, the Registrar shall keep the Register at its principal corporate trust office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Certificates in accordance with the terms of this Ordinance.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Certificate for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three (3) Business Days after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Certificate or Certificates so presented.

All Certificates shall be exchangeable upon presentation and surrender thereof at the principal corporate trust office of the Registrar for a Certificate or Certificates of the same maturity

and interest rate in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Certificate or Certificates presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Certificates in accordance with the provisions of this Section 13. Each Certificate delivered in accordance with this Section 13 shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such Certificate is delivered.

The City or the Registrar may require the Owner of any Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Certificate. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the City.

Neither the City nor the Registrar shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Certificate called for redemption in part.

Notwithstanding any other provision hereof, upon initial issuance of the Certificates but at the sole election of the Underwriters, the ownership of the Certificates shall be registered in the name of Cede & Co., as nominee of DTC, and except as otherwise provided in this Section, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Certificates shall be initially issued in the form of a single separate certificate for each of the maturities thereof. If the Underwriters shall elect to invoke the provisions of this Section, then the City shall not discontinue the use of the DTC without the consent of the Underwriters, and the following provisions shall take effect with respect to the Certificates.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than an Owner of a Certificate, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner of a Certificate, as shown in the Register, of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute Owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on the Certificates, for the purpose of all matters with respect to such Certificates, for the purpose of registering transfers with respect to such Certificates, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on

the Certificates only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner as shown in the Register, shall receive a certificate for a Certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that the City or the Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representation and that it is in the best interest of the beneficial Owners of the Certificates that they be able to obtain certificated Certificates, or if DTC Participants owning at least 50% of the Certificates outstanding based on current records of the DTC determine that continuation of the system of book-entry transfers through the DTC (or a successor securities depository) is not in the best interest of such beneficial Owners of the Certificates, or in the event DTC discontinues the services described herein, the City or the Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, and notify DTC of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Certificates, and all notices with respect thereto, shall be made and given in the manner provided in the Letter of Representation.

14. Mutilated, Lost, or Stolen Certificates. Upon the presentation and surrender to the Registrar of a mutilated Certificate, the Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Certificate is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Certificate of like amount, bearing a number not contemporaneously outstanding.

The City or the Registrar may require the Owner of a mutilated Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other associated expenses, including the fees and expenses of the Registrar.

The City or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Certificate, before any replacement Certificate is issued, to:

- (1) furnish to the City and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Certificate;
- (2) furnish such security or indemnity as may be required by the Registrar and the City to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the City and the Registrar.

If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the City and the Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Certificate, authorize the Registrar to pay such Certificate.

Each replacement Certificate delivered in accordance with this Section 14 shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

15. Cancellation of Certificates. All Certificates paid in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance herewith, shall be cancelled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the City with appropriate certificates of destruction of such Certificates.

16. Optional and Mandatory Redemption and Redemption Provisions. (a) Optional

Redemption. The City reserves the right, at its option, to redeem Certificates having stated maturities on and after September 1, 2036, in whole or in part, on September 1, 2035, or any date thereafter, at a price of par plus accrued interest to the date fixed for redemption. If less than all of the Certificates are to be redeemed, the Registrar shall select by lot the Certificates, or portions thereof, to be redeemed.

(b) Mandatory Redemption. The Certificates maturing in the year 2045 shall be issued as Term Certificates and shall be subject to mandatory redemption prior to maturity in the amounts and on the dates set out below, at a price equal to the principal amount to be redeemed plus accrued interest to the redemption date:

TERM CERTIFICATES DUE SEPTEMBER 1, 2045

<u>Date</u>	<u>Amount</u>
09/01/2045	\$1,800,000
09/10/2046 (Maturity)	\$1,880,000

The Paying Agent shall select for redemption by lot, or by any other customary method that results in random selection, a principal amount of Term Certificates equal to the aggregate principal amount of such Term Certificates to be redeemed, shall call such Term Certificates for redemption on the scheduled mandatory redemption date, and shall give notice of such redemption in accordance with this Ordinance. The principal amount of Term Certificates required to be mandatorily redeemed shall be reduced, at the option of the City, by the principal amount of Term Certificates which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof not previously credited against a mandatory sinking fund redemption.

(c) General Redemption Provisions. Certificates may be redeemed only in integral multiples of \$5,000. If a Certificate subject to redemption is in a denomination larger than \$5,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Certificate for redemption in part, the Registrar, in accordance with Section 13 hereof, shall authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

Not less than thirty (30) days prior to a redemption date for the Certificates, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each Owner of each Certificate to be redeemed in whole or in part, at the address of the Owner appearing on the Register at the close of business on the Business Day next preceding the date of the mailing

of such notice. Such notice shall state the redemption date, the redemption price, the place at which Certificates are to be surrendered for payment and, if less than all the Certificates are to be redeemed, the numbers of the Certificates or portions thereof to be redeemed. Any notice of redemption so mailed shall be conclusively presumed to have been duly given whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Certificates or portions thereof to be redeemed. When Certificates have been called for redemption in whole or in part and due provision made to redeem the same as herein provided, the Certificates or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of being paid solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Certificate or portion thereof called for redemption shall terminate on the date fixed for redemption.

17. Form. (a) General Form of the Certificates. The Initial Certificates, including the form of the Registrar's Authentication Certificate, the form of Assignment, the form of the Statement of Insurance, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas which shall be attached or affixed to the Initial Certificates, shall be in the form set forth in Section 17(b) below. Other than the Initial Certificates, the form of the Certificates, including the form of the Registrar's Authentication Certificate, the form of Assignment and the form of the Statement of Insurance, shall be, respectively, substantially as follows, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Ordinance:

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF JEFFERSON

NUMBER
R-____
REGISTERED

DENOMINATION
\$ _____
REGISTERED

CITY OF GROVES, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 2026

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>	<u>ISSUANCE DATE:</u>	<u>CUSIP:</u>
%	September 1, _____	March 1, 2026	April 7, 2026	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

THE CITY OF GROVES, TEXAS (the "City"), promises to pay to the registered owner identified above, or registered assigns, on the date specified above, upon presentation and surrender of this certificate at the designated corporate trust office of BOKF, N.A., Dallas, Texas (the "Registrar"), the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Issuance Date of this Certificate or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Certificate is payable by check on March 1, 2027 and semi-annually thereafter on each March 1 and September 1 mailed to the registered owner as shown on the books of registration kept by the Registrar as of the 15th business day of the month next preceding each interest payment date.

THIS CERTIFICATE is one of a duly authorized issue of Certificates of Obligation, aggregating \$24,050,000 (the "Certificates"), issued in accordance with the Constitution and the laws of the State of Texas, particularly Chapter 271, Texas Local Government Code, as amended, for the purpose of evidencing the indebtedness of the City to finance the construction of public works, more specifically, the construction of road and street improvements, improvements to the City's water system and wastewater treatment system, including acquisition and installation of automatic water meters and rehabilitation, sewer line bottleneck repairs and improvements and upgrades to the City's wastewater treatment plant, improvements to the City's parks and park facilities, and any items related thereto, and payment of professional services incurred in connection with any of the foregoing, and to pay the cost of issuance of the Certificates, pursuant to an ordinance duly adopted by the City Council of the City on March 9, 2026 (the "Ordinance"), which Ordinance is of record in the official minutes of the City Council.

THE CITY RESERVES THE RIGHT, at its option, to redeem the Certificates having stated maturities on or after September 1, 2036, in whole or in part, on September 1, 2035 or any date thereafter, in integral multiples of \$5,000, at a price of par plus accrued interest to the date fixed for redemption. Reference is made to the Ordinance for complete details concerning the manner of redeeming the Certificates.

The Certificates maturing in the year 2046 shall be issued as Term Certificates and shall be subject to mandatory redemption prior to maturity in the amounts and on the dates set out below, at a price equal to the principal amount to be redeemed plus accrued interest to the redemption date:

TERM CERTIFICATES DUE SEPTEMBER 1, 2045

<u>Date</u>	<u>Amount</u>
09/01/2045	\$1,800,000
09/10/2046 (Maturity)	\$1,880,000

The Paying Agent shall select for redemption by lot, or by any other customary method that results in random selection, a principal amount of Term Certificates equal to the aggregate principal amount of such Term Certificates to be redeemed, shall call such Term Certificates for redemption on the scheduled mandatory redemption date, and shall give notice of such redemption in accordance with this Ordinance. The principal amount of Term Certificates required to be mandatorily redeemed shall be reduced, at the option of the City, by the principal amount of Term Certificates which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof not previously credited against a mandatory sinking fund redemption.

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior the date fixed for redemption by first class mail, addressed to the registered owner of each Certificate to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Certificates or portions thereof have been called for redemption and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS CERTIFICATE is transferable only upon presentation and surrender at the principal corporate trust office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE CERTIFICATES are exchangeable at the principal corporate trust office of the Registrar for Certificates in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of this Ordinance.

NEITHER THE CITY NOR THE REGISTRAR shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Certificate called for redemption in part.

THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate either (i) is registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Certificate, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified registrar for the Certificates and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied, within the limits prescribed by law, against all taxable property in the City, and have been pledged irrevocably for such payment.

IT IS FURTHER certified, recited and represented that the Surplus Revenues to be derived from the operation of the City's waterworks and sewer system (the "System"), but only to the extent of and in an amount not to exceed One Thousand Dollars (\$1,000.00) in the aggregate, are also pledged to the payment of the principal of and interest on this Certificate and the series of Certificates of which it is a part to the extent that taxes may ever be insufficient or unavailable for said purpose, all as set forth in the Ordinance to which reference is made for all particulars; provided, however, that such pledge of Surplus Revenues is and shall be junior and subordinate in all respects to the pledge of such Surplus Revenues to the payment of any obligation of the City, whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of such Surplus Revenues to the payment of this Certificate and that series of Certificates of which it is a part, and the City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Surplus Revenues of the System, secured by a pledge of the Surplus Revenues of the System that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Surplus Revenues securing this Certificate and the series of Certificates of which it is a part.

IN WITNESS WHEREOF, this Certificate has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Clerk of the City and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate.

CITY OF GROVES, TEXAS

Chris Borne, Mayor

Clarissa Thibodeaux, City Clerk

(SEAL)

Approved as to form and legality.

Brandon Monk, City Attorney
City of Groves, Texas

Form of Registration Certificate
of Comptroller of Public Accounts

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this certificate has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this _____ day of _____, 2026.

xxxxxxx
Comptroller of Public Accounts
of the State of Texas

(Seal)

Form of Registrar's Authentication Certificate

AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate has been delivered pursuant to the Ordinance described in the text of this Certificate.

BOKF, N.A.

By: _____

Authorized Signature
Date of Authentication _____

Form of Assignment

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto

(Please print or type name, address, and zip code of Transferee)

(Please insert Social Security or Taxpayer Identification Number of Transferee)

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ attorney to transfer said certificate on the books
kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

NOTICE: Signature must be
guaranteed by a member firm
of the New York Stock Exchange
or a commercial bank or trust
company.

Registered Owner

NOTICE: The signature
above must correspond to
the name of the registered
owner as shown on the face
of this Certificate in
every particular, without
any alteration, enlargement
or change whatsoever.

Form of Statement of Insurance

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to **BOKF, N.A., Dallas, Texas**, or its successor, as paying agent for the Certificates (the "Paying Agent"). Said Policy is on file and available for

inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Certificates, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Ordinance or this Certificate, BAM shall be deemed to be the sole owner of the Certificates for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Certificates or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Ordinance, at laws or in equity.

(b) Form of Initial Certificate. The initial Certificates shall be issued as a single, fully registered Certificate in the aggregate principal amount of \$24,050,000, shall be numbered I-1 and shall be registered in the name of the Underwriters or the designee thereof or as specified in the Certificate Purchase Agreement, and shall be in the following form, including the form of Registration Certificate of the Comptroller of Public Accounts, the form of Assignment and the form of the Statement of Insurance, with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Ordinance, and the Initial Certificate may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including language pertaining to bond insurance). Any portion of the text of any Initial Certificates may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate. The Initial Certificates shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Initial Certificates as evidenced by their execution thereof.

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF JEFFERSON

NUMBER
I-1
REGISTERED

DENOMINATION
\$24,050,000
REGISTERED

CITY OF GROVES, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 2026

Dated Date:

Date of Delivery:

CUSIP:

March 1, 2026

April 7, 2026

Registered Owner:

BOK Financial Securities, Inc. and
Raymond James & Associates, Inc.

Principal Amount:

TWENTY-FOUR MILLION FIFTY THOUSAND DOLLARS

The City of Groves, Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the principal amount above stated on September 1 in the years and in principal installments in accordance with the following schedule:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/01/2027	\$ 80,000	5.00%
09/01/2028	\$ 785,000	5.00%
09/01/2029	\$ 825,000	5.00%
09/01/2030	\$ 865,000	5.00%
09/01/2031	\$ 910,000	5.00%
09/01/2032	\$ 955,000	5.00%
09/01/2033	\$1,000,000	5.00%
09/01/2034	\$1,050,000	5.00%
09/01/2035	\$1,105,000	5.00%
09/01/2036	\$1,160,000	5.00%
09/01/2037	\$1,220,000	5.00%
09/01/2038	\$1,280,000	5.00%
09/01/2039	\$1,345,000	5.00%
09/01/2040	\$1,410,000	5.00%
09/01/2041	\$1,480,000	5.00%
09/01/2042	\$1,555,000	5.00%
09/01/2043	\$1,630,000	5.00%
09/01/2044	\$1,715,000	5.00%

09/01/2046	\$3,680,000	4.50%

(or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Date of Delivery at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year, commencing March 1, 2027, until maturity or prior redemption. Principal installments of this Certificate are payable in the year of maturity or on a redemption date to the registered owner hereof by BOKF, N.A. (the 'Paying Agent/Registrar'), upon presentation and surrender, at its designated offices in Dallas, Texas (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Certificate whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the 15th day of the month next preceding such interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificate shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Date of Delivery of this Certificate is April 7, 2026 (the "Date of Delivery").

THIS CERTIFICATE is one of a duly authorized issue of Certificates of Obligation, aggregating \$24,050,000 (the "Certificates"), issued in accordance with the Constitution and the laws of the State of Texas, particularly Chapter 271, Texas Local Government Code, as amended, for the purpose of evidencing the indebtedness of the City to finance the construction of public works, more specifically, the construction of road and street improvements, improvements to the City's water system and wastewater treatment system, including acquisition and installation of automatic water meters and rehabilitation, sewer line bottleneck repairs and improvements and upgrades to the City's wastewater treatment plant, improvements to the City's parks and park facilities, and any items related thereto, and payment of professional services incurred in connection with any of the foregoing, and to pay the cost of issuance of the Certificates, pursuant to an ordinance duly adopted by the City Council of the City on March 9, 2026 (the "Ordinance"), which Ordinance is of record in the official minutes of the City Council.

THE CITY RESERVES THE RIGHT, at its option, to redeem the Certificates having stated maturities on or after September 1, 2036, in whole or in part, on September 1, 2035 or any date thereafter, in integral multiples of \$5,000, at a price of par plus accrued interest to the date fixed for redemption. Reference is made to the Ordinance for complete details concerning the manner of redeeming the Certificates.

The Certificates maturing in the year 2046 shall be issued as Term Certificates and shall be subject to mandatory redemption prior to maturity in the amounts and on the dates set out below, at a price equal to the principal amount to be redeemed plus accrued interest to the redemption date:

TERM CERTIFICATES DUE SEPTEMBER 1, 2046

<u>Date</u>	<u>Amount</u>
09/01/2045	\$1,800,000
09/01/2046 (Maturity)	\$1,880,000

The Paying Agent shall select for redemption by lot, or by any other customary method that results in random selection, a principal amount of Term Certificates equal to the aggregate principal amount of such Term Certificates to be redeemed, shall call such Term Certificates for redemption on the scheduled mandatory redemption date, and shall give notice of such redemption in accordance with this Ordinance. The principal amount of Term Certificates required to be mandatorily redeemed shall be reduced, at the option of the City, by the principal amount of Term Certificates which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof not previously credited against a mandatory sinking fund redemption.

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior the date fixed for redemption by first class mail, addressed to the registered owner of each Certificate to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Certificates or portions thereof have been called for redemption and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS CERTIFICATE is transferable only upon presentation and surrender at the principal

corporate trust office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE CERTIFICATES are exchangeable at the principal corporate trust office of the Registrar for Certificates in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of this Ordinance.

NEITHER THE CITY NOR THE REGISTRAR shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Certificate called for redemption in part.

THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate either (i) is registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Certificate, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified registrar for the Certificates and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied, within the limits prescribed by law, against all taxable property in the City, and have been pledged irrevocably for such payment.

IT IS FURTHER certified, recited and represented that the Surplus Revenues to be derived from the operation of the City's waterworks and sewer system (the "System"), but only to the extent of and in an amount not to exceed One Thousand Dollars (\$1,000.00) in the aggregate, are also pledged to the payment of the principal of and interest on this Certificate and the series of Certificates of which it is a part to the extent that taxes may ever be insufficient or unavailable for said purpose, all as set forth in the Ordinance to which reference is made for all particulars; provided, however, that such pledge of Surplus Revenues is and shall be junior and subordinate in all respects to the pledge of such Surplus Revenues to the payment of any obligation of the City,

whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of such Surplus Revenues to the payment of this Certificate and that series of Certificates of which it is a part, and the City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Surplus Revenues of the System, secured by a pledge of the Surplus Revenues of the System that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Surplus Revenues securing this Certificate and the series of Certificates of which it is a part.

IN WITNESS WHEREOF, this Certificate has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Clerk of the City and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate.

CITY OF GROVES, TEXAS

Chris Borne, Mayor

(SEAL)

Clarissa Thibodeaux, City Clerk

Approved as to form and legality.

Brandon Monk, City Attorney
City of Groves, Texas

**Form of Registration Certificate
of Comptroller of Public Accounts**

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. _____

I hereby certify that this certificate has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this ____ day of _____, 2026.

XXXXXXX

Acting Comptroller of Public Accounts
of the State of Texas

(Seal)

Form of Assignment

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto

(Please print or type name, address, and zip code of Transferee)

(Please insert Social Security or Taxpayer Identification Number of Transferee)

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ attorney to transfer said certificate on the books
kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

NOTICE: Signature must be
guaranteed by a member firm
of the New York Stock Exchange
or a commercial bank or trust
company.

Registered Owner
NOTICE: The signature
above must correspond to
the name of the registered
owner as shown on the face
of this Certificate in
every particular, without
any alteration, enlargement
or change whatsoever.

Statement of Insurance

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to **BOKF, N.A., Dallas, Texas**, or its successor, as paying

agent for the Certificates (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Certificates, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Ordinance or this Certificate, BAM shall be deemed to be the sole owner of the Certificates for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Certificates or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Ordinance, at laws or in equity.

18. Legal Opinion; CUSIP Numbers. The approving opinion of Creighton, Fox, Johnson & Mills, PLLC, Beaumont, Texas, Bond Counsel, and CUSIP Numbers may be printed on the Certificates, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the validity of the Certificates.

19. Interest and Sinking Fund; Tax Levy; Pledge of Surplus Revenues; Construction Fund.

(a) The proceeds from all taxes levied, assessed and collected for and on account of the Certificates authorized by this Ordinance are hereby irrevocably pledged and shall be deposited, as collected, in a special fund to be designated "City of Groves, Texas, Certificates of Obligation, Series 2026, Interest and Sinking Fund". While the Certificates or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually levied, assessed and collected in due time, form and manner within the limits prescribed by law, and at the same time other City taxes are levied, assessed and collected, in each year, beginning with the current year, a continuing direct annual ad valorem tax upon all taxable property in the City sufficient to pay the current interest on the Certificates as the same becomes due (but never less than 2% of the original principal amount of the Certificates), and to provide and maintain a sinking fund adequate to pay the principal of the Certificates as such principal matures in each year, full allowance being made for delinquencies and costs of collection, and said taxes when collected shall be applied to the payment of the interest on and principal of the Certificates and to no other purpose.

(b) As authorized by the Act and Chapter 1502, Texas Government Code, as amended, the Surplus Revenues of the System, but only to the extent of and in an amount not to exceed \$1,000 in the aggregate, are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates as the same come due; provided, however, that such pledge of Surplus Revenues is and shall be junior and subordinate in all respects to the pledge of the Surplus Revenues to the payment of any obligation of the City, whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of such Surplus Revenues to the payment of the Certificates; and the City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Surplus Revenues of the System that may be prior and superior in right

to, on a parity with, or junior and subordinate to the pledge of Surplus Revenues securing this series of Certificates.

(c) There is hereby created and there shall be established on the books of the City a separate account to be entitled the "City of Groves, Texas, Certificates of Obligation, Series 2026, Construction Fund". Immediately after the sale and delivery of the Certificates, that portion of the proceeds of the Certificates to be used for paying all or any part of the cost of the Project, the cost of professional services incurred in connection therewith, and the issuance costs of the Certificates shall be deposited into the Construction Fund and disbursed for such purposes. Upon completion of the Project, the monies, if any, remaining in the Construction Fund shall be transferred and deposited by the City into the Interest and Sinking Fund.

20. Further Proceedings. After the Certificates shall have been executed, it shall be the duty of the Mayor or City Manager of the City to deliver the Certificates to be initially issued and all pertinent records and proceedings to the Attorney General of the State of Texas for examination and approval. After the Certificates to be initially issued shall have been approved by the Attorney General of the State of Texas, the Certificates shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Certificates to be initially issued, the Comptroller of Public Accounts (or a deputy lawfully designated in writing to act for the Comptroller) shall sign (by manual or facsimile signature) the Comptroller's Registration Certificate prescribed herein to be affixed or attached to the Certificates to be initially issued, and the seal of the Comptroller shall be impressed, or placed in facsimile, thereon. In addition, the Mayor, the City Manager, the City Clerk and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary or convenient to carry out the purposes of this Ordinance.

Any one or more of the Mayor, the City Manager or the City Clerk are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Certificates. In addition, prior to the initial delivery of the Certificates, the Mayor, the City Manager and the City Clerk, are each hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Certificates by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

21. Sale of Certificates: Certificate Insurance. The Certificates are hereby sold and shall be delivered to the Underwriters at a price of par of \$24,050,000.00, plus a net original issue reoffering premium of \$2,307,072.15, and less an underwriter's discount of \$137,614.00, in accordance with the terms of a written Certificate Purchase Agreement dated March 9, 2026 between the City and the Underwriters, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City. The form of the Certificate Purchase Agreement is hereby approved and authorized and the Mayor is hereby authorized to execute the Certificate Purchase Agreement on behalf of the City. The Mayor and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary or desirable to satisfy the conditions set out herein and to provide for the issuance and delivery of the Certificates. The City finds that the net effective interest rate payable under the Certificates is 4.176402% and the true interest cost is 3.950023%.

The City hereby ratifies, authorizes and approves, in connection with the sale of the Certificates the preparation and distribution of the Preliminary Official Statement dated March 2, 2026, and an Official Statement dated March 9, 2026. The appropriate officials of the City are hereby authorized to sign such Official Statement and/or to deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

The purchase of and payment of the premium for the Municipal Bond Insurance Policy by in accordance with the terms of a commitment for such insurance presented to and hereby approved by the City is hereby authorized. All officials and representatives of the City are authorized and directed to execute such documents and to do any and all things necessary or desirable to obtain such insurance, and the printing on the Certificates of an appropriate legend regarding such insurance is hereby approved.

22. Defeasance. The City may defease the provisions of this Ordinance and discharge its obligation to the Owners of any or all of the Certificates to pay principal, interest and redemption premium, if any, thereon in any manner permitted by law.

23. Tax Exemption. (a) The City intends that the interest on the Certificates shall be excludable from gross income for purposes of federal income taxation pursuant to Sections 103 and 141 through 150 of the Code, and applicable regulations. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Certificates to be includable in gross income, as defined in Section 61 of the Code, of the holders thereof for purposes of federal income taxation. In particular, the City covenants and agrees to comply with each requirement of this Section; provided, however, that the City shall not be required to comply with any particular requirement of this Section if the City has received an opinion of nationally recognized bond counsel (a "Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for

federal income tax purposes of interest on the Certificates or if the City has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section.

(b) The City covenants and agrees that its use of Net Proceeds of the Certificates will at all times satisfy the following requirements:

(i) The City will use all of the Net Proceeds of the Certificates for financing the Project and to pay the professional fees described in Section 3 and for payment of the costs of issuing the Certificates. The City has limited and will limit with respect to the Certificates the amount of original or investment proceeds thereof to be used (other than use as a member of the general public) in the trade or business of any person other than a governmental unit to an amount aggregating no more than 10% of the Net Proceeds of the Certificates ("private-use proceeds"). For purposes of this Section, the term "person" includes any individual, corporation, partnership, unincorporated association, or any other entity capable of carrying on a trade or business; and the term "trade or business" means, with respect to any natural person, any activity regularly carried on for profit and, with respect to persons other than natural persons, any activity other than an activity carried on by a governmental unit. Any use of proceeds of the Certificates in any manner contrary to the guidelines set forth in Revenue Procedure 93-19, including any revisions or amendments thereto, shall constitute the use of such proceeds in the trade or business of one who is not a governmental unit;

(ii) The City has not permitted and will not permit more than 5% of the Net Proceeds of the Certificates to be used in the trade or business of any person other than a governmental unit if such use is unrelated to the governmental purpose of the Certificates. Further, the amount of private-use proceeds of the Certificates in excess of 5% of the Net Proceeds thereof ("excess private-use proceeds") did not and will not exceed the proceeds of the Certificates expended for the governmental purpose of the Certificates to which such excess private-use proceeds relate;

(iii) Principal of and interest on the Certificates shall be paid solely from ad valorem tax receipts collected by the City and the Surplus Revenues of the System to the extent pledged hereunder and from any other lawful funds available to the City. Further, no person using more than 10% of the Net Proceeds of the Certificates in a trade or business, other than a governmental unit, has made or shall make payments (other than as a member of the general public), directly or indirectly, accounting for more than 10% of such receipts;

(iv) The City has not permitted and will not permit with respect to the Certificates an amount of proceeds thereof exceeding the lesser of (a) \$5,000,000 or (b) 5% of the Net

Proceeds of the Certificates to be used, directly or indirectly, to finance loans to persons other than a governmental unit; and

(v) The City will use a portion of the Net Proceeds of the Certificates to pay the costs of issuance of the Certificates.

When used in this Section, the term "Net Proceeds" of the Certificates shall mean the proceeds from the sale thereof to the Underwriters, including investment earnings on such proceeds, less accrued interest with respect to such issue.

(c) The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Certificates to be "federally guaranteed" within the meaning of Section 149(b) of the Code and applicable regulations thereunder, except as permitted by Section 149(b)(3) of the Code and such regulations.

(d) The City shall certify, through an authorized officer, employee or agent, that based upon all facts and estimates known or reasonably expected to be in existence on the date the Certificates are delivered, the City will reasonably expect that the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and applicable regulations thereunder. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Certificates, including interest or other investment income derived from the proceeds of the Certificates, regulate investments of such proceeds and amounts, and take such other and further action as may be required so that the Certificates will not be "arbitrage bonds" within the meaning of Section 148(a) of the Code and applicable regulations thereunder.

(e) The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the "gross proceeds" of the Certificates (within the meaning of Section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Certificates as may be required to calculate the amount earned on the investment of the gross proceeds of the Certificates separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City, (ii) calculate at such times as are required by applicable regulations, the amount earned from the investment of the gross proceeds of the Certificates which is required to be rebated to the federal government, and (iii) pay, not less often than every 5th anniversary date of the delivery of the Certificates, and within sixty (60) days after retirement of the Certificates, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Certificates that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or

larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(f) The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Certificates are issued, an information statement concerning the Certificates, all under and in accordance with Section 149(e) of the Code and applicable regulations thereunder.

(g) Qualified Tax-Exempt Obligations. Not applicable.

Section 24. Application of Proceeds. Proceeds from the sale of the Certificates in the amount of \$26,219,458.15, which includes the par amount of \$24,050,000.00, plus a premium of \$2,307,072.15, less an underwriter's discount of \$137,614.00, shall, promptly upon receipt by the City, be applied as follows:

- (a) \$175,500.00 from the sale of the Certificates shall be used to pay the costs of issuing the Certificates not later than 90 days after such issuance; and
- (b) \$42,986.23 from the sale of the Certificates shall be issued to pay the premium on the Municipal Bond Insurance Policy; and
- (c) \$26,000,000.00 from the sale of the Certificates shall, subject to the provisions of Section 19(c) above, be deposited into the Series 2026 Certificates of Obligation Construction Fund and used for the purposes set out in Section 3 of this Ordinance; and
- (d) Any remaining proceeds from the sale of the Certificates shall be deposited into the Series 2026 Certificates of Obligation Interest and Sinking Fund and used to pay debt service on the Certificates. Any investment of the proceeds of the Certificates shall be subject to the Public Funds Investment Act.

25. Open Meeting. The meeting at which this Ordinance was adopted was open to the public, and public notice of the time, place and purpose of said meeting, was given, all as required by Chapter 551 of the Texas Government Code Annotated, Vernon's 1994, as amended, and such notice as given is hereby authorized, approved, adopted and ratified.

26. Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the City are hereby authorized to execute such agreement for and on behalf of the City.

27. Partial Invalidity. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such

Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

28. Related Matters. To satisfy in a timely manner all of the City's obligations under this Ordinance, the Mayor, the City Manager, the City Clerk, and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for issuance of the Certificates, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the application of funds of the City consistent with the provisions hereof.

29. No Personal Liability. No recourse shall be had for payment of the principal or premium, if any, or interest on Certificate, or for any claim based thereon, or under this Ordinance, against any official or employee of the City or any person executing any Certificate.

30. Continuing Disclosure Undertaking. The City undertakes and agrees for the benefit of the holders of the Certificates to provide directly, on or before six months after the end of the City's fiscal year, which fiscal year presently ends on September 30,

- (a) to the Municipal Securities Rule Making Board (the "MSRB") annual financial information (which may be unaudited) and operating data regarding the City for fiscal years ending on or after September 30, 2026, which annual financial information and operating data shall be of the type included in the following listed sections contained in the Final Official Statement:

Appendix A – Table 1 and Tables 3-11

- (b) to MSRB audited financial statements for the City for fiscal years ending in or after 2026, when available, if the City commissions an audit and it is completed by the required time; provided that if audited statements are not commissioned or are not available by the required time, the City will provide unaudited statements when and if they become available.
- (c) in a timely manner (and not more than 10 business days after occurrence of the event), to MSRB notice of any of the following events with respect to the Certificates, if material within the meaning of the federal security laws to a decision to purchase or sell Certificates:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;

- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

In addition, the City will provide timely notice of any failure by the City to provide financial information and operating data in accordance with its agreement described above under Section 30(a) and section 30(b) above.

For these purposes, (A) any event described in clause (c)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, (B) as used in clauses (c)(15) and (c)(16) above, "Financial Obligation" to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018 (the "2018 Release") and any further written guidance provided by the SEC or its staff with respect to the amendments to Rule 15c2-12 effected by the 2018 Release.

All documents provided to the MSRB shall be accompanied by identifying information, as prescribed by the MSRB.

The accounting principles pursuant to which the City's financial statements are currently prepared are generally accepted accounting principles set out by the Government Accounting Standards Board, and, subject to changes in applicable law or regulations, such principles will be applied in the future.

If the City changes its fiscal year, it will notify MSRB of the change (and of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide annual financial information.

The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any

contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders and beneficial owners of the Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City shall be obligated to observe and perform the covenants specified in this Section 30 for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any bond calls and any defeasances that cause the City to be no longer an “obligated person”.

The City may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (1) the agreement, as amended would have permitted an underwriter to purchase or sell the Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances, and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of the Orders that authorizes such amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the City amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of information and data provided.

31. Engagement of Professionals. The City Council hereby confirms the prior engagement of (1) Creighton, Fox, Johnson & Mills, PLLC, as Bond Counsel to the City and (2) RBC Capital Markets, LLC, as Financial Advisor to the City, in connection with the issuance and sale of the Certificates.

32. Repealer. All orders, resolutions, and ordinances, and parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency.


33. Effective Date. This Ordinance shall be in force and effect from and after its final passage, and it is so ordered.

34. Amendments. The City may amend this Ordinance without the consent of or notice


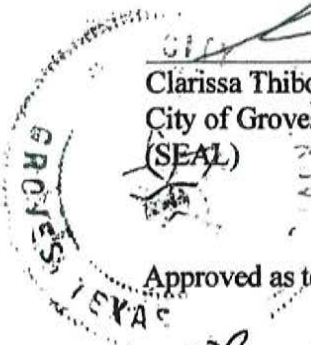
to any registered owners of the Certificates in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of the holders of a majority in aggregate principal amount of the Certificates then outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; except that, without the consent of the registered owners of all of the Certificates affected, no such amendment, addition, or rescission may (i) change the date specified as the date on which the principal or of any installment of interest on any Certificate is due and payable, reduce the principal amount or maturity amount thereof, or the rate of interest thereon, change the place or places at or the coin or currency in which any Certificate or interest thereon is payable, or in any other way modify the terms of payment of the principal or interest on the Certificates, (ii) give any preference to any Certificate over any other Certificate, or (iii) reduce the aggregate principal amount of Certificates required for consent to any amendment, addition, or rescission.

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PASSED AND APPROVED this 9th day of March, 2026.


Chris Borne, Mayor
City of Groves, Texas

ATTEST:


Clarissa Thibodeaux, City Clerk
City of Groves, Texas
(SEAL)


Approved as to form and legality.


Brandon Monk, City Attorney
City of Groves, Texas

City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: City Manager Agenda Item No. 13

Title for Item (same as to be placed on Agenda): Deliberate and act on a contract with Soutex Surveyors and Engineers for Project No. 25-0067, a.k.a. 25th Street Bottleneck Sewer.

Party(ies) requesting placement of this item on the agenda: Kevin Carruth, City Manager

Submitted to City Manager's Office on: Date: 4/8/26 Time: 2:00 p.m. By: C. THIBODEAUX

Explanation of Item: The proposed amendment to the 2/24/25 contract with Soutex Surveyors and Engineers is for the final design and construction management for the 25th Street Bottleneck Sewer Project.

Deadline for Approval: 4/13/26 (preferred)

Staff Recommendation: Staff recommends the Council approve the addendum to the contract with Soutex Surveyors and Engineers for Project No. 25-0067, a.k.a. the 25th Street Bottleneck Sewer Project in an amount

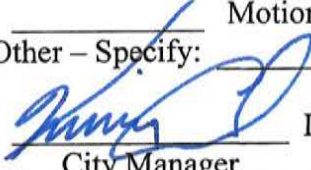
not to exceed \$220,500, and authorizing the City Manager to negotiate and execute all necessary documents.

Alternative (if any) for consideration: None.

Identify any attachments to this document: 1) Sewer Main Map; 2) Project Aerial Map; 3) Addendum;
4) Contract.

Specific Council Action Requested: None (Information item only) _____ Motion X

Ordinance – Number _____ Resolution – Number _____ Other – Specify: _____

Signed: _____ Date: _____ Approved:  Date: 04/10/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO
If yes, specify account no. 11-5-99-35-000 If no, explain and identify intended funding source: _____

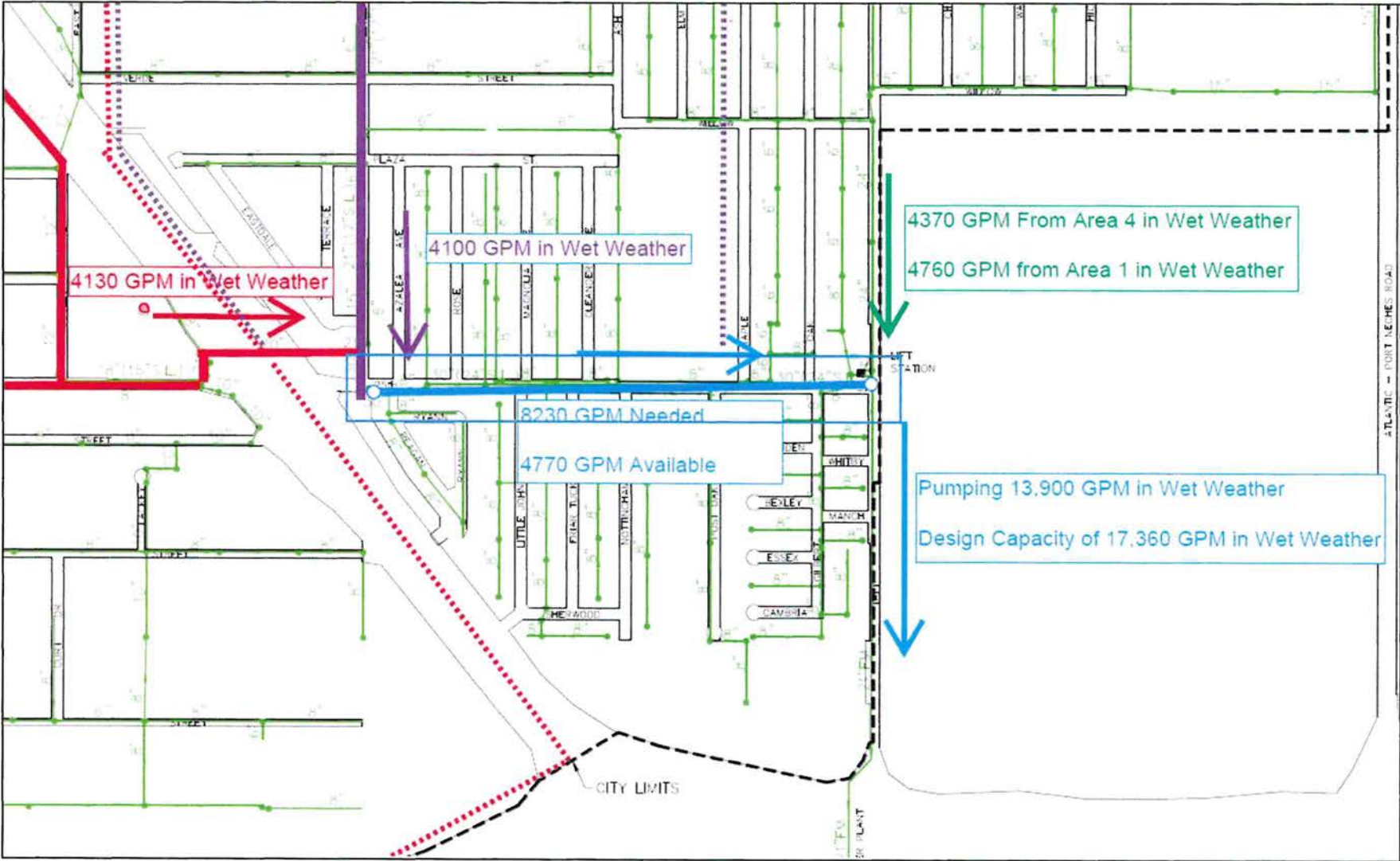
PAYMENT REQUEST

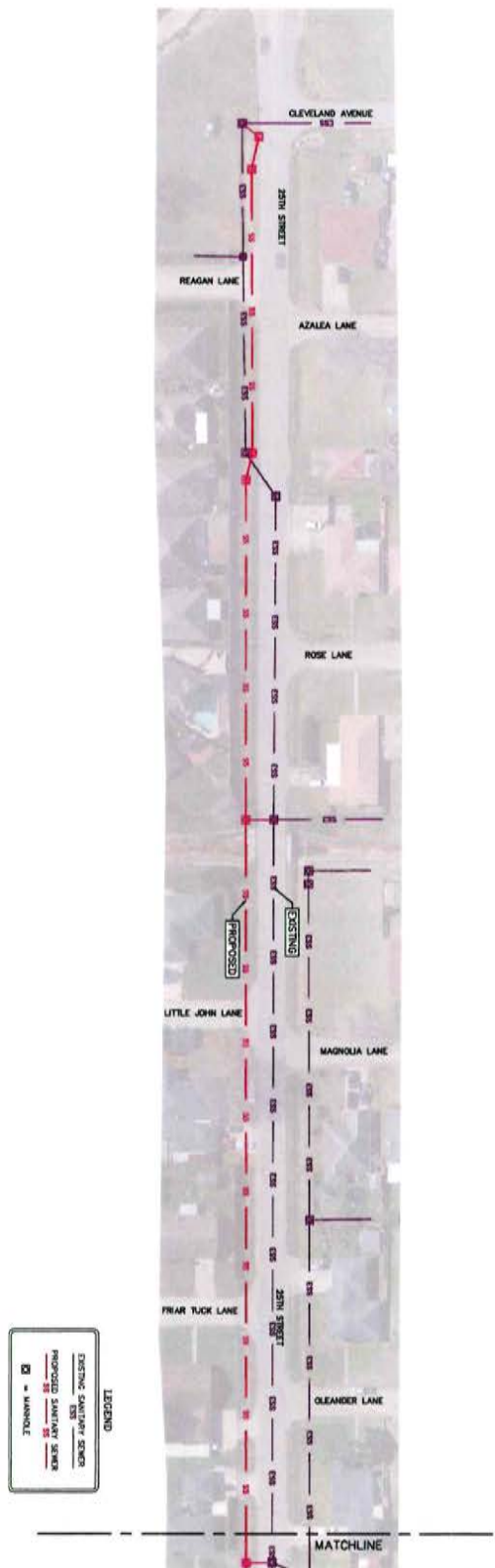
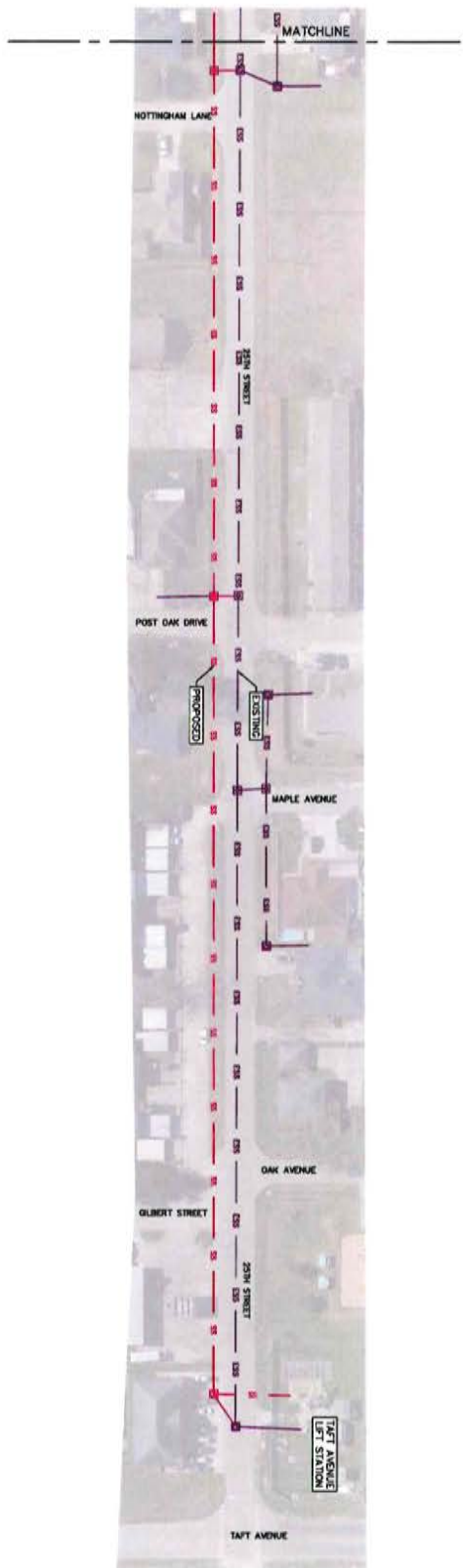
Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item
(if applicable): \$ _____ Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO
If yes, explain _____

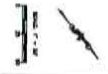
Sewer Main Map – 25th Street Sewer Bottleneck





LEGEND

- EXISTING SANITARY SEWER
- PROPOSED SANITARY SEWER
- PROPOSED CESSPOOL
- MANHOLE



PROJECT NO. 23-0007
 SCALE: HORIZ. 1" = 50'
 VERT. 1" = 5'
 DATE: 08/20/2023
 APPROVED BY: [Signature]

PROJECT TITLE
 25TH STREET SEWER
 AERIAL EXHIBIT
PROJECT
 ELIMINATION OF THE 25TH ST. BOTTLENECK
 25TH STREET, CITY OF GROVES
 GROVES, TEXAS 77619



SOUTEX
 SURVEYORS & ENGINEERS
 T&E, PLS. #10070 • T&E, PLS. #102300

3737 Doctors Drive
 Fort Worth, Texas 77642
 Tel. 409.983.3004
 Fax 409.983.3005
 soutelexsurveyors.com

**ADDENDUM TO
CONTRACT FOR ENGINEERING / SURVEYING SERVICES
SOUTEX NO. 25-0067**

This Addendum ("Addendum") is entered into by and between Soutex, Inc., dba Soutex Surveyors & Engineers ("SOUTEX"), and the City of Groves, Texas ("OWNER" or "City"), and amends that certain Contract for Engineering / Surveying Services, Soutex No. 25-0067, for the Elimination of the 25th Street Bottleneck in the wastewater collection system (the "Contract").

WHEREAS, the parties desire to supplement the Contract with additional terms and conditions necessary for the protection of both parties and to comply with applicable provisions of the Texas Government Code;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, SOUTEX and OWNER agree as follows:

SECTION 1 -- AMENDED PROVISIONS

1.1 Article II -- Governing Law

Article II of the Contract is hereby amended in its entirety to read as follows:

"This agreement shall be governed by the laws of the State of Texas. Venue for any action arising under or related to this agreement shall lie exclusively in Jefferson County, Texas. In any action to enforce this agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and court costs."

1.2 Article IV -- Compensation

Section 4.1 of the Contract is hereby amended in its entirety to read as follows:

"4.1 METHOD OF PAYMENT -- OWNER shall pay SOUTEX for services on a monthly basis. SOUTEX will submit to OWNER on a monthly basis itemized invoices (according to Schedule B) for review and payment. OWNER shall have thirty (30) days from receipt of each invoice to review and object to any charges. Failure to object within such period shall not constitute a waiver of OWNER's right to dispute charges at a later date. OWNER shall pay undisputed amounts within thirty (30) days of receipt of invoice."

The following Section 4.2 is hereby added to Article IV:

"4.2 NOT TO EXCEED -- Total compensation under this agreement shall not exceed Two Hundred Twenty Thousand Five Hundred Dollars (\$220,500.00) without prior written authorization from OWNER. Any work requested by OWNER beyond the scope of Attachment A shall be compensated at the rates set forth in the Rate Schedule attached hereto, subject to prior written approval by OWNER."

1.3 Article V, Section 5.2 -- Employee Claims

Section 5.2 of the Contract is hereby amended in its entirety to read as follows:

"5.2 EMPLOYEE CLAIMS -- SOUTEX shall indemnify and hold harmless OWNER against liability for damages arising out of bodily injury or property damage claims by SOUTEX's employees, agents, or subcontractors in connection with the performance of services under this agreement."

1.4 Article VIII -- Termination and Suspension

Section 8.1 of the Contract is hereby amended in its entirety to read as follows:

"8.1 This agreement may be terminated by SOUTEX or OWNER upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this agreement through no fault of the party initiating the termination, provided that the non-performing party shall have thirty (30) days from receipt of written notice to cure such failure. If the failure is not cured within such period, the terminating party may terminate the agreement upon written notice. SOUTEX will be paid for the services performed in accordance with this agreement to the date of termination."

The following Section 8.3 is hereby added to Article VIII:

"8.3 WORK PRODUCT DELIVERY -- Upon termination or expiration of this agreement for any reason, SOUTEX shall promptly deliver to OWNER all completed and in-progress work product, including but not limited to drawings, surveys, specifications, reports, calculations, and electronic files prepared in connection with the project."

SECTION 2 -- NEW PROVISIONS

The following new articles are hereby added to the Contract:

Article XIII -- Professional Standard of Care

SOUTEX shall perform its services in accordance with the degree of care and skill ordinarily exercised under similar circumstances by professional engineers and surveyors practicing in the same or similar locality. SOUTEX makes no warranty, express or implied, regarding its services.

Article XIV -- Ownership of Work Product

All drawings, specifications, reports, surveys, calculations, electronic files, and other documents or instruments of service prepared by SOUTEX in connection with this agreement (collectively, "Work Product") shall become the property of OWNER upon payment for the services related thereto. SOUTEX shall retain copies of the Work Product for its records and shall have the right to use the general knowledge and experience gained in performing the

services. OWNER's use or reuse of the Work Product for purposes other than the project described in this agreement shall be at OWNER's sole risk and without liability to SOUTEX.

Article XV -- Assignment

Neither party may assign this agreement or any rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, OWNER may assign this agreement to a successor governmental entity without SOUTEX's consent.

Article XVI -- Notices

All notices required or permitted under this agreement shall be in writing and shall be deemed given when delivered personally, or three (3) business days after being sent by certified mail, return receipt requested, to the following addresses:

If to OWNER:

City of Groves
Attn: City Manager
3947 Lincoln Avenue
Groves, Texas 77619

With a copy to:

The Monk Law Firm
Attn: Brandon P. Monk
4875 Parker Drive
Beaumont, Texas 77705

If to SOUTEX:

Soutex, Inc.
Attn: _____
Address: _____

Article XVII -- Compliance with Laws

SOUTEX shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances in performing services under this agreement, including but not limited to maintaining all licenses and registrations required by the Texas Board of Professional Engineers and Land Surveyors.

Article XVIII -- Records and Audit

SOUTEX shall maintain books, records, documents, and other evidence pertaining to costs and expenses incurred in connection with this agreement in accordance with generally

accepted accounting principles. Such records shall be available for inspection and audit by OWNER or its authorized representative during normal business hours for a period of four (4) years after final payment under this agreement.

SECTION 3 -- STATUTORY COMPLIANCE VERIFICATIONS

The following verifications are required by the Texas Government Code for contracts with governmental entities with a value of \$100,000 or more. By executing this Addendum, SOUTEX certifies and verifies the following:

3.1 Verification Regarding Israel (Tex. Gov't Code Section 2271.002)

SOUTEX hereby verifies that it does not boycott Israel and will not boycott Israel during the term of this agreement. For purposes of this verification, "boycott Israel" has the meaning assigned by Section 2271.001, Texas Government Code.

3.2 Verification Regarding Energy Company Boycotts (Tex. Gov't Code Section 2274.002)

SOUTEX hereby verifies that it does not boycott energy companies and will not boycott energy companies during the term of this agreement. For purposes of this verification, "boycott energy company" has the meaning assigned by Section 2274.001, Texas Government Code.

3.3 Verification Regarding Firearms Entity Boycotts (Tex. Gov't Code Section 2274.002)

SOUTEX hereby verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this agreement. For purposes of this verification, "discriminate against a firearm entity or firearm trade association" has the meaning assigned by Section 2274.001(3), Texas Government Code.

3.4 Verification Regarding Scrutinized Business Operations (Tex. Gov't Code Section 2252.152)

SOUTEX hereby verifies that it is not a company identified on the Comptroller's list of companies known to have contracts with or provide supplies or services to a foreign terrorist organization, and is not engaged in scrutinized business operations in Sudan, Iran, or a foreign terrorist organization as those terms are defined in Chapter 2252 of the Texas Government Code.

SECTION 4 -- INSURANCE REQUIREMENTS (ATTACHMENT C)

The following insurance requirements shall constitute Attachment C to the Contract, as referenced in Section 5.4. SOUTEX shall procure and maintain, at its own expense, the following minimum insurance coverage throughout the term of this agreement:

Coverage Type	Minimum Limits
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate

Automobile Liability	\$1,000,000 combined single limit
Workers' Compensation	Statutory limits
Employers' Liability	\$500,000 each accident \$500,000 disease - each employee \$500,000 disease - policy limit
Professional Liability (E&O)	\$1,000,000 per claim \$2,000,000 aggregate

SOUTEX shall provide certificates of insurance to OWNER prior to commencing services and upon each policy renewal. Certificates shall evidence the required coverage, name OWNER as additional insured on Commercial General Liability and Automobile Liability policies, and include waivers of subrogation in favor of OWNER on all policies. SOUTEX shall provide OWNER with thirty (30) days' advance written notice of any material change, cancellation, or non-renewal of any required coverage.

SECTION 5 -- GENERAL PROVISIONS

5.1 Conflict. In the event of any conflict between the terms of this Addendum and the terms of the Contract, the terms of this Addendum shall control.

5.2 Ratification. Except as expressly amended by this Addendum, all terms and conditions of the Contract remain in full force and effect and are hereby ratified and confirmed.

5.3 Counterparts. This Addendum may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

5.4 Effective Date. This Addendum shall be effective as of the date last signed below.

IN WITNESS WHEREOF,

the parties have executed this Addendum as of the date(s) set forth below.

SOUTEX, INC.

CITY OF GROVES, TEXAS

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**CONTRACT FOR ENGINEERING / SURVEYING SERVICES
SOUTEX NO. 25-0067**

THIS AGREEMENT, between Soutex, Inc., dba Soutex Surveyors & Engineers (SOUTEX) and the City of Groves, Texas (OWNER):

WITNESSETH

WHEREAS SOUTEX has entered into an agreement with OWNER to provide Engineering/Surveying services for the **Elimination of the 25th St Bottleneck** in the wastewater collection system (project), and,

NOW THEREFORE, in consideration of the promises contained in this agreement, SOUTEX and OWNER agree as follows:

ARTICLE I – EFFECTIVE DATE

The effective date of this agreement shall be **February 24, 2025**.

ARTICLE II – GOVERNING LAW

This agreement shall be governed by the Laws of Texas.

ARTICLE III – SERVICES TO BE PERFORMED BY SOUTEX

SOUTEX shall perform the services described in Attachment A, Scope of Services. Specifications, drawing, schedules, and other material pertinent to SOUTEX Services under this agreement.

ARTICLE IV – COMPENSATION

4.1 METHOD OF PAYMENT – OWNER shall pay SOUTEX for services on a monthly basis beginning 30 days after the EFFECTIVE DATE of agreement SOUTEX will submit to OWNER on a monthly basis itemized invoices (according to Schedule B) for review and payment, if OWNER has not advised SOUTEX of any objection of charges within fourteen days of such Invoice the statement will be considered acceptable by OWNER.

ARTICLE V – LIABILITY & INDEMNIFICATION

5.1 INDEMNIFICATION – SOUTEX shall indemnify and hold harmless OWNER from and against all claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused or alleged to be caused by any negligent act, error or omission of SOUTEX or any person or organization for whom SOUTEX is legally liable.

5.2 EMPLOYEE CLAIMS – SOUTEX shall indemnify OWNER against liability for damages arising out of claims by SOUTEX.

5.3 SURVIVAL – Upon completion of all services, obligations, and duties provided for in this agreement, or in the event of termination of this agreement for any reason the terms and conditions of this article shall survive.

5.4 INSURANCE – SOUTEX shall procure and maintain insurance as set forth in Attachment C “Insurance”, for protection from claims of Bodily Injury or Property Damage directly resulting from work performed by SOUTEX. SOUTEX shall list OWNER as an Additional Insured on SOUTEX’s General Liability and Automobile Liability insurance policies and provide Waivers of Subrogation in favor of OWNER on the General Liability, Automobile Liability and Workers’ Compensation policies.

ARTICLE VI – INDEPENDENT CONTRACTOR

SOUTEX shall be wholly responsible for any Sub-Contract work and performance. SOUTEX shall be the general administrator and coordinator of any such sub-contract work, and shall facilitate the exchange of information among the Sub-Contract or an OWNER as necessary for the coordination of their services, OWNER shall have the right to observe performance of the services. All communications shall be through SOUTEX.

ARTICLE VII – OWNERS RESPONSIBILITIES

1. Arrange and provide for access to and make all provisions for SOUTEX to enter upon public and private property as required for SOUTEX to perform the services under this agreement.
2. Give prompt notice to SOUTEX whenever OWNER observes or otherwise becomes aware of any development that effects the scope or timing of SOUTEX.

This information and services to be provided by OWNER under this article will be without cost to SOUTEX.

ARTICLE VIII – TERMINATION AND SUSPENSION

8.1 This agreement may be terminated by SOUTEX or OWNER upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this agreement through no fault of the party initiating the termination, SOUTEX will be paid for the services performed in accordance with this agreement to the date of termination

8.2 OWNER may terminate or suspend performance of the agreement for OWNER’s convenience upon written notice to SOUTEX. Upon receipt of notice, SOUTEX shall terminate or suspend performance of the services on a schedule acceptable to OWNER and may submit a statement for the services performed and reasonable termination or suspension expenses.

ARTICLE IX – DELAY IN PERFORMANCE

SOUTEX shall not be considered in default of this agreement for delays in performance caused by circumstances beyond the reasonable control of the non performing party for purposes of this agreement; such circumstances include, but are not limited to abnormal weather conditions, floods, earth quakes, fire, epidemics, war, riots, and other civil disturbances, strikes lockouts, work slowdowns, and other labor disturbances, sabotage, judicial restraint, and inability to procure permits, licenses, or authorizations from any Local, State or Federal Agency for any of the supplies, materials, accesses, or services required to be provided by SOUTEX.

Should such circumstances occur, either the OWNER or SOUTEX shall within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and efforts being made to resume performance of this agreement.

ARTICLE X – WAIVER

A waiver by either SOUTEX or OWNER of any breach of this agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

ARTICLE XI – INTEGRATION

This agreement represents the entire and integrated agreement between SOUTEX and OWNER. It supersedes all prior and contemporaneous communications, representations, and agreement, whether oral or written, relating to the subject matter of this agreement. This agreement may be amended only by a written instrument signed by both the OWNER and SOUTEX.

ARTICLE XII – SECOND PARTY RIGHTS

Nothing in this agreement shall be construed to give any rights or benefits to anyone other than SOUTEX and OWNER

IN WITNESS WHEREOF, SOUTEX and OWNER have executed this *AGREEMENT*.

SOUTEX, INC.
SOUTEX

By Jeremy Mitchell

Title Secretary/Treasurer

Date 03/03/25

CITY OF GROVES
OWNER

By  _____

Title City Manager

Date February 24, 2025

ATTACHEMENT A SCOPE OF SERVICES

SCOPE

Phase I of the project is for performance of a Preliminary Engineering Report to determine the feasibility and probable cost for constructing a new sewer now thought to be 24" in diameter to provide additional capacity to the sewer located in 25th Street from Hwy 73 to Taft Lift Station.

Phase II of the project is Final Design, Bidding, and Construction of the Project. If the Preliminary Engineering Report shows Option 3 to be feasible Phase II of the work project will be authorized.

I. FIELDWORK

A. SOUTEX will collect surveying data as needed. This data may consist of GPS data collection, and direct measurements of structures.

B. SOUTEX will take pictures of all areas to be affected by construction.

C. SOUTEX to verify with the Public Works Director the work to be done prior to preparation of the plans and specifications.

II. PRELIMINARY ENGINEERING REPORT

A. SOUTEX will determine the feasible routing if any for the additional sewer in 25th Street and confirm the diameter the new sewer needs to be in order to provide the additional capacity needed.

B. SOUTEX will develop an Opinion of Probable Cost for the additional sewer in 25th Street determined to be needed and feasible.

C. SOUTEX will compose a report documenting the work performed and clearly stating the recommendations for the construction of needed improvements to provide additional capacity to convey wastewater from collection areas 2 and 3 to the Taft Ave. Lift Station for it to operate at its design capacity of 25 MGD.

III. FINAL DESIGN

- A. Soutex will prepare the final design drawings for construction of the improvements recommended in the Preliminary Engineering Report. The drawings will be made available to the Owner when 60%, 90%, and 95% complete for review and comment.
- B. Soutex will prepare the contract documents including technical specifications for bidding the project in accordance with the laws of the State of Texas and the requirements of the City of Groves. If required by the source of funding, the funding requirements will be included in the contract documents as required.

IV. BIDDING

- A. SOUTEX will prepare the bid advertisement for the OWNER. The OWNER will place the advertisement in the official paper at the OWNERS expense.
- B. SOUTEX will conduct / attend Pre-Bid Conference.
- C. SOUTEX will answer all Contractor's questions in writing.
- D. SOUTEX to conduct / attend the Bid Opening.
- E. SOUTEX to prepare a Bid Tabulation to present to City Council for approval. This will include SOUTEX recommendation for award of the contract for construction.
- F. SOUTEX to prepare ten (10) sets of Contract Documents (City Manager, Public Works Director, City Attorney, Contractor, Contractors bonding company, SOUTEX plus four extras).
- G. SOUTEX to prepare any letters or attend meetings deemed necessary by the OWNER.

V. CONSTRUCTION MANAGEMENT

- A. SOUTEX Project Engineer to visit the job site at critical points during the construction.
- B. SOUTEX to prepare and present the Contractors monthly pay estimates (requests) to the OWNER for payment.
- C. SOUTEX to prepare Contract Change Orders if required.
- D. SOUTEX to follow up on all Citizen complaints.

V. CONSTRUCTION OBSERVATION (PERIODIC INSPECTION)

SOUTEX to provide periodic Construction Inspector for the project. The Inspector will be on site periodically to monitor progress at key points during the project to ensure compliance with plan set and specifications. Pictures of the construction will be taken. Reports will be written on progress.

VI. RECORD DRAWINGS and FINAL DOCUMENTS

SOUTEX will provide the OWNER with a final set of drawings indicating the work done. The final drawings shall be provided as one hard copy, an ArcGIS compatible TIFF file, and an ArcGIS compatible MRF file. The ArcGIS files shall be provided on appropriate storage media. The following additional final documents shall also be provided:

- A. Certificate of Guarantee for a one-year period from the Contractor
- B. Certificate of Release of Debts and Liens
- C. Certificate of Completion
- D. Certificate of Acceptance
- E. Other documents required by the OWNER or OWNERS Attorney

**ATTACHMENT B
COMPENSATION & SCHEDULE**

SOUTEX will invoice OWNER on a monthly basis relative to the amount of work done during the billing period. The following is a breakdown of the currently authorized services for this assignment:

I. Preliminary Planning	\$20,000
II. Fieldwork	\$17,500
III. Final Design	TBD based on findings of PER
IV. Bidding	TBD based on findings of PER
V. Construction Management	TBD based on findings of PER
VI. Construction Observation	TBD based on findings of PER
VII. Record Drawings & Final Documents	TBD based on findings of PER
Total (PER & Fieldwork)	\$37,500

Attached is a Rate Schedule for any work over and above the scope covered by this contract.

SCHEDULE

I. Preliminary Planning	Complete May 10, 2025
II. Fieldwork	Complete March 26, 2025
III. Final Design	Complete August 29, 2025
IV. Award Contract	Complete October 13, 2025
V. Start Construction	December 1, 2025
VI. Complete Construction	April 2, 2026

Schedule assumes PER confirms feasibility of Option 3.

Signature: Jeremy Mitchell
Jeremy Mitchell (Mar 3, 2025 07:49 CST)

Email: gary@soutex.net

25-0067 Eng Contract with Attachments 250224

Final Audit Report

2025-03-03

Created:	2025-02-27
By:	Kevin Carruth (kcarruth@cigrovestx.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAALPhaAdy6nEM5AKJ64NsxAqxYPsP-cBFp

"25-0067 Eng Contract with Attachments 250224" History

-  Document created by Kevin Carruth (kcarruth@cigrovestx.com)
2025-02-27 - 9:09:55 PM GMT
-  Document emailed to Gary Graham (gary@soutex.net) for signature
2025-02-27 - 9:10:02 PM GMT
-  Email viewed by Gary Graham (gary@soutex.net)
2025-02-27 - 9:11:36 PM GMT
-  Signer Gary Graham (gary@soutex.net) entered name at signing as Jeremy Mitchell
2025-03-03 - 1:49:05 PM GMT
-  Document e-signed by Jeremy Mitchell (gary@soutex.net)
Signature Date: 2025-03-03 - 1:49:07 PM GMT - Time Source: server
-  Agreement completed.
2025-03-03 - 1:49:07 PM GMT

City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: Public Works Agenda Item No. 14

Title for Item (same as to be placed on Agenda): Deliberate and act on construction of a disc golf course at John Spikes and West Groves Parks, and accepting sponsorship from Groves Equipment Rental Company.

Party(ies) requesting placement of this item on the agenda: Troy Foxworth, Public Works Director

Submitted to City Manager's Office on: Date: 4/8/26 Time: 2:00 p.m. By: C. THIBODEAUX

Explanation of Item: See accompanying 4/9/26 memo.

Deadline for Approval: 4/13/26 (preferred)

Staff Recommendation: Staff recommends the Council approve construction of a disc golf course at John Spikes and West Groves Parks and accepting a sponsorship from Groves Equipment Rental Company, as presented.

Alternative (if any) for consideration: _____

Identify any attachments to this document: Public Works Director's 4/9/2026 memo.

Specific Council Action Requested: None (Information item only) _____ Motion X

Ordinance – Number _____ Resolution – Number _____ Other – Specify: _____

Signed: _____ Date: _____ Approved: [Signature] Date: 04/10/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO

If yes, specify account no. _____ If no, explain and identify intended funding source:

Sponsorship from Groves Equipment Rental Company.

PAYMENT REQUEST

Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item

(if applicable): \$ _____ Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO

If yes, explain _____

MEMORANDUM

To: City Manager Kevin Carruth
From: Public Works Director Troy Foxworth
Date: April 9, 2026
Re: Disc Golf Project Costs



Purpose

This memo provides an update on the estimated costs and expected timeline for the proposed West Groves/John Spikes Disc Golf Course project.

Background

Disc golf is a low-cost recreational activity that can be enjoyed by people of all ages and skill levels. It is played much like golf, but instead of a ball and clubs, players use a flying disc or Frisbee®. The sport was formalized in the 1970s and shares with golf the object of completing each hole in the fewest strokes (or, in the case of disc golf, fewest throws).



A golf disc is thrown from a tee area to a target, which is the "hole." The hole can be one of a number of disc golf targets; the most common is an elevated metal basket like the one at right. As a player progresses down the fairway, he or she must make each consecutive throw from the spot where the previous throw landed. The trees, shrubs, and terrain changes located in and around the fairways provide challenging obstacles for the golfer. Finally, the "putt" lands in the basket and the hole is completed.

A compact course in our park system could provide new recreation opportunities while also supporting local economic activity. There are currently nine other disc golf courses in our region.

The proposed project includes installation of a 9-hole disc golf course at West Groves/John Spikes Parks. The course will include baskets, tee areas, tee signage, and a course map.

Estimated Project Costs

The most recent cost estimate, as shown in the table below, the total project cost is \$9,475.

Disc Golf Project Costs			
Item	Quantity	Unit Price	Total Cost
6" Wire for Concrete	1	\$ 300.00	\$ 300.00
Baskets	10	\$ 487.50	\$ 4,875.00
Concrete (yds)	10	\$ 165.00	\$ 1,650.00
Lumber (for Forms)	1	\$ 150.00	\$ 150.00
Map and Print (ACM 48" X 38")	1	\$ 500.00	\$ 500.00
Tee Sign Art & Printing (9" X 11")	9	\$ 111.11	\$ 1,000.00
Tee Sign Platforms	9	\$ 111.11	\$ 1,000.00
Grand Total			\$ 9,475.00

City of Groves Revised 4/09/26

Public Works employees will provide the labor for installation of the equipment, signage, and tees.



Course Map and Rules Sign

Tee Sign

Funding Considerations

Groves Equipment Rental Company has generously stepped up to sponsor the out of pocket expenses, up to \$10,000. Public Works employees will provide the labor for installation of the equipment, signage, and tees.

Schedule and Delivery

Based on vendor communication:

- Baskets are expected within 2 weeks after approval.
- Signage and tee platforms should arrive within 2–4 weeks after approval.
- Installation will take approximately one week.

Full project completion is anticipated within approximately 45 days from notice to proceed.

Benefits of the Project

The benefits of the project include:

1. Economic Impact

The possibility of tournaments and regular league play draws regional players who spend on dining, fuel, and retail. Some event participants may utilize hotel rooms, increase restaurant revenue, and raise sales at local shops.

2. Event Potential

A nine-hole course can host weekly leagues, seasonal series, and beginner tournaments. Regional tournaments could bring visitors to Groves for multiple days, creating repeat tourism and tax revenue.

3. Low Cost to Install and Maintain

Compared with traditional sports facilities, disc golf requires minimal infrastructure (tees, baskets, signage, simple landscaping) and low maintenance. Start-up costs are modest, and many communities offset costs with sponsorships or grants.

4. Community Health and Recreation

Disc golf encourages outdoor activity and provides affordable family recreation. The sport is accessible to youth, seniors, and people with disabilities. It also offers a casual way for families and friends to enjoy the parks together.

5. Park Activity and Safety

Increased regular park use throughout the day improves real and perceived safety and encourages community stewardship. The course can be routed to preserve sensitive areas and complement existing park features.

6. Local Partnerships

Local businesses may choose to sponsor individual holes, provide prizes for events, or host post-tournament gatherings. These partnerships help keep visitor spending within the community.

7. Marketing and Quality of Life

A disc golf course would add another recreational amenity that the City can promote in tourism materials and community outreach. Amenities like this also support quality-of-life goals that help attract new residents and employers.

Next Steps

If Council chooses to proceed, staff will:

- Issue a notice to proceed for materials
- Coordinate delivery and installation
- Begin site preparation and construction

Recommendation

Staff recommends accepting the sponsorship from Groves Equipment Rental and moving forward with the project based on its low cost, short timeline, and community benefit, as presented.

City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: City Attorney Agenda Item No. 15

Title for Item (same as to be placed on Agenda): Deliberate and act on Ordinance 2026-07, suspending the rates proposed by Texas Gas Service Company's rate increase filing of March 10, 2026.

Party(ies) requesting placement of this item on the agenda: Kevin Carruth, City Manager

Submitted to City Manager's Office on: Date: 4/6/25 Time: 12:25 p.m. By: C. THIBODEAUX

Explanation of Item: See accompanying 4/10/26 memo from the City Manager.

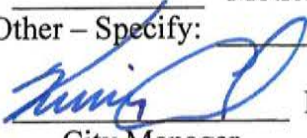
Deadline for Approval: April 27, 2026

Staff Recommendation: Staff recommends Council approve Ordinance 2026-07 authorizing the suspension of the effective date for an additional 90 days beyond the effective date proposed by Texas Gas Service in connection with its statement of intent to increase rates within the incorporated areas of their Central-Gulf Service Area, filed on March 10, 2026, and authorizing other action and making other findings, as presented.

Alternative (if any) for consideration: Accept the proposed rate increase.

Identify any attachments to this document: City Manager's April 10, 2026, memo and Ordinance 2026-07.

Specific Council Action Requested: None (Information item only) _____ Motion X
Ordinance – Number 2026-07 Resolution – Number _____ Other – Specify: _____

Signed: _____ Date: _____ Approved:  Date: 04/10/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO
If yes, specify account no. _____ If no, explain and identify intended funding source: _____

PAYMENT REQUEST

Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item (if applicable): \$ _____
Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO
If yes, explain _____

MEMORANDUM



To: Mayor and City Council
From: Kevin Carruth, City Manager *KC*
Date: March 10, 2026
Re: Texas Gas Service Company's GRIP Adjustment

The City's rate counsel, The Lawton Law Firm, advises that on March 10, 2026, Texas Gas Service Company (TGS) filed a Gas Reliability Infrastructure Program (GRIP) adjustment with all cities in its service area, including Groves.

State law allows gas utilities to request annual rate increases tied to new infrastructure investment. These filings are allowed under the Gas Utility Regulatory Act. The costs included in a GRIP filing are not fully reviewed for reasonableness at this stage. Instead, they are reviewed later during a full rate case, and customers may receive refunds if costs are found to be too high.

A recent change in state law (House Bill 4384) expands what utilities can include in a GRIP filing. Utilities may now recover more types of costs, including depreciation, taxes, and carrying costs, starting from the time a project goes into service. This change allows utilities to begin recovering costs sooner than in the past.

TGS reports that its capital investment increased by approximately \$278.1 million in calendar year 2025. This results in the following average monthly bill impacts:

Customer Class	Monthly Bill Increase
Residential - Small	\$3.58
Residential - Large	\$3.58
Commercial - Small	\$13.70
Commercial - Large	\$13.70
Industrial	\$197.56
Public Authority	\$25.90

The proposed GRIP surcharge will take effect 60 days after the filing date, or May 9, 2026, unless the City takes action to suspend it. Cities may suspend the increase for up to 45 additional days to allow for review. If suspended, the new effective date would be June 23, 2026.

The review of a GRIP filing is limited. Cities may confirm that the filing meets legal requirements, but cannot fully challenge the reasonableness of the costs at this stage. Delaying the effective date does not reduce the total amount customers will ultimately pay, since costs are tied to when the infrastructure was placed into service.

Recommendation

Staff recommends that Council approve the attached Rate Suspension Ordinance. This will provide additional time for our rate counsel to review the filing and confirm that it complies with state law before the new rates take effect.

38 **Section 2.** The effective date of the Company’s proposed GRIP rate increase,
39 and the proposed tariffs related thereto, is hereby suspended until June 23, 2026.

40 **Section 3.** To the extent the City finds that the rates proposed by TGS’s filing
41 comply with Gas Utility Regulatory Act § 104.301, then the rates will become effective by
42 operation of law on June 23, 2026.

43 **Section 4.** The meeting at which the ordinance was approved was in all things
44 conducted in strict compliance with the Texas Open Meetings Act, Texas Government
45 Code, Chapter 551.

46 **Section 5.** This Ordinance shall become effective from and after its passage.

47 PASSED AND APPROVED this 13th day of April, 2026.

48

49

50

Chris Borne, Mayor

51

52 ATTEST:

53

54

55

Clarissa Thibodeaux, City Clerk

56

57

58 The foregoing ordinance, including all the provisions thereof, is hereby approved
59 as to form and legality.

60

61

62

Brandon P. Monk, City Attorney

City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: City Manager Agenda Item No. 16

Title for Item (same as to be placed on Agenda): Deliberate and act on the April 13, 2026, Invoice List.

Party(ies) requesting placement of this item on the agenda: City Manager, Kevin Carruth

Submitted to City Manager's Office on: Date: 4/8/26 Time: 2:00 p.m. By: C. THIBODEAUX

Explanation of Item: Approval of the invoices for the City that are above \$5,000.

Deadline for Approval: Immediately

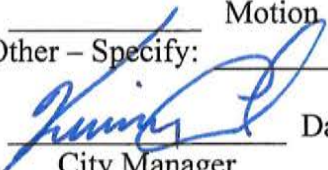
Staff Recommendation: Approval of the list, as presented.

Alternative (if any) for consideration: _____

Identify any attachments to this document: Invoice approval list.

Specific Council Action Requested: None (Information item only) _____ Motion X

Ordinance – Number _____ Resolution – Number _____ Other – Specify: _____

Signed: _____ Date: _____ Approved:  Date: 04/09/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO
If yes, specify account no. _____ If no, explain and identify intended funding source: _____

PAYMENT REQUEST

Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item
(if applicable): \$ _____ Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO
If yes, explain _____

Invoice Approval List - April 13, 2026

Vendor	Description	Amount
1. Axon Enterprise Inc	Bundle taser certification	\$ 20,705.16
2. Brenntag Southwest, INC	Sodium Hydroxide	\$ 9,597.83
3. City of Port Arthur	Sludge disposal for February 2026 and landfill fees for 1/26/26-2/25/26	\$ 26,575.00
4. Delta Industrial	Bunker gear	\$ 14,939.00
5. HEAT Safety	Air pack	\$ 7,128.76
6. Lloyd Gosselink Attorneys at Law	Professional services and disbursements rendered through February 28, 2026.	\$ 62,600.50
7. PVS, DX	Chlorine for Water Plant	\$ 6,861.60
8. PVS, DX	CL2 & SO2 for Wastewater Plant	\$ 10,036.20
9. Republic Service	Container service for February 2026	\$ 10,180.16
10. Wex Bank	Fuel for all vehicles March 2026	\$ 18,399.76
Total		\$ 187,023.97

KE
04/09/26

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-42098

04/07/2026

ISSUED TO: VEND #: 01-23062
AXON ENTERPRISE INC
P.O. BOX 29661
DEPARTMENT 2018
PHOENIX, AZ 85038-9661

SHIP TO:
CITY OF GROVES POLICE/COURT
4201 MAIN AVE.
GROVES, TX 77619

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
1.00	DUNDLE TASER 10 CERTIFICA INV# INUS374031 DATE 9-1-25 21 BUNDLE - TASER 10 CERTIFICATION \$1,000.00 BALANCE DUE \$1,000.00	01 -5-31-09-010	CAPITAL OUTLAY	1,000.00

*** TOTAL *** 1,000.00

ORDERED BY: JOHN HUDSON

APPROVED BY: CHRISTOPHER G. ROBIN



Axon Enterprise Inc.
 PO BOX 29661
 DEPARTMENT 2018
 PHOENIX, AZ 85038-9661
 Ph: 1-480-991-0797, option 5, option 1
arinquies@axon.com
www.axon.com
 TIN: 86-0741227
 DUNS Number: 832176382
 UEI Number: TBW7MGPYURM7

Invoice

Invoice ID: INUS374031
 Invoice Account: 1
 Date: 01-Sep-25
 Payment Term: Net 30 days
 PO/DO #: Q-715159,
 Quote #: Q-715159,
 Sales Order #:
 Terms of Delivery: FCA
 Customer Reference: Q-715159,

BILL TO

Groves Police Dept. - TX
 4201 Main Ave
 Groves, TX 77619-4728
 USA

SHIP TO

Groves Police Dept. - TX
 4201 Main Ave
 Groves, TX 77619-4728
 USA

Ship to*	Bundled Item Number	Bundled Description	Bundled Quantity	Invoice Plan %	Amount
1	C00024	BUNDLE - TASER 10 CERTIFICATION STANDARD	21.00	1.03143%	1,000.00
Bundled Line Subtotal					1,000.00

Line No.	Ship to*	Item Number	Description	Quantity	Unit Price	Subtotal	Invoice Plan %	Amount
Item Line Subtotal								0.00

Sales Amount	1,000.00
Misc. Charge	0.00
Discount	0.00
Sales Tax	0.00
Total	1,000.00
Credit Amount(s) Applied	0.00
Amount Received	0.00
Payment Due 01-Oct-25	BALANCE DUE USD 1,000.00

PAYMENT REMITTANCE INFORMATION

For ACH/EFT Payment: (Preferred Method)	For Wire Transfers	For Check Payments Mail To:	For Overnight Check Payments Mail
Account Name Account Number Bank Routing No Reference No	Beneficiary: Axon Enterprise, Inc. Account Number Bank Routing No SWIFT Code Reference No	Axon Enterprise, Inc. PO BOX 29661 DEPARTMENT 2018 PHOENIX, AZ 85038-9661 Reference No INUS374031	Axon Enterprise, Inc. JPMorgan Chase (AZ1-2170) Attn: Axon Enterprises 29661-2018 2108 E Elliot Rd, Tempe, AZ 85283 Reference No INUS374031

Please reference the invoice number on your ACH, Wire or Check payment and send to AR@axon.com

Important Note: By selecting the wire transfer payment method, you agree to accept the processing & transaction fees charged by the bank relating to this wire

Invoice

Customer Account Groves Police Dept. - TX
Invoice Account
Quote # Q-715159,

Invoice ID INUS374031
Date 01-Sep-25
Page 2 of 2

*Tax Note

Ship-to-address Legend*

1 Groves Police Dept. - TX
4201 Main Ave
Groves, TX 77619-4728
USA

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-42097

04/07/2026

ISSUED TO: VEND #: 01-23062
AXON ENTERPRISE INC
P.O. BOX 29661
DEPARTMENT 2018
PHOENIX, AZ 85038-9661

SHIP TO:
CITY OF GROVES POLICE/COURT
4201 MAIN AVE.
GROVES, TX 77619

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
1.00	BUNDLE TASER 10 CERTIFICA INV# INUS375208 DATE 9-5-25 21 DUNDLE - TASER CERTIFICATION \$438.20 BALANCE DUE \$438.20	01 -5-31-09-010	CAPITAL OUTLAY	438.20

*** TOTAL *** 438.20

ORDERED BY: JOHN HUDSON

APPROVED BY: CHRISTOPHER G. ROBIN



Axon Enterprise Inc.
 PO BOX 29661
 DEPARTMENT 2018
 PHOENIX, AZ 85038-9661
 Ph: 1-480-991-0797, option 5, option 1
arinquiries@axon.com
www.axon.com
 TIN: 86-0741227
 DUNS Number: 832176382
 UEI Number: TBW7MGPYURM7

Invoice

Invoice ID: INUS375208
 Invoice Account:
 Date: 05-Sep-25
 Payment Term: Net 30 days
 PO/DO #:
 Quote #: Q-715159,
 Sales Order #:
 Terms of Delivery: FCA
 Customer Reference: Q-715159,

BILL TO

Groves Police Dept. - TX
 4201 Main Ave
 Groves, TX 77619-4728
 USA

SHIP TO

Groves Police Dept. - TX
 4201 Main Ave
 Groves, TX 77619-4728
 USA

Ship to*	Bundled Item Number	Bundled Description	Bundled Quantity	Invoice Plan %	Amount
1	C00024	BUNDLE - TASER 10 CERTIFICATION STANDARD	21.00	0.00000%	438.20
Bundled Line Subtotal					438.20

Line No.	Ship to*	Item Number	Description	Quantity	Unit Price	Subtotal	Invoice Plan %	Amount
Item Line Subtotal								0.00

Sales Amount	438.20
Misc. Charge	0.00
Discount	0.00
Sales Tax	0.00
Total	438.20

Credit Amount(s) Applied	0.00
Amount Received	0.00

Payment Due 05-Oct-25 BALANCE DUE USD 438.20

PAYMENT REMITTANCE INFORMATION

For ACH/EFT Payment: (Preferred Method)		For Wire Transfers		For Check Payments Mail To:	For Overnight Check Payments Mail
Account Name	Axon Enterprise, Inc.	Beneficiary	Axon Enterprise, Inc.	Axon Enterprise, Inc.	Axon Enterprise, Inc.
Account Number		Account Number		PO BOX 29661	JPMorgan Chase (AZ1-2170)
Bank Routing No		Bank Routing No		DEPARTMENT 2018	Attn: Axon Enterprises 29661-2018
Reference No		SWIFT Code		PHOENIX, AZ 85038-9661	2108 E Elliot Rd,
		Reference No		Reference No INUS375208	Tempe, AZ 85283
					Reference No INUS375208

Please reference the invoice number on your ACH, Wire or Check payment and send to AR@axon.com

Important Note: By selecting the wire transfer payment method, you agree to accept the processing & transaction fees charged by the bank relating to this wire

Invoice

Customer Account Groves Police Dept. - TX
Invoice Account
Quote # Q-715159,

Invoice ID INUS375208
Date 05-Sep-25
Page 2 of 2

*Tax Note

Ship-to-address Legend*

1 Groves Police Dept. - TX
4201 Main Ave
Groves, TX 77619-4728
USA

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-42096

04/07/2026

ISSUED TO: VEND #: 01-23062
AXON ENTERPRISE INC
P.O. BOX 29661
DEPARTMENT 2018
PHOENIX, AZ 85038-9661

SHIP TO:
CITY OF GROVES POLICE/COURT
4201 MAIN AVE.
GROVES, TX 77619

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
1.00	BUNDLE TASER 10 CERTIFICA INV# INUS403147 DATE 12-6-25 21 BUNDLE - TASER 10 CERTIFICATION \$876.40 BALANCE DUE \$876.40	01 -5-31-09-010	CAPITAL OUTLAY	876.40

*** TOTAL *** 876.40

ORDERED BY: JOHN HUDSON

APPROVED BY: CHRISTOPHER G. ROBIN

5-31-09-D10

Your Feedback Matters



Axon Enterprise Inc.
 PO BOX 29661
 DEPARTMENT 2018
 PHOENIX, AZ 85038-9661
 Ph: 1-480-991-0797, option 5, option 1
arinquiries@axon.com
www.axon.com
 TIN: 86-0741227
 DUNS Number: 832176382
 UEI Number: TBW7MGPYURM7

Invoice

Invoice ID INUS403147
 Invoice Account
 Date 06-Dec-25
 Payment Term Net 30 days
 PO/DO #
 Quote # Q-715159,
 Sales Order #
 Terms of Delivery FCA
 Customer Reference Q-715159,

BILL TO

Groves Police Dept. - TX
 4201 Main Ave
 Groves, TX 77619-4728
 USA

SHIP TO

Groves Police Dept. - TX
 4201 Main Ave
 Groves, TX 77619-4728
 USA

Ship to*	Bundled Item Number	Bundled Description	Bundled Quantity	Invoice Plan %	Amount
1	C00024	BUNDLE - TASER 10 CERTIFICATION STANDARD	21.00	0.00000%	876.40
Bundled Line Subtotal					876.40

Line No.	Ship to*	Item Number	Description	Quantity	Unit Price	Subtotal	Invoice Plan %	Amount
Item Line Subtotal								0.00

Sales Amount	876.40
Misc. Charge	0.00
Discount	0.00
Sales Tax	0.00
Total	876.40

Credit Amount(s) Applied	0.00
Amount Received	0.00

Payment Due 05-Jan-26 BALANCE DUE USD 876.40

PAYMENT REMITTANCE INFORMATION

For ACH/EFT Payment: (Preferred Method)	For Wire Transfers	For Check Payments Mail To:	For Overnight Check Payments Mail
Account Name Axon Enterprise, Inc. Account Number Bank Routing No Reference No	Beneficiary Axon Enterprise, Inc. Account Number Bank Routing No SWIFT Code Reference No	Axon Enterprise, Inc. PO BOX 29661 DEPARTMENT 2018 PHOENIX, AZ 85038-9661 Reference No INUS403147	Axon Enterprise, Inc. JPMorgan Chase (AZ1-2170) Attn: Axon Enterprises 29661-2018 2108 E Elliot Rd, Tempe, AZ 85283 Reference No INUS403147

Please reference the invoice number on your ACH, Wire or Check payment and send to AR@axon.com

Important Note: By selecting the wire transfer payment method, you agree to accept the processing & transaction fees charged by the bank relating to this wire

Invoice

Customer Account Groves Police Dept. - TX
Invoice Account
Quote # Q-715159,

Invoice ID INUS403147
Date 06-Dec-25
Page 2 of 2

***Tax Note**

Ship-to-address Legend*

1 Groves Police Dept. - TX
4201 Main Ave
Groves, TX 77619-4728
USA

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-42099

04/07/2026

ISSUED TO: VEND #: 01-23062
AXON ENTERPRISE INC
P.O. BOX 29661
DEPARTMENT 2018
PHOENIX, AZ 85038-9661

SHIP TO:
CITY OF GROVES POLICE/COURT
4201 MAIN AVE.
GROVES, TX 77619

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
1.00	BUNDLE TASER 10 CERTIFICA INV# INUS382485 DATE 10-1-25 21 BUNDLE - TASER 10 CERTIFICATION \$18,390.56 BALANCE DUE \$18,390.56	01 -5-31-09-010	CAPITAL OUTLAY	18,390.56

*** TOTAL *** 18,390.56

ORDERED BY: JOHN HUDSON

APPROVED BY: CHRISTOPHER G. ROBIN



Axon Enterprise Inc.
 PO BOX 29661
 DEPARTMENT 2018
 PHOENIX, AZ 85038-9661
 Ph: 1-480-991-0797, option 5, option 1
arinquiries@axon.com
www.axon.com
 TIN: 86-0741227
 DUNS Number: 832176382
 UEI Number: TBW7MGPYURM7

Invoice

Invoice ID: INUS382485
 Invoice Account:
 Date: 01-Oct-25
 Payment Term: Net 30 days
 PO/DO #:
 Quote #: Q-715159,
 Sales Order #:
 Terms of Delivery: FCA
 Customer Reference: Q-715159,

BILL TO

Groves Police Dept. - TX
 4201 Main Ave
 Groves, TX 77619-4728
 USA

SHIP TO

Groves Police Dept. - TX
 4201 Main Ave
 Groves, TX 77619-4728
 USA

Ship to*	Bundled Item Number	Bundled Description	Bundled Quantity	Invoice Plan %	Amount
1	C00024	BUNDLE - TASER 10 CERTIFICATION STANDARD	21.00	18.96857%	18,390.56
Bundled Line Subtotal					18,390.56

Line No.	Ship to*	Item Number	Description	Quantity	Unit Price	Subtotal	Invoice Plan %	Amount
Item Line Subtotal								0.00

Sales Amount	18,390.56
Misc. Charge	0.00
Discount	0.00
Sales Tax	0.00
Total	18,390.56
Credit Amount(s) Applied	0.00
Amount Received	0.00
Payment Due	31-Oct-25
BALANCE DUE	USD 18,390.56

PAYMENT REMITTANCE INFORMATION

For ACH/EFT Payment: (Preferred Method)	For Wire Transfers	For Check Payments Mail To:	For Overnight Check Payments Mail
Account Name: Axon Enterprise, Inc. Account Number: Bank Routing No: Reference No:	Beneficiary: Axon Enterprise, Inc. Account Number: Bank Routing No: SWIFT Code: Reference No:	Axon Enterprise, Inc. PO BOX 29661 DEPARTMENT 2018 PHOENIX, AZ 85038-9661 Reference No INUS382485	Axon Enterprise, Inc. JPMorgan Chase (AZ1-2170) Attn: Axon Enterprises 29661-2018 2108 E Elliot Rd, Tempe, AZ 85283 Reference No INUS382485

Please reference the invoice number on your ACH, Wire or Check payment and send to AR@axon.com

Important Note: By selecting the wire transfer payment method, you agree to accept the processing & transaction fees charged by the bank relating to this wire

Invoice

Customer Account Groves Police Dept. - TX
Invoice Account
Quote # Q-715159,

Invoice ID INUS382485
Date 01-Oct-25
Page 2 of 2

*Tax Note

Ship-to-address Legend*

1 Groves Police Dept. - TX
4201 Main Ave
Groves, TX 77619-4728
USA

PURCHASING DOCUMENT FOR QUOTES ONLY

City of Groves, Dept. of Public Works and Engineering

DATE: March 26, 2026

P.O. NUMBER: 09-42004

TO: Kevin Carruth

FROM: Chris Cropper

Purchase Recommendation

Recommended Company: Brenntag Southwest, INC			
Items to be Purchased: Sodium Hydroxide 50% NSF			
ITEM DESC.	QTY	UNIT COST	TOTAL COST
Sodium Hydroxide 50% (Caustic)	1	\$9,588.40	\$9,588.40
800 (DST) Dry Short Ton			\$0.00
11.1098			\$0.00
Super Fund	1	\$9.43	\$9.43
<i>* Note: Purchases greater than \$5000.00 Require Council approval <u>before</u> ordering!</i>			\$9,597.83*

REASONS FOR PURCHASE:

Sodium Hydroxide (Caustic) used for PH adjustment

RECEIVED

MAR 27 2026

QUOTES

COMPANY NAME		FINANCE COST
1.	Brenntag 800 DST	\$ 9,588.40
2.	Univar Solutions No Response	\$
3.	PVS DX 810 DST	\$ 9,708.25
4.	Vantex 1160 DST	\$ 13,903.18
5.		\$

CHARGE NUMBER: 11-5-63-02-120

VENDOR NUMBER: 01-420031

Requested by: Ch Cropper

Date: 3-26-2026

Approved by: [Signature]
(PW Director)

Date: 3-26-2026

Approved by: _____
(City Manager)

Date: _____

Date Council Approved _____

PURCHASE ORDER

City of Groves

PURCHASE ORDER # 09-42004

03/23/2026

ISSUED TO: VEND #: 01-420031
BRENNTAG SOUTHWEST, INC.
PO BOX 843376
DALLAS, TX 752484-337

SHIP TO:
City of Groves City Hall
3947 Lincoln Avenue
Groves, TX 77619
Purchasing Department

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
1.00	50% SODIUM HYDROXIDE 50% SODIUM HYDROXIDE (CAUSTIC) USED FOR PH ADJUSTMENT.	11 -5-63-02-120	9,597.83	9,597.83

11,975.00 Approved on 3/23



PAID
MAR 27 2026
FINANCE

*** TOTAL *** 9,597.83

ORDERED BY: CHRIS CROPPER

APPROVED BY: TROY W. FOXWORTH

BRENNTAG SOUTHWEST, LLC
 610 FISHER ROAD
 LONGVIEW TX 75604

P.O. 09-42004

*** PAGE 1 OF 1

Original Document

INVOICE#: BSW687619 INV DATE: 3/25/26 DUE DATE: 4/24/26

SOLD TO:
 GROVES TX CITY OF
 5020 WILSON STREET
 GROVES TX 77619

SHIP TO:
 CITY OF GROVES TEXAS
 5020 WILSON ST
 WATER PLANT
 GROVES TX 77619

FEDERAL ID #: 751898378	DATE SHIPPED: 3/25/26	TERMS: NET 30
ORDER #: 1845819-00		SHIP WHS: 64 SLSPRSN: W16
CUSTOMER #: 048100		SHIP VIA: PFA SYSTEMS
CUSTOMER PO#: 09-42004		FOB: WAREHOUSE
PLACED BY: TROY FORKWORTH		PHONE #: 409-960-5774
FREIGHT TERM: PREPAID		TAX EX#: CERT ON FILE
PRO NUMBER:		END CUST PO:

PROD #	UNITS SHIPPED	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
607485	11.9855	12.76000	11.9855T	800.0000	9,588.40
1.0000 T BULK		SODIUM HYDROXIDE MEM 50% NSF #			
BULK		WET WEIGHT:		47,160.0000	
	ANALYSIS:	38.63			
LOT NUMBER		QUANTITY			
223998 TK 901		47160.0000			

PAID
MAR 27 2026
FINANCE

QUESTIONS, CALL 833-904-7728

REMIT TO ADDRESS:
 BRENNTAG SOUTHWEST, LLC
 P.O. BOX 843376
 DALLAS TX 75284-3376

MERCHANDISE 9,588.40
 SUPERFUND TAX CHARGE 9.43

IF PAID BY 4/24/26 INVOICE TOTAL USD 9,597.83
 PAID AFTER 4/24/26 INVOICE TOTAL USD 9,789.79

With a logon you can view all your invoices at US.BrenntagConnect.com. Ask your sales agent for one today.

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-41966

03/18/2026

ISSUED TO: VEND #: 01-3600
CITY OF PORT ARTHUR
PO BOX 1089
PORT ARTHUR, TX 77640

SHIP TO:
City of Groves City Hall
3947 Lincoln Avenue
Groves, TX 77619
Purchasing Department

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
1.00	SLUDGE DISPOSAL DISPOSAL OF SLUDGE AT PORT ARTHUR LANDFILL FOR THE MONTH OF FEBRUARY. 20 CUBIC YARD SLUDGE DUMPSTERS DUMPED AT LANDFILL.	11 -5-64-05-170	5,720.00	5,720.00



PAID
MAR 27 2026
FINANCE

*** TOTAL *** 5,720.00

ORDERED BY: COBY DOUCET

APPROVED BY: TROY W. FOXWORTH

PURCHASING REQUISITION /QUOTES

City of Groves, Dept. of Public Works

DATE: March 18, 2026
 TO: Kevin Carruth

P.O. NUMBER: 09-41966
 FROM: Coby Doucet

Purchase Recommendation				
Recommended Company: City of Port Arthur (37342)				
Items to be Purchased: Landfill Sludge Disposal				
CHARGE ACCOUNT	ITEM DESC.	QTY	UNIT COST	TOTAL COST
11-5-64-05-170	Landfill Sludge Disposal FEBRUARY	1	\$5,720.00	\$5,720.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
* Note: Purchases greater than \$5000.00 Require Council approval before ordering!				\$5,720.00

REASONS FOR PURCHASE:

DISPOSAL OF SLUDGE AT PORT ARTHUR LANDFILL FOR THE MONTH OF FEBRUARY. 20 CUBIC YARD SLUDGE DUMPSTERS DUMPED AT LANDFILL.

RECEIVED

QUOTES		
	COMPANY NAME	COST
1.		\$
2.		\$
3.		\$
4.		\$
5.		\$

MAR 25 2026

PAID FINANCE

MAR 27 2026

FINANCE

Approved by: Date: 3-24-2026
(PW Director)

Approved by: _____ Date: _____
(City Manager)

Date Council Approved _____



CITY OF PORT ARTHUR
 PO BOX 1089
 PORT ARTHUR, TX 77641-1089

Invoice

Customer Copy

Payment will be applied to the oldest unpaid invoice

CUSTOMER	INVOICE DATE	INVOICE NUMBER	AMOUNT PAID	DUE DATE	INVOICE TOTAL DUE		
CITY OF GROVES	02/27/2026	12303	\$0.00	03/29/2026	\$5,720.00		
DESCRIPTION	QUANTITY	PRICE	UOM	ORIGINAL BILL	ADJUSTED	PAID	AMOUNT DUE
LANDFILL MUN SER FOR THE MONTH OF FEBRUARY 2026	22.00	\$260.000000	EACH	\$5,720.00	\$0.00	\$0.00	\$5,720.00
SOLID WASTE SLUDGE							
Invoice Total:					\$5,720.00		

RECEIVED
 MAR 06 2026
FINANCE
PAID
 MAR 27 2026
FINANCE

✂ DETACH AND RETURN THE PORTION BELOW WITH YOUR PAYMENT ✂

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-41922

03/13/2026

ISSUED TO: VEND #: 01-3600
CITY OF PORT ARTHUR
PO BOX 1089
PORT ARTHUR, TX 77640

SHIP TO:
City of Groves Public Works
4925 McKinley Street
Groves, TX 77619
Purchasing Department

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
0.00	GARBAGE AND TRASH LANDFILL DISPOSAL 1/26/26-2/25/26	05 -5-55-05-020	0.00	20,855.00

PAID

MAR 27 2026

FINANCE



*** TOTAL *** 20,855.00

ORDERED BY: GLEN BOUDOIN

APPROVED BY: TROY W. FOXWORTH



CITY OF PORT ARTHUR
 PO BOX 1089
 PORT ARTHUR, TX 77641-1089

PO 09-41922
 Packet# 37301

Invoice
 Customer Copy

Payment will be applied to the oldest unpaid invoice

CUSTOMER	INVOICE DATE	INVOICE NUMBER	AMOUNT PAID	DUE DATE	INVOICE TOTAL DUE		
CITY OF GROVES	02/27/2026	12302	\$0.00	03/29/2026	\$20,855.00		
DESCRIPTION	QUANTITY	PRICE	UOM	ORIGINAL BILL	ADJUSTED	PAID	AMOUNT DUE
LANDFILL MUN SER FOR THE MONTH OF FEBRUARY 2026 TRASH	1.00	\$20855.000000	EACH	\$20,855.00	\$0.00	\$0.00	\$20,855.00
Invoice Total:					\$20,855.00		

PAID
MAR 27 2026
FINANCE

Invoice SOTX26-0366

March 10, 2026
Page 1 / 1



Groves, City of : Groves Fire Department
6150 Short St.
Groves, TX 77619
USA

Delta Fire & Safety Inc.
3159 Summit Dr.
Port Neches, TX 77651
USA

Tax Registration No.
Your Reference
Customer PO
Shipment Method

ORD-02203-M4D7J2

Salesperson
Email
Home Page
Phone No.

Caleb Currie
orders@deltafas.com
deltafas.com
409-724-1055

Item	Description	Quantity	Unit Price	Amount
TXGROV00030	S25 89BG Coat Gold - Groves FD 2026	2	1,877.00	3,754.00
TXGROV00031	S34 89BG Pants Gold - Groves FD 2026	2	1,374.00	2,748.00
MFA72-L	Majestic, MFA72-L, MFA72 STRUCTURAL FIREFIGHTING GLOVE	1	120.00	120.00
SHIPPING	Freight Charges	1	45.00	45.00

Subtotal	6,667.00
Tax Amount	0.00
Total Incl. Tax	6,667.00

For and on behalf of the above named company:

Name (in print) Signature

Position in company

PAID
APR 02 2026
FINANCE

INVOICE

Page: 1



Invoice Number:	NVTX26-2041
Invoice Date:	3/30/2026

Delta Fire & Safety Inc.
 3159 Summit Dr.
 Port Neches, TX 77651
 USA

Bill To:
Groves, City of : Groves Fire Department 6150 Short St. Groves, TX 77619 USA

Ship To:
Groves, City of : Groves Fire Department 5911 W. Washington Groves, TX 77619 USA

Order No.	Due Date	Payment Terms	Customer PO	Salesperson
SOTX26-0366	4/29/2026	Net 30		CMC

Item	Description	Variant	Quantity	Unit Price	Total Price
TXGROV00030	S25 89BG Coat Gold - Groves FD 2026 Williams Hearn		2	\$1,877.00	\$3,754.00
TXGROV00031	S34 89BG Pants Gold - Groves FD 2026 Williams Hearn		2	\$1,374.00	\$2,748.00
SHIPPING	Freight Charges		1	\$30.00	\$30.00

PAID
APR 02 2026
FINANCE

[Click to Pay](#)

*Accepted Payment Methods: Check, ACH, and Credit Card**
**Credit Card Payments are subject to a 3% Convenience Fee*
**All Returns must be within 30 days and are subject to a minimum 20% restocking fee.*
Accounts must be paid within terms to avoid a monthly late fee of 1.5% on any overdue balance until the balance is paid in full.

Subtotal:	\$6,532.00
Invoice Discount:	\$0.00
Total Sales Tax:	\$0.00

Total USD:	\$6,532.00
Amount Paid:	\$0.00
Remaining Amount:	\$6,532.00

Home Page
deltafas.com

Phone No.
409-724-1055

Email
Caleb@deltafas.com

Invoice SOTX26-0265

February 3, 2026
Page 1 / 1



Groves, City of : Groves Fire Department
6150 Short St.
Groves, TX 77619
USA

Delta Fire & Safety Inc.
3159 Summit Dr.
Port Neches, TX 77651
USA

Tax Registration No.
Your Reference
Customer PO
Shipment Method

ORD-02125-B0K1W1

Salesperson
Email
Home Page
Phone No.

Caleb Currie
orders@deltafas.com
deltafas.com
409-724-1055

Item	Description	Quantity	Unit Price	Amount
MFA72-L	Majestic, MFA72-L, MFA72 STRUCTURAL FIREFIGHTING GLOVE	11	120.00	1,320.00
MFA72-XL	Majestic, MFA72-XL, MFA72 STRUCTURAL FIREFIGHTING GLOVE	1	120.00	120.00
MK-1 ULTRA 7877K	MK-1 ULTRA - 7877K-LG	2	125.00	250.00
SHIPPING	Freight Charges	1	50.00	50.00

Subtotal	1,740.00
Tax Amount	0.00
Total Incl. Tax	1,740.00

For and on behalf of the above named company:

Name (in print) Signature

Position in company

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-41317

03/31/2026

ISSUED TO: VEND #: 01-23283
H E A T SAFETY EQUIPMENT LLC
5465 CURRAN ROAD

VON ORMY, TX 78073

SHIP TO:
City of Groves City Hall
3947 Lincoln Avenue
Groves, TX 77619
Purchasing Department

UNITS	DESCRIPTION	G/L ACCOUNT		PRICE	AMOUNT
0.00	1 AIR PACK TEXAS FORESTRY GRANT AE-1857-128873 1 AIR PACK	01 -5-32-09-470	AIR PACKS	0.00	7,128.76



PAID
APR 02 2026
FINANCE

*** TOTAL *** 7,128.76

ORDERED BY: -----

APPROVED BY: LANCE BILLEAUD

H E A T Safety Equipment LLC.

Invoice

5465 Curran Rd.
 Von Ormy, Texas 78073
 Ph. (210) 624-2320

Date	Invoice #
3/26/2026	26-521

Bill To
Groves Fire Department 6150 Short St Groves, Tx 77619

Ship To
Groves Fire Department 5911 W Washington Groves, TX 77619

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
09-41316	NET 30	JD	3/26/2026	FEDEX		

Quantity	Item Code	Description	Price Each	Amount
1	SCBAATO	X5A14025005304 Certification:NFPA 1981, 2018 Edition Model:Air-Pak XD Harness:Padded, Parachute Buckles Pressure:4500 psig Belt:Standard Bag:None Regulator:E-Z Flo+, QD Hose, Rectus EBSS:None Airline:None Spare Harness:No Console:PASS + Pak-Tracker Case:No Case Smart Number:X5A14025005304	7,128.76	7,128.76

PAID
 APR 02 2026
FINANCE

			Total	\$7,128.76
--	--	--	--------------	------------

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-42081

04/02/2026

ISSUED TO: VEND #: 01-23188
 LLOYD GOSSELINK ATTORNEYS AT LAW
 816 CONGRESS AVE SUITE 1900
 AUSTIN, TX 78701

SHIP TO:
 City of Groves City Hall
 3947 Lincoln Avenue
 Groves, TX 77619
 Purchasing Department

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
0.00	STAR LAKE PROFESSIONAL SERVICES & DISBURSEMENTS RENDERED THROUGH FEB 28, 2026	11 -5-63-06-270	CONTRACT SERVICES	0.00 62,600.50

PAID
APR 02 2026
FINANCE

*** TOTAL *** 62,600.50

ORDERED BY: K CARRUTH
 APPROVED BY: KEVIN CARRUTH

March 26, 2026

City of Groves
Kevin Carruth, City Manager
4875 Parker Dr.
Beaumont, TX 77705

11-5-63-06-270

Invoice: 97567110
Client:
Matter:
Billing Attorney: NEV
Tax ID # 5

INVOICE SUMMARY

For professional services and disbursements rendered through February 28, 2026:

RE: Star Lake Water WW Contribution

Professional Services	\$ 31,475.50
Total Disbursements	<u>\$ 31,125.00</u>
TOTAL THIS INVOICE	\$ 62,600.50

PAID

APR 02 2026

FINANCE

Lloyd Gosselink Rochelle & Townsend, P.C.

is committed to offering a more secure, and convenient option to pay your invoice using:
Visa, MasterCard, Discover, American Express, Apple Pay, Google Pay, and eCheck.
A convenience fee applies.

TO PAY BY CARD or eCheck with our fast, easy, and secure service, [CLICK HERE: Pay Now](#)

Or you may also pay online by visiting our website at: <https://www.lglawfirm.com/client-payment-information>

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-42094

04/07/2026

ISSUED TO: VEND #: 01-23739
PVS DX INC.
P.O. BOX 674938

DALLAS, TX 75267-4938

SHIP TO:
City of Groves City Hall
3947 Lincoln Avenue
Groves, TX 77619
Purchasing Department

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
1.00	CHLORINE CHLORINE USED FOR DISENFECTION	11 -5-63-02-120	6,861.60	6,861.60

*** TOTAL *** 6,861.60

ORDERED BY: CHRIS CROPPER
APPROVED BY: TROY W. FOXWORTH

CUSTOMER

REMIT TO	PVS DX, INC PO BOX 674938 DALLAS, TX 75267-4938		DIRECT INQUIRIES TO: PVS DX, INC 1919 JACINTOPORT BLVD. HOUSTON, TX 77015 281-457-4848		INVOICE NUMBER MUST APPEAR ON YOUR REMITTANCE	
					Invoice No. 057005794-26	
Customer No. 05066400	Date ordered 3/30/2026	Salesperson Cobarrubias, Alex	Bill Of Lading No. 7054000SO	Invoice and Ship Date 4/3/2026		
Ordered By CHRIS @ 409-960-5718		Customer P O. No. 09-42049	Terms Net 30	Ship To 05066406		
S O L D T O	CITY OF GROVES 3947 LINCOLN AVENUE GROVES, TX 77619		S H I P T O	CITY OF GROVES-WP 5020 WILSON NEW WATER PLANT GROVES, TX 77612		
F.O.B TERMS FOB DESTINATION		TERMS OF DELIVERY FRT PPD&ABSORBED	CARRIER OUR TRUCK			
Qty shipped	Description		Quantity	Units	Unit price	Amount
4	CHLORINE, 2000# CONT SUPERFUND EXCISE TAX		8,000	lb	0.8550	6,840.00 21.60
				FUEL SURCHARGE	0.00	
				FREIGHT	0.00	
				TAX	0.00	
				Subtotal	6,861.60	
Returnable Container Deposit Charges						
Less Deposit Charges on Containers Returned						
4 CHLORINE EMPTY 1TN CONTAINER					0.00	
Where allowable by law, credit card payments will be subject to 3% surcharge.						
PLEASE PAY THIS AMOUNT PLEASE INCLUDE INVOICE NUMBER ON CHECK					\$6,861.60	

PLEASE SHIP EMPTY RETURNABLE CONTAINERS PROMPTLY - NO MERCHANDISE RETURNABLE WITHOUT WRITTEN CONSENT

PURCHASING DOCUMENT FOR QUOTES ONLY

City of Groves, Dept. of Public Works and Engineering

DATE: April 7, 2026

P.O. NUMBER: 09-42094

TO: Kevin Carruth

FROM: Chris Cropper

Purchase Recommendation

Recommended Company: PVS DX, INC			
Items to be Purchased: Chlorine			
ITEM DESC.	QTY	UNIT COST	TOTAL COST
CHLORINE	1	\$6,840.00	\$6,840.00
8,000 LB at \$0.8550			\$0.00
Super Fund	1	\$21.60	\$21.60
			\$0.00
<i>* Note: Purchases greater than \$5000.00 Require Council approval before ordering!</i>			\$6,861.60*

REASONS FOR PURCHASE:

Chlorine used for disinfection

QUOTES

	COMPANY NAME	COST
1.	SOLE SOURCE	\$
2.		\$
3.		\$
4.		\$
5.		\$

CHARGE NUMBER: 11-5-63-02-120 VENDOR NUMBER: 23739

Requested by:  Date: 4-7-2026

Approved by:  Date: 4-7-2026
(PW Director)

Approved by: _____ Date: _____
(City Manager)

Date Council Approved _____

PURCHASING DOCUMENT FOR QUOTES ONLY

City of Groves, Dept. of Public Works and Engineering

DATE: March 30, 2026

P.O. NUMBER: 09-42049

TO: Kevin Carruth

FROM: Chris Cropper

Purchase Recommendation

Recommended Company: PVS DX, INC			
Items to be Purchased: Chlorine			
ITEM DESC.	QTY	UNIT COST	TOTAL COST
CHLORINE	1	\$6,840.00	\$6,840.00
8,000 LB at \$0.8550			\$0.00
Super Fund	1	\$21.60	\$21.60
			\$0.00
<i>* Note: Purchases greater than \$5000.00 Require Council approval <u>before</u> ordering!</i>			\$6,861.60*

REASONS FOR PURCHASE:

Chlorine used for disinfection

QUOTES

#	COMPANY NAME	COST
1.	SOLE SOURCE	\$
2.		\$
3.		\$
4.		\$
5.		\$

CHARGE NUMBER: 11-5-63-02-120

VENDOR NUMBER: 23739

Requested by: 

Date: 3-30-2026

Approved by: 
(PW Director)

Date: 3-31-2026

Approved by: _____
(City Manager)

Date: RECEIVED

Date Council Approved _____

MAR 31 2026
FINANCE

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-41838

03/02/2026

ISSUED TO: VEND #: 01-440110
 REPUBLIC SERVICES INC
 P.O. BOX 677156

 DALLAS, TX 75267-7156

SHIP TO:
 City of Groves Public Works
 4925 McKinley Street
 Groves, TX 77619
 Purchasing Department

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
0.00	CONTAINER SERVICES FEBRUARY 2026	05 -5-55-05-050	CONTAINER SERVICE	10,180.16

PAID
MAR 20 2026
FINANCE

*** TOTAL *** 10,180.16

ORDERED BY: GLEN BOUDOIN
 APPROVED BY: TROY W. FOXWORTH



6425 Highway 347
Beaumont TX 77705

Customer Service (409) 724-2371
RepublicServices.com/Support

Important Information

It's easy to go paperless! Sign up for Paperless Billing at RepublicServices.com and enjoy the convenience of managing your account anytime, anywhere, on any device.

PO 09-41838
Packet # 37231

Account Number

Invoice Number 0862-001308052
Invoice Date February 26, 2026

Past Due on 02/26/26 \$20,178.59
Payments/Adjustments \$0.00
Current Invoice Charges \$10,180.16

Total Amount Due \$10,180.16	Payment Due Date March 18, 2026
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CURRENT INVOICE CHARGES

Description	Reference	Quantity	Unit Price	Amount
Act Once Hair Studio 3710 Lincoln Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Advanced Fiberglass 6171 Hansen Blvd PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Air Solutions 4748 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Cacique Rebeca J 3048 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Castillo Enrique 6099 Smith PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Christina Touch 3320 Twin City Hwy PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93

PAID

MAR 20 2026

FINANCE

Past Due	30 Days \$10,145.70	60 Days \$10,032.89	90+ Days \$0.00
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UNDERSTANDING YOUR BILL

Visit RepublicServices.com/MyBill

UNDERSTANDING OUR RATES, CHARGES, AND FEES

Visit Republicservices.com/customer-support/fee-disclosures

Responsible Party

All waste services are managed, performed, and billed for by individual operating subsidiaries of Republic Services, Inc. Republic Services, Inc. itself does not perform any waste services, nor does it contract for such services. The operating entity providing your waste service is identified on your invoice. Accordingly, all obligations to you, including providing quality service and billing you for service, rests with the operating entity identified on your invoice.

Residential Customers

If you are a residential customer receiving service without a signed customer service agreement, your service is subject to and governed by the Service Terms for Residential Customers located at Republicservices.com/customer-support/residential-service-terms, which include a **CLASS ACTION WAIVER** and **ARBITRATION CLAUSE**, and our right to charge you a container removal fee upon termination of service, among other terms. These terms are subject to change so please review them upon receipt of your invoice. If you do not have access to a computer, you may request that a copy be mailed to you by calling Customer Service at the number on the front of this invoice. Please note that some or all of the Service Terms for Residential Customers may not apply if your services are subject to terms mandated by a governmental entity in your locality.

Check Processing

When you provide a check as payment, you authorize us to use information from your check to make a one-time electronic fund transfer from your account. When we make an electronic transfer, funds may be withdrawn from your account the same day we receive your payment or check and you will not receive your check back from your financial institution.

Cancellation & Payment Policy

Unless prohibited by applicable law, regulation, or franchise or other agreement: (1) we reserve the right to require that payment for services be made only by check, credit card or money order; and (2) if service is canceled during a billing cycle, you will remain responsible for all charges, fees and taxes through the end of the billing cycle. You will not be entitled to proration of billing or a refund for the period between the notice of termination and the end of the current billing cycle.

Understanding Our Rates, Charges and Fees

If you are receiving service without a signed customer service agreement, please visit RepublicServices.com/Fees to review the financial terms and conditions relating to your service. If you are receiving service pursuant to a written contract, but have questions relating to any charges or fees, RepublicServices.com/Fees provides a detailed description of our most common charges and fees. If you do not have access to a computer, you may request that a copy be mailed to you by calling Customer Service at the number on the front of this invoice.

PAID
MAR 20 2026
FINANCE

Please fill out the form below if your billing address has changed and return this portion of your statement to us using the envelope enclosed. Thank you!

BILLING ADDRESS CHANGE

Address		
City	State	Zip Code
Phone	Alternate Phone	



6425 Highway 347
Beaumont TX 77705

Account Number
Invoice Number
Invoice Date

0862-001308052
February 26, 2026

CURRENT INVOICE CHARGES

Description	Reference	Quantity	Unit Price	Amount
Dabel Family Dentistry 4048 Lincoln Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Davis, Bryan & Stacy 6000 Terrell St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 6 Yd, 2 Lifts Per Week Pickup Service 02/01-02/28			\$171.71	\$171.71
Drago Westend Hardware 5110 Twin City Hwy PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 6 Yd, 1 Lift Per Week Pickup Service 02/01-02/28 Unlock/Lock Fee 02/01-02/28		1.0000	\$128.77 \$7.50	\$128.77 \$7.50
Dumesnil Maria H 3848 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 6 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$128.77	\$128.77
Electrical Solutions 4400 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Groves Middle School 5201 Wilson St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 2 FI Waste Container 8 Yd, 6 Lifts Per Week Pickup Service 02/01-02/28		2.0000	\$343.00	\$686.00
Groves Red Apple 6286 32nd St PO MICHAEL TENTRUP Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 4 Yd, 1 Lift Per Week Pickup Service 02/01-02/28		1.0000	\$85.84	\$85.84
Groves Vet Clinic 5998 39th St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 6 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$128.77	\$128.77
Gtfcu 5211 E Parkway St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Lock/Bar Fee Recurring 02/01-02/28 Pickup Service 02/01-02/28			\$7.50 \$42.93	\$7.50 \$42.93
Hanson Brady 3548 E Parkway St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 6 Yd, 1 Lift Per Week Pickup Service 02/01-02/28 Unlock/Lock Fee 02/01-02/28		1.0000	\$128.77 \$7.50	\$128.77 \$7.50

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6425 Highway 347
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CURRENT INVOICE CHARGES

Description	Reference	Quantity	Unit Price	Amount
Hendons Car Wash 08 3740 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 6 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$128.77	\$128.77
Jeffco Plumbing 2731 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Kids Harbor Learning Center 3601 Main PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 4 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$85.84	\$85.84
Knights Of Columbus 3749 Lincoln Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 6 Yd, 2 Lifts Per Week Pickup Service 02/01-02/28 Unlock/Lock Fee 02/01-02/28			\$171.71 \$7.50	\$171.71 \$7.50
Lopez Ramon C 5649 Gulfway Dr PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
P&P Rentals And Supply 5225 39th St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 4 Yd, 1 Lift Per Week Pickup Service 02/01-02/28 Unlock/Lock Fee 02/01-02/28		1.0000	\$85.84 \$7.50	\$85.84 \$7.50
Pham Nga Ngoc 2200 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 4 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$85.84	\$85.84
Phillips Florist 5235 39th St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Realtly Homestead 6255 Warren St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 6 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$128.77	\$128.77
Frank Nessour 2807 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Roussell Clement, Mdpa 6265 39th St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				

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Beaumont TX 77705

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February 26, 2026

CURRENT INVOICE CHARGES

Description	Reference	Quantity	Unit Price	Amount
1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Tammie Pitre 3900 Pure Atlantic Rd PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 4 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$85.84	\$85.84
Sandgod Mahendrasinh G 2831 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Seitz Emily 3522 Twin City Hwy PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Senior Citizens Center 5649 W Washington St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 4 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$85.84	\$85.84
Sturdivant, Tommy 4010 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Superior Group 3166 Main Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 4 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$85.84	\$85.84
The Donut Shop 5100 Twin City Hwy PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Traingle Pawn #4 3400 Twin City Hwy PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Groves National Little League 5105 Grant PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week				
Waste/Recycling Overage 02/02		1.0000	\$46.13	\$23.06
Waste/Recycling Overage 02/09		1.0000	\$46.13	\$23.06
Waste/Recycling Overage 02/23		1.0000	\$46.13	\$46.13
Pickup Service 02/01-02/28			\$42.93	\$42.93
Groves Water Plant 5020 Wilson PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93

PAID
MAR 20 2026
FINANCE



6425 Highway 347
Beaumont TX 77705

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February 26, 2026

CURRENT INVOICE CHARGES

Description	Reference	Quantity	Unit Price	Amount
Stephen Merchantel 5130 Twin City Hwy PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week				
Lock/Bar Fee Recurring 02/01-02/28			\$7.50	\$7.50
Pickup Service 02/01-02/28			\$42.93	\$42.93
Top Line Electric 3050 E Parkway St PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 6 Yd, 1 Lift Per Week				
Waste/Recycling Overage 02/11		1.0000	\$46.13	\$46.13
Pickup Service 02/01-02/28			\$128.77	\$128.77
Hwy 73 Auto Detail 6149 32nd St St PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 4 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$85.84	\$85.84
Unlock/Lock Fee 02/01-02/28			\$7.50	\$7.50
Acadian Ambulance Services 2946 Franklin St PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$42.93	\$42.93
Jefferson Co Pony League 5800 W Washington PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 6 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$128.77	\$128.77
Hpt Paint Collision Preformanc 5321 39th St PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$42.93	\$42.93
Texas Proud H2o 6169 32nd St PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 4 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$85.84	\$85.84
B&B Mini Mart 6850 25th St PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 6 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$128.77	\$128.77
Starbucks-Groves 3990 Twin City Hwy PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 8 Yd, 4 Lifts Per Week				
Pickup Service 02/01-02/28			\$457.32	\$457.32
Rpm Trucking 2611 Main Ave PO MICHAEL				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$42.93	\$42.93

PAID

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FINANCE



6425 Highway 347
Beaumont TX 77705

Account Number
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0862-001308052
February 26, 2026

CURRENT INVOICE CHARGES

Description	Reference	Quantity	Unit Price	Amount
Advannova 4500 Main Ave PO EARLINE WRIGHT Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 4 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$85.84	\$85.84
Chick-Fil-A 5100 W Parkway St PO Michael Tentrup Groves, TX Contract: 9486201 Groves Commercial (C2) 2 FI Waste Container 8 Yd, 6 Lifts Per Week Pickup Service 02/01-02/28			\$686.00	\$686.00
Sundara Coffee And Cafe 4000 Lincoln Ave PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 3 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$64.39	\$64.39
Dressin Up 4242 Lincoln Ave PO MIKE TENTRUP Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Jami's Snack Shack 6050 39th St PO MICHAEL Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Groves Intermediate School _ F 5840 W Jefferson Blvd PO Jackie Havard Groves, TX Contract: 9486201 Groves Commercial (C2) 2 FI Waste Container 8 Yd, 6 Lifts Per Week Pickup Service 02/01-02/28			\$685.99	\$685.99
Prosurve Technical Services 2929 W Parkway St PO Chad Cassia Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 2 Yd, 1 Lift Per Week Pickup Service 02/01-02/28			\$42.93	\$42.93
Groves Primary School 3901 Cleveland Ave PO Jackie Havard Groves, TX Contract: 9486201 Groves Commercial (C2) 2 FI Waste Container 8 Yd, 10 Lifts Per Week Pickup Service 02/01-02/28			\$1,143.31	\$1,143.31
Williams Air Conditioning 4401 Lincoln Ave PO WILLIAMS AC Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 8 Yd, 2 Lifts Per Week Pickup Service 02/01-02/28			\$228.66	\$228.66
Sylvias Tacos 3303 Taft Ave PO WILLIAMS AC Groves, TX Contract: 9486201 Groves Commercial (C2) 1 FI Waste Container 4 Yd, 1 Lift Per Week Pickup Service 02/01-02/28		1.0000	\$85.84	\$85.84
Tropicana Apartments Of Groves 5035 Monroe St PO TROPICANA APART Groves, TX Contract: 9486201 Groves Commercial (C2) 2 FI Waste Container 8 Yd, 4 Lifts Per Week Pickup Service 02/01-02/28		2.0000	\$228.66	\$457.32

PAID

MAR 20 2026

FINANCE



6425 Highway 347
Beaumont TX 77705

Account Number
Invoice Number
Invoice Date

February 26, 2026

CURRENT INVOICE CHARGES

Description	Reference	Quantity	Unit Price	Amount
Courtyard Manor 5500 Whitaker St CSA A910797795				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 8 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$200.90	\$200.90
Camden Place Condominiums 1 6801 Camden Ln CSA A910797794				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 8 Yd, 2 Lifts Per Week				
Pickup Service 02/01-02/28			\$228.66	\$228.66
Camden Place Condominiums 2 6851 Whitby Ln CSA A910797792				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 8 Yd, 2 Lifts Per Week				
Pickup Service 02/01-02/28			\$228.66	\$228.66
Sam's China Inn 4848 Twin City Hwy				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 6 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28		1.0000	\$128.77	\$128.77
Kings Car Care 5239 E Parkway St PO KINGS CAR CARE				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 4 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$85.84	\$85.84
The Courtyard 4321 Lincoln Ave PO THE COURTYARD				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 6 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$128.77	\$128.77
Dixie Coffee 4233 Lincoln Ave				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 4 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$85.84	\$85.84
Dear Healthcare 3700 E Parkway St PO DEAR HEALTHCARE				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week				
Lock/Bar Fee Recurring 02/01-02/28			\$7.50	\$7.50
Pickup Service 02/01-02/28			\$42.93	\$42.93
Pats Performance 3202 Main Ave				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 4 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28		1.0000	\$85.84	\$85.84
Wild Flower Design & Events 4320 Lincoln Ave PO WILD FLOWER				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$42.93	\$42.93
Goodwill Groves 5901 39th St				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 8 Yd, 5 Lifts Per Week				

PAID
MAR 20 2026
FINANCE



6425 Highway 347
Beaumont TX 77705

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CURRENT INVOICE CHARGES

<u>Description</u>	<u>Reference</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
Lock/Bar Fee Recurring 02/01-02/28			\$7.50	\$7.50
Pickup Service 02/01-02/28			\$571.66	\$571.66
Mr G'S Tattoo Emporium 4235 Lincoln Ave				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$42.93	\$42.93
Lan Tran 5170 Twin City Hwy				
Groves, TX Contract: 9486201 Groves Commercial (C2)				
1 FI Waste Container 2 Yd, 1 Lift Per Week				
Pickup Service 02/01-02/28			\$42.93	\$42.93
CURRENT INVOICE CHARGES, Due by March 18, 2026				\$10,180.16

PAID
MAR 20 2026
FINANCE

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-42087

04/02/2026

ISSUED TO: WEX BANK
P.O. BOX 4337
CAROL STREAM, IL 60197-4337

SHIP TO: City of Groves City Hall
3947 Lincoln Avenue
Groves, TX 77619
Purchasing Department

UNITS	DESCRIPTION	G/L ACCOUNT	PRICE	AMOUNT
0.00	FUEL REBATE FUEL BILL FOR ALL VEHICLES	11 -5-67-02-030	0.00	32.44-

RECEIVED

APR 02 2026

FINANCE

*** TOTAL *** 18,399.76

ORDERED BY: TROY W. FOXWORTH

APPROVED BY: TROY W. FOXWORTH

Invoice Statement

INVOICE NUMBER: 111767498
ACCOUNT NAME: City of Groves

ACCOUNT NUMBER	CREDIT LIMIT	DAYS THIS PERIOD	BILL CLOSING DATE	PAYMENT DUE DATE**	AMOUNT DUE
	65600.00	31	MAR-31-2026	APR-22-2026	18399.76

DATE	ACTIVITY DESCRIPTION	CHARGES / DEBITS	PAYMENTS / CREDITS
MAR-19-2026	Payment - Thank You		11183.75
MAR-31-2026	Fuel Purchases	18489.14	
MAR-31-2026	Other Adjustments this Period	210.00	254.42
MAR-31-2026	Rebates and Rebate Reversals		44.96

REMINDER
PLEASE BE SURE TO INCLUDE REMITTANCE
STUB WITH PAYMENT. MAIL TO THE
ADDRESS SHOWN IN THE RIGHT PORTION
OF THE REMITTANCE STUB.

****Payment must process by Payment Due Date. Paper checks must be received at least two business days before Payment Due Date to enable on-time processing.**

The Finance Charge is determined by applying a periodic rate of 8.99%

PURCHASES, RETURNS AND PAYMENTS MADE JUST PRIOR TO BILL CLOSING DATE MAY NOT APPEAR UNTIL THE NEXT INVOICE/STATEMENT.
SEE REVERSE SIDE FOR IMPORTANT INFORMATION AND TERMS.

PREVIOUS BALANCE	(-)PAYMENTS	(+)ACTIVITY THIS PERIOD	(-)SAVINGS THIS PERIOD	(=)NEW BALANCE
11183.75	11183.75	18699.14	299.38	18399.76

CALL CUSTOMER SERVICE TO PAY BY PHONE
FEDERAL TAX ID: 841425616

TO ENSURE PROPER CREDIT, TEAR AT PERFORATION AND INCLUDE BOTTOM PORTION WITH YOUR PAYMENT

WEX Enterprise ExxonMobil Card

Do not use for remittance
P.O. Box 639
Portland, ME 04104-0639

ACCOUNT NAME	City of Groves
ACCOUNT NUMBER	
INVOICE NUMBER	111767498
BILL CLOSING DATE	MAR-31-2026
AMOUNT DUE	18399.76
AMOUNT ENCLOSED	
PAYMENT DUE DATE	APR-22-2026

PAYMENTS RECEIVED AFTER THIS DATE SUBJECT TO A FINANCE CHARGE.

Make check payable to: WEX BANK
To avoid processing delays, remit all payments to:

Gail Green
City of Groves
3947 Lincoln Avenue
Groves, TX 77619



WEX BANK
P.O. BOX 4337
CAROL STREAM IL 60197-4337

04600024706646000001839976 260422

Balance Subject to Late Fees

If Company fails to make payment in full by the applicable Due Date, or a payment is returned (each a "Payment Default"), then a fee (the "Late Fee") will apply to the Total Outstanding Balance (as defined below). The late fee will be calculated by multiplying the applicable late fee rate by the Total Outstanding Balance on the Calculation Date, not to exceed the amount allowable by applicable law. For Billing Cycles other than monthly, the percentage rate used in the Late Fee calculation will be prorated based on the length of the billing cycle in relation to a monthly billing cycle. Company will be considered to have made a payment to Issuer on an Account only when the payment is posted to the Account as provided in this Agreement. The "Calculation Date" is the earlier of (a) the posting date for Company's payment in full of the invoiced amount to its Account, or (b) the last day of the Billing Cycle during which the Payment Default occurred. The "Total Outstanding Balance" is the invoiced amount, plus the amount of any unbilled Transactions delivered by a merchant to Issuer, and minus any credits that have posted to the Account, through the Calculation Date.

How to Dispute Your Invoice

Charges must be disputed in writing no later than sixty (60) days from the bill closing date or they will be considered final and binding.

Card Issuer

The card is issued and payable to WEX Bank under a Business Charge Account Agreement with the cardholder named on the reverse.

Customer Service

For account inquiries and correspondence regarding account service or billing:

- **Call 1-888-774-4939, or**
- **Email correspondence@wexinc.com, or**
- **Fax to 1-800-395-0809, or**
- **Mail to P.O. Box 639, Portland, ME 04104**

Do not mail payments to this address. Payments must be sent to the remit address on your invoice.

Be sure to include your account number on all correspondence.

Your full Business Card Agreement is available here:
<https://www.wexdrive.com/tncs/enterprise.pdf>

Payment Options

Mail

Be sure to include bottom portion of invoice with your payment. Write your account number or invoice number on the check to help avoid delays in payment processing if the check and remit stub become separated. Check payments can take up to two Business Days to process from the time the envelope containing a check arrives at Issuer's facility to posting of the check amount to the Account.

Allow 10 business days prior to the due date for mailing to help avoid late fees. Paper checks must be received at least two business days before Payment Due Date to enable on-time processing.

Online

Authorized users can elect to receive an email notification when an invoice is ready for online viewing and payment. Log in or register to set up an online account at www.wexefm.com.

Online payments scheduled by 3:30 PM ET (on business days) are credited to your account on the same day. There is no fee for online payments.

Phone

Call Customer Service to schedule a payment or check your balance.

Payments scheduled by 3:30 PM ET (on business days) are credited to your Account on the same day.

Be prepared with your fleet card account number and a sample check to enter your bank account number and routing number. There is no fee for phone payments.

Invoice Statement

INVOICE NUMBER:

ACCOUNT NAME:

City of Groves

If an adjustment is shown here and in the detail above, the amount listed here is a summed value of those individual charges.

DATE	TRANSACTION DESCRIPTION	FUNDED BY	REBATE PERIOD UNITS/DOLLARS	PERIOD AMT	REBATE YTD UNITS/DOLLARS	REBATE YTD AMT
	OTHER ADJUSTMENTS THIS PERIOD					
03-31	Card Replacement Fee			4.00		
03-31	Monthly Card Charge			206.00		
03-31	XOM Enterprise Tribrand Rebate			-254.42		
	Subtotal			-44.42		
	REBATES AND REVERSALS					
03-31	Rebate Adjustment			-44.96		-145.50
	Subtotal			-44.96		-145.50
	Total			-89.38		-145.50

P U R C H A S E O R D E R

City of Groves

PURCHASE ORDER # 09-42087

04/02/2026

ISSUED TO: VEND #: 01-23852
 WEX BANK
 P.O. BOX 4337
 CAROL STREAM, IL 60197-4337

SHIP TO:
 City of Groves City Hall
 3947 Lincoln Avenue
 Groves, TX 77619
 Purchasing Department

UNITS	DESCRIPTION	G/L ACCOUNT		PRICE	AMOUNT
0.00	FUEL FOR PD VEHICLES	01 -5-31-02-030	VEHICLE FUEL & OIL	0.00	4,421.45
26.00	FUEL CARD	01 -5-31-02-030	VEHICLE FUEL & OIL	2.00	52.00
0.00	FUEL REBATE	01 -5-31-02-030	VEHICLE FUEL & OIL	0.00	85.06-
0.00	FUEL FOR FD VEHICLES	01 -5-32-02-030	VEHICLE FUEL & OIL	0.00	1,571.69
10.00	FUEL CARD	01 -5-32-02-030	VEHICLE FUEL & OIL	2.00	20.00
0.00	FUEL REBATE	01 -5-32-02-030	VEHICLE FUEL & OIL	0.00	25.63-
0.00	FUEL FOR PW VEHICLES	01 -5-38-02-030	VEHICLE FUEL & OIL	0.00	194.17
3.00	FUEL CARD	01 -5-38-02-030	VEHICLE FUEL & OIL	2.00	6.00
0.00	FUEL REBATE	01 -5-38-02-030	VEHICLE FUEL & OIL	0.00	3.55-
0.00	FUEL FOR G VEHICLES	01 -5-42-02-030	VEHICLE FUEL & OIL	0.00	144.83
2.00	FUEL CARD	01 -5-42-02-030	VEHICLE FUEL & OIL	2.00	4.00
0.00	FUEL REBATE	01 -5-42-02-030	VEHICLE FUEL & OIL	0.00	3.03-
0.00	FUEL FOR S/D VEHICLES	01 -5-44-02-030	VEHICLE FUEL & OIL	0.00	1,387.74
26.00	FUEL CARD	01 -5-44-02-030	VEHICLE FUEL & OIL	2.00	52.00
0.00	FUEL REBATE	01 -5-44-02-030	VEHICLE FUEL & OIL	0.00	22.82-
0.00	FUEL FOR FM VEHICLES	01 -5-46-02-030	VEHICLE FUEL & OIL	0.00	403.54
9.00	FUEL CARD	01 -5-46-02-030	VEHICLE FUEL & OIL	2.00	18.00
0.00	FUEL REBATE	01 -5-46-02-030	VEHICLE FUEL & OIL	0.00	8.04-
0.00	FUEL FOR SW VEHICLES	05 -5-55-02-030	VEHICLE FUEL & OIL	0.00	8,331.18
8.00	FUEL CARD	05 -5-55-02-030	VEHICLE FUEL & OIL	2.00	16.00
0.00	FUEL REBATE	05 -5-55-02-030	VEHICLE FUEL & OIL	0.00	113.74-
0.00	FUEL FOR WP VEHICLES	11 -5-63-02-030	VEHICLE FUEL & OIL	0.00	144.84
2.00	FUEL CARD	11 -5-63-02-030	VEHICLE FUEL & OIL	2.00	4.00
0.00	FUEL REBATE	11 -5-63-02-030	VEHICLE FUEL & OIL	0.00	2.68-
0.00	FUEL FOR WWP VEHICLES	11 -5-64-02-030	VEHICLE FUEL & OIL	0.00	126.96
2.00	FUEL CARD	11 -5-64-02-030	VEHICLE FUEL & OIL	2.00	4.00
0.00	FUEL REBATE	11 -5-64-02-030	VEHICLE FUEL & OIL	0.00	2.39-
0.00	FUEL FOR UT VEHICLES	11 -5-67-02-030	VEHICLE FUEL & OIL	0.00	1,762.74
2.00	FUEL CARD	11 -5-67-02-030	VEHICLE FUEL & OIL	17.00	34.00
	** CONTINUED **				

City of Groves
Agenda Item Information Form

Council Meeting Date: 4/13/2026 Department: City Manager Agenda Item No. 17

Title for Item (same as to be placed on Agenda): Deliberate on presentation and on-site viewing of Acadian Ambulance Service's AMBUS Multi-Patient Vehicle in the driveway between the Activity Building and City Hall, with the meeting reconvening in the Council Chamber following the site visit.

Party(ies) requesting placement of this item on the agenda: Kevin Carruth, City Manager

Submitted to City Manager's Office on: Date: 4/8/26 Time: 2:00 p.m. By: C. THIBODEAUX

Explanation of Item: Acadian will demonstrate one of their two ambulance buses (AMBUS) that are available during mass casualty responses and evacuations.

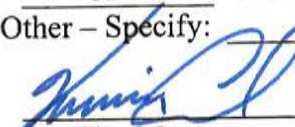
Deadline for Approval: N/A

Staff Recommendation: Not an action item.

Alternative (if any) for consideration: N/A

Identify any attachments to this document: 1) Acadian news release; 2) AMBUS pictures.

Specific Council Action Requested: None (Information item only) Motion
Ordinance - Number _____ Resolution - Number _____ Other - Specify: _____

Signed: _____ Date: _____ Approved:  Date: 04/09/26
Department Head City Manager

FUNDING (IF APPLICABLE)

Are sufficient funds specifically designated and currently available for this purpose? YES NO
If yes, specify account no. _____ If no, explain and identify intended funding source:
Transportation use fee.

PAYMENT REQUEST

Amount of requested payment \$ _____ Cumulative total of payments to date for this project/item
(if applicable): \$ _____ Balance due for this project/purchase (if applicable): \$ _____

ACTION TAKEN BY COUNCIL

APPROVED: NOT APPROVED: Any follow-up action required? YES NO
If yes, explain _____

ACADIAN AMBULANCE HAS NEW RESOURCES TO AID IN EVACUATIONS

Published On: August 26th, 2020 | Categories: News

In addition to 615 ambulances and a medical team numbering over 3,000 medics, Acadian Ambulance has added new resources to further enhance their robust mass casualty response and evacuation services.

In 2019, Acadian added two ambulance buses to their fleet of ambulances and aircraft. Known as an Ambus, these buses are dedicated patient evacuation vehicles, with a capacity of transporting up to 20 patients at a time. One Ambus, stationed in Southeast Texas, was the result of a partnership Acadian entered into with the Southeast Texas Regional Advisory Council and Texas Emergency Medical Task Force 6.

So impressed with the expanded capability that the ambulance bus offered, Acadian added a second Ambus to their fleet, stationed in Monroe, Louisiana. Both Ambus units can be quickly repositioned and sent to areas in need of additional resources for natural disaster responses; evacuations; first-responder rehab services during large-scale events; mass-casualty incidents; training with public safety agencies, hospitals and nursing homes; and standbys.



"The added capability of the ambulance buses allows Acadian to better serve our facilities and our patients," said Acadian Chairman & CEO Richard Zuschlag. "Moving a greater number of patients in a safe and comfortable manner greatly increases our response capabilities. This is important not only for initial evacuations, such as those being conducted right now in preparation for Hurricane Laura, but also for returning

Community Resources

> Alumni News

> Downloadable

> Media Library

> Podcasts

> News

> Recognition

> Safety Tips

> Spotlights

> Teacher Resources

> Uncategorized

Recent News

> Stop the Scroll: Safe Driving Reminders

> Acadian Ambulance Texas begins EMS service in Liberty County

> Acadian Ambulance Donates AED to ()'s



is sending their ambulance bus to Southwest Louisiana to further enhance evacuation efforts. "We are grateful for Mayor Cantrell and NOEMS Chief Bill Salmeron for sending resources to help. We have a great partnership with them and we appreciate their support," Zuschlag said.



ACADIAN AMBUS INTERIOR



ACADIAN AMBUS: INTRAXX LITTER ARMS & LITTERS IN POSITION



ACADIAN AMBUS: INTRAXX LITTER ARMS & LITTERS IN POSITION



ACADIAN AMBUS: REAR RAMP PROVIDES STREAMLINED ACCESS



ACADIAN AMBUS: REAR RAMP PROVIDES STREAMLINED ACCESS