

# HONDO

THIS IS GOD'S COUNTRY

## REGULAR CITY COUNCIL MEETING

March 9, 2026 at 6:00 PM

City Council Chambers  
1600 Avenue M, Hondo, TX

### AGENDA

Notice is hereby given that a Regular City Council Meeting of the governing body of the City of Hondo will be held MARCH 09, 2026 at 6:00 p.m. in the City Council Chambers, City Hall at 1600 Avenue M, Hondo, Texas, for the purpose of discussing matters incident and related to the City of Hondo.

The public may also access the meeting remotely through video/conference from your computer, tablet or smart phone at: <https://boxcast.tv/channel/aetaajdf64jalxx20o9a>  
Persons may submit questions or comments for items on the agenda by email to: [jschneider@hondo-tx.org](mailto:jschneider@hondo-tx.org). Questions or comments submitted by email must be received by the city at least 1 hour prior to the scheduled start of the meeting in order to be presented to the City Council during the meeting.

The following items will be discussed, to-wit:

1. CALL TO ORDER.
2. QUORUM CHECK.
3. INVOCATION.
4. PLEDGE OF ALLEGIANCE.
5. CITIZENS'/PUBLIC COMMENTS  
*Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with the Texas Open Meetings Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda.*

### PRESENTATIONS

6. HONDO POLICE DEPARTMENT 2025 ANNUAL RACIAL PROFILING REPORT. (JUSTIN SOZA, CHIEF OF POLICE)

## CONSENT

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Council Member.

7. CONSIDERATION AND APPROVAL OF FEBRUARY 9, 2026, REGULAR CITY COUNCIL MINUTES. (JULIE SCHNEIDER, CITY SECRETARY)
8. CONSIDERATION AND APPROVAL OF FEBRUARY 23, 2026, REGULAR CITY COUNCIL MINUTES. (JULIE SCHNEIDER, CITY SECRETARY)
9. CONSIDERATION AND APPROVAL OF ORDINANCE NO. 1317-02-26 OF THE CITY OF HONDO, TEXAS, REZONING APPROXIMATELY 0.112 ACRES OF LAND LOCATED AT 1002 17TH STREET, HONDO, MEDINA COUNTY, TEXAS, BEING A PORTION OF LOTS 15 AND 16, BLOCK 8, CITY OF HONDO, AS RECORDED IN VOLUME 1, PAGE 127 OF THE PLAT RECORDS OF MEDINA COUNTY, TEXAS, FROM CENTRAL BUSINESS DISTRICT (CBD) TO RESIDENTIAL TWO (R-2) DISTRICT; PROVIDING FINDINGS OF FACT; DECLARING COMPLIANCE WITH CHAPTER 211 OF THE TEXAS LOCAL GOVERNMENT CODE AND APPLICABLE NOTICE AND HEARING REQUIREMENTS; PROVIDING A REPEALER AND SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.
10. CONSIDERATION AND APPROVAL OF THE APPOINTMENT OF DANIEL WEBER TO THE AIRPORT ADVISORY BOARD TO FILL THE CURRENT VACANCY. (MAYOR MCANELLY)

## OTHER BUSINESS

11. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 478-26 AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NEWGEN STRATEGIES & SOLUTIONS, LLC FOR THE FY 2026 WATER AND WASTEWATER RATE STUDY IN AN AMOUNT NOT TO EXCEED \$35,000.00; AND PROVIDING FOR AN EFFECTIVE DATE. (JOHN NARON, CITY MANAGER)
12. ADJOURN.

I hereby certify that the above Notice of Regular City Council Meeting of the governing body of the City of Hondo was posted on the bulletin board in City Hall, 1600 Avenue M, Hondo, Texas, at a place convenient and readily accessible to the general public at all times on March 3, 2026 at 5:00 p.m.

ATTEST:



Julie Schneider  
City Secretary



*The City Council of the City of Hondo reserves the right to convene in Executive Session in accordance with the Texas Open Meetings Act, Texas Government Code: Section 551.071 (Consultations with Attorney), Section 551.072 (Deliberations about Real Property), Section 551.074 (Personnel Matters), Section 551.076 (Deliberations*

*about Security Devices), or Section 551.087 (Deliberations Regarding Economic Development Negotiations) on any of the above items.*

**NOTICE OF ASSISTANCE AT PUBLIC MEETINGS**

The City of Hondo City Council Meetings is available to all persons regardless of disability. If you require special assistance, contact the City Secretary forty-eight (48) hours prior to the meeting time at 830-426-3378.

[IGNORE\_INDENT]



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## City Council Communication

**Title:** HONDO POLICE DEPARTMENT 2025 ANNUAL RACIAL PROFILING REPORT. (JUSTIN SOZA, CHIEF OF POLICE)

**Date:** March 9, 2026      **From:** Justin Soza

**INFORMATION:**

The State of Texas requires all law enforcement agencies to collect and report to the Texas Commission of Law Enforcement and to their governing body the results of traffic stop contacts for compliance with the Texas Racial Profiling statute. The Hondo Police Department Racial Profiling Report was completed and submitted to the state on February 2, 2026. In compliance with statute, we are presenting the report to the Mayor and City Council. The report is publicly available from the Texas Commission on Law Enforcement and will also be added to the Hondo Police Department's web page for review.

**FINANCIAL IMPACT:**

N/A

**STAFF RECOMMENDATION:**

N/A

**MOTION:**

N/A

**ATTACHMENTS:**

1. 2025PersonalServiceRecord

**STAFF CONTACTS:**

Justin Soza

# Racial Profiling Report | Full

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Agency Name: HONDO POLICE DEPT.  
Reporting Date: 02/02/2026  
TCOLE Agency Number: 325203

Chief Administrator: JUSTIN R SOZA

Agency Contact Information:  
Phone: (830) 426-5353  
Email: jsoza800@hondo-tx.org

Mailing Address:  
1030 AVENUE Y, HONDO, TX, 788613717

This Agency filed a full report

HONDO POLICE DEPT. has adopted a detailed written policy on racial profiling. Our policy:

- 1) clearly defines acts constituting racial profiling;
- 2) strictly prohibits peace officers employed by the HONDO POLICE DEPT. from engaging in racial profiling;
- 3) implements a process by which an individual may file a complaint with the HONDO POLICE DEPT. if the individual believes that a peace officer employed by the HONDO POLICE DEPT. has engaged in racial profiling with respect to the individual;
- 4) provides public education relating to the agency's complaint process;
- 5) requires appropriate corrective action to be taken against a peace officer employed by the HONDO POLICE DEPT. who, after an investigation, is shown to have engaged in racial profiling in violation of the HONDO POLICE DEPT. policy;
- 6) requires collection of information relating to motor vehicle stops in which a warning or citation is issued and to arrests made as a result of those stops, including information relating to:
  - a. the race or ethnicity of the individual detained;
  - b. whether a search was conducted and, if so, whether the individual detained consented to the search;
  - c. whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
  - d. whether the peace officer used physical force that resulted in bodily injury during the stop;
  - e. the location of the stop;
  - f. the reason for the stop.
- 7) requires the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
  - a. the Commission on Law Enforcement; and
  - b. the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

The HONDO POLICE DEPT. has satisfied the statutory data audit requirements as prescribed in Article 2.133(c), Code of Criminal Procedure during the reporting period.

Executed by: Aaron Garza  
Assistant Chief of Police

Date: 02/02/2026

# Total stops: 7082

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## Street address or approximate location of the stop

City street	1527
US highway	5406
County road	8
State highway	8
Private property or other	133

## Was race or ethnicity known prior to stop?

Yes	7081
No	1

## Race / Ethnicity

Alaska Native / American Indian	61
Asian / Pacific Islander	51
Black	235
White	2318
Hispanic / Latino	4417

## Gender

<b>Female</b>	<b>2466</b>
Alaska Native / American Indian	15
Asian / Pacific Islander	18
Black	68
White	799
Hispanic / Latino	1566
<b>Male</b>	<b>4616</b>
Alaska Native / American Indian	46
Asian / Pacific Islander	33
Black	167
White	1519
Hispanic / Latino	2851

## Reason for stop?

<b>Violation of law</b>	<b>45</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	11

Hispanic / Latino	33
<b>Preexisting knowledge</b>	<b>1</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	1
<b>Moving traffic violation</b>	<b>6547</b>
Alaska Native / American Indian	59
Asian / Pacific Islander	48
Black	211
White	2164
Hispanic / Latino	4065
<b>Vehicle traffic violation</b>	<b>489</b>
Alaska Native / American Indian	2
Asian / Pacific Islander	3
Black	23
White	143
Hispanic / Latino	318
<b>Was a search conducted?</b>	
<b>Yes</b>	<b>208</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	0
Black	6
White	31
Hispanic / Latino	170
<b>No</b>	<b>6874</b>
Alaska Native / American Indian	60
Asian / Pacific Islander	51
Black	229
White	2287
Hispanic / Latino	4247
<b>Reason for Search?</b>	
<b>Consent</b>	<b>102</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	0
Black	2
White	15

Hispanic / Latino	84
<b>Contraband</b>	<b>8</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	8
<b>Probable</b>	<b>86</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	3
White	13
Hispanic / Latino	70
<b>Inventory</b>	<b>6</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	1
Hispanic / Latino	4
<b>Incident to arrest</b>	<b>6</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	2
Hispanic / Latino	4

**Was Contraband discovered?**

**Yes 65**

Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	6
Hispanic / Latino	57

**No 143**

Alaska Native / American Indian	1
Asian / Pacific Islander	0
Black	4
White	25
Hispanic / Latino	113

**Did the finding result in arrest?**

(total should equal previous column)

Yes	0	No	0
Yes	0	No	0
Yes	1	No	1
Yes	4	No	2
Yes	26	No	31

<b>Description of contraband</b>	
<b>Drugs</b>	<b>44</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	5
Hispanic / Latino	38
<b>Weapons</b>	<b>3</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	3
<b>Currency</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Alcohol</b>	<b>10</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	10
<b>Stolen property</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Other</b>	<b>16</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	1
Hispanic / Latino	14
<b>Result of the stop</b>	
Verbal warning	<b>0</b>

Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Written warning</b>	<b>4281</b>
Alaska Native / American Indian	37
Asian / Pacific Islander	33
Black	154
White	1497
Hispanic / Latino	2560
<b>Citation</b>	<b>2748</b>
Alaska Native / American Indian	24
Asian / Pacific Islander	18
Black	79
White	812
Hispanic / Latino	1815
<b>Written warning and arrest</b>	<b>40</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	8
Hispanic / Latino	32
<b>Citation and arrest</b>	<b>13</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	1
Hispanic / Latino	10
<b>Arrest</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Arrest based on</b>	
<b>Violation of Penal Code</b>	<b>44</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0

Black	1
White	7
Hispanic / Latino	36
<b>Violation of Traffic Law</b>	<b>5</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	1
Hispanic / Latino	3
<b>Violation of City Ordinance</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Outstanding Warrant</b>	<b>4</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	3
Hispanic / Latino	1

**Was physical force resulting in bodily injury used during stop?**

<b>Yes</b>	<b>1</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	1
Hispanic / Latino	0
<b>Resulting in Bodily Injury To:</b>	
Suspect	0
Officer	0
Both	0
<b>No</b>	<b>7081</b>
Alaska Native / American Indian	61
Asian / Pacific Islander	51
Black	235
White	4417
Hispanic / Latino	2317

**Number of complaints of racial profiling**

Total	0
Resulted in disciplinary action	0
Did not result in disciplinary action	0

**Comparative Analysis**

- Use TCOLE's auto generated analysis
- Use Department's submitted analysis

**Optional Narrative**

N/A

Submitted electronically to the



The Texas Commission on Law Enforcement

CITY OF HONDO, TEXAS  
REGULAR CITY COUNCIL MEETING  
February 9, 2026, 6:00 P.M.  
Council Chambers  
1600 Avenue M, Hondo, Texas

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### **1. CALL TO ORDER**

Mayor McAnelly called the meeting to order at 6:00 p.m.

### **2. QUORUM**

Present: Mayor McAnelly; Mayor Pro Tem Jose Ytuarte; Councilmembers Brett Williams, Rachel Ramirez, Makenna Lange.

Absent: Councilman BJ McCollum.

### **3. INVOCATION**

The invocation was delivered by Pastor Beverly Kelling, St. Paul Lutheran Church

### **4. PLEDGE OF ALLEGIANCE**

### **5. CITIZENS'/PUBLIC COMMENTS**

**Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with Texas Open Meeting Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda.**

#### **Stella Gonzalez**

Ms. Gonzalez, a resident of Hondo, addressed the Council regarding:

- The requirement for an Animal Advisory Board is due to Medina County's population exceeding 50,000.
- Lack of recent spay and neuter events since August 2025.
- Concerns about using non-local veterinary services.
- Suggestion that grants be pursued for animal services and the shelter.
- Concerns about implementing fees for spay and neuter services.

- Comments regarding the use of taxpayer funds for other projects.

### **Mr. George Berry**

Mr. Berry addressed the Council regarding:

- Concerns about water usage at the golf course.
- Allegations of harassment.
- Intent on seeking legal counsel and potential legal action.
- Statement of his intent to be present at the golf course clubhouse the following morning.

**No action was taken on public comments.**

## **PRESENTATIONS**

### **6. Employee Service Awards**

Human Resources Manager Michelle Packer and Employee Committee President Steven Frausto recognized employees for 5, 10, and 15 years of service.

#### **Five (5) Years of Service**

- Yolanda Contreras (Custodian) – Not Present
- Lorena Cook (Assistant Library Director)
- Ricardo Flores (Police Detective)
- Jamie Kindred (Director of Public Relations & Recreation) – Not Present
- Len McVay (Buildings & Grounds Director)
- Maritza Villarreal (Police Officer)

#### **Ten (10) Years of Service**

- Jose Alvarez
- Jennifer Ytuarte

#### **Fifteen (15) Years of Service**

- Bernardo “Barney” Bernal (Street Department)
- Joe Alex Quintanilla (Athletics Coordinator)

The mayor expressed appreciation for the employees' dedication and service to the City of Hondo.

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## **CONSENT**

*The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Council Member.*

Items **9 and 10** were pulled from the Consent Agenda.

**Motion to approve the Consent Agenda for Items 7, 8, 11, 12, 13, 14, and 15 was made by Council Member Williams and seconded by Council Member Ramirez.**

7. Consideration and approval of January 12, 2026, Regular City Council Minutes (Julie Schneider, City Secretary)

8. Consideration and approval of January 26, 2026, Regular City Council Minutes (Julie Schneider, City Secretary)

### **9. Solid Waste/Bulk Pickup Contract (Pulled Item)**

City Manager provided an update regarding contract language related to bulk pickup services and prevention of abuse of the program. Council previously approved negotiating language: however, adoption of the related fee schedule was postponed until revised contract language is presented.

Item will be returned at a future meeting.

**No action taken.**

### **10. Purchase of 2025 Ford Transit Van – Bookmobile**

Council considered approval of the purchase of a 2025 Ford Transit Van in the amount of \$46,480.58 for use as a bookmobile.

Library Director explained:

- Funding is through a reimbursement grant from the Texas State Library (pass-through from the Institute of Museum and Library Services).
- No financial impact on the City; purchases will be reimbursed.
- Deadline to equip bookmobile is May 31.

**Motion to approve the bookmobile was made by Council Member Ytuarte and seconded by Council Member Lange.**

11. Consideration and approval of resolution no. 474-26 of the city council of the city of Hondo, Texas, authorizing the submission of an application for financial assistance to the office of the governor for the Hondo police department – operation lone star grant program for FY 206/2027. (Justin Soza, chief of police)

12. consideration and approval of designating forfeited firearms in the possession of the Hondo police department as surplus and authorizing their disposition. (Justin Soza, chief of police)

13. Consideration and approval of designating certain departments-owned firearms of the Hondo police department as surplus and authorizing their disposition. (Justin Soza, chief of police)

14. Consideration and approval of the appointment of brad price to the airport advisory board to fill the current vacancy.

15. Consideration and approval of the appointment of john villa to the board of adjustment to fill the current vacancy.

**OTHER BUSINESS**

16. Consideration and approval of Resolution no. ED 1-26 of the board of directors of the Hondo economic development corporation, a type b economic development, approving additional funding for an expenditure in the amount of \$30,000.00 for the facade improvement grant project as part of the small business development program, authorized by section 505.158 of the Texas local government code; and providing for an immediate effective date. (Sean Patty, EDC director)

**Resolution No. ED 126 – Hondo Economic Development Corporation (First Reading)**

Economic Development Director reported:

- \$100,000 initially budgeted in 2024.
- \$20,480 reimbursed in first year.
- \$28,962 already reimbursed in FY 2025–2026.
- \$236,158.90 in private investment leveraged.

- Program reimburses 50% up to \$10,000 per project.

**Motion to approve the first reading was made by Council Member Ytuarte and seconded by Council Member Lange.**

**First reading approved.**

17. Consideration and approval of ordinance no. 1316-02-26 of the City Council of the city of Hondo, Texas, creating and joining the motion to approve purchase and authorizing the city manager to execute the contract was made by council member Ytuarte and seconded by council member Lange.

City Manager explained:

- Replaces the Medina County Regional Water Alliance.
- Enables grant eligibility for water infrastructure and Aquifer Storage and Recovery (ASR) projects.
- Collaboration between Medina County and multiple municipalities and water entities.
- No immediate increase in cost; any future costs would require Council approval.

**Motion to approve was made by Council Member Williams and seconded by Council Member Ytuarte.**

**Motion carried. Ordinance adopted.**

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## **18. Adjournment**

Motion to adjourn was made by Council Member Williams and seconded by Council Member Ytuarte.

Meeting adjourned at 6:35 p.m.

*(Signatures on next page)*

Passed and approved the 9<sup>th</sup> day of March 2026

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John McAnelly Jr, Mayor

Attest:

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Julie Schneider, City Secretary



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## City Council Communication

**Title:** CONSIDERATION AND APPROVAL OF FEBRUARY 23, 2026, REGULAR CITY COUNCIL MINUTES. (JULIE SCHNEIDER, CITY SECRETARY)

**Date:** March 9, 2026      **From:**

**INFORMATION:**

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

**MOTION:**

**ATTACHMENTS:**

1. Minutes 02232026

**STAFF CONTACTS:**

CITY OF HONDO  
REGULAR CITY COUNCIL MEETING  
February 23, 2026 – 6:00 PM  
City Council Chambers  
1600 Avenue M  
Hondo, Texas

1. CALL TO ORDER

**Mayor McAnelly called the meeting to order at 6:00 p.m.**

2. QUORUM

**Present: Mayor McAnelly; Mayor Pro Tem Jose “Porky” Ytuarte; Councilmembers Brett Williams, BJ McCollum, and Makenna Lange.**

**Councilmember Rachel Ramirez arrived at 6:18 p.m.**

3. INVOCATION

**The invocation was delivered by Pastor Beverly Kelling, St. Paul Lutheran Church.**

4. PLEDGE OF ALLEGIANCE

5. CITIZENS’/PUBLIC COMMENTS

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**George Berry addressed the Council. He apologized for his conduct at the previous meeting and stated he believes he is being harassed. He reported retaining legal counsel and pursuing legal remedies.**

**Mr. Berry expressed concerns regarding management of the Parks Department, including irrigation practices, tree planting near the fairgrounds, mowing procedures, and contracted cemetery maintenance.**

**No action was taken.**

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## 6. PROCLAMATION – AMERICAN RED CROSS MONTH

**Mayor McAnelly recognized March as American Red Cross Month in the City of Hondo.**

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## 7. PRESENTATION – PROPOSED JOINT EMERGENCY TRAINING CENTER

**Ryan Elder presented information regarding a proposed joint Emergency Training Center at the Hondo Airport, identifying the proposed location at the northeast portion of the property near the former pool site and previously proposed shooting range area. The presentation included discussion of the proposed operational scope, potential funding structure, and consideration of a property lease or memorandum of understanding.**

**Chief Story provided additional information.**

**Discussion only; no action taken.**

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## CONSENT AGENDA

*The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Council Member.*

**Councilmember Williams moved to approve Items 8 through 11 on the Consent Agenda. The motion was seconded by Councilmember Ytuarte. Motion passed unanimously.**

8. Consideration and approval of Resolution No. 475-26 authorizing submission of a Texas Community Development Block Grant application to the Texas Department of Agriculture for the Downtown Revitalization Program.
9. Consideration and take possible action on authorizing the purchase of two (2) 2026 Chevrolet Equinox vehicles from Gunn Chevrolet through BuyBoard Contract #724-23 in the total amount of \$58,175.40 for replacement of two Hondo Police Department CID vehicles.
10. Consideration and approval of Resolution No. 476-26 authorizing submission of an application for financial assistance to the Office of the Governor for the Hondo Police Department – Uvalde 2026 Operation Stonegarden Project.
11. Consideration and approval of an appointment to the Library Advisory Board to fill a current vacancy. (Mayor McAnelly)

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**OTHER BUSINESS**

12. Consideration and approval of a second reading of Resolution No. ED 1-26 of the Board of Directors of the Hondo Economic Development, approving additional funding for an expenditure in the amount of \$30,000.00 for the Façade improvement grant project as part of the small business development program, authorized by section 505.158 of the Texas Local Government Code; and providing for an immediate effective date.

**The Council considered a second reading of Resolution No. ED 1-26 of the Board of Directors of the Hondo Economic Development Corporation.**

**Councilmember Ytuarte moved to approve the additional funding. The motion was seconded by Councilmember Lange. Motion passed unanimously.**

13. REZONING CASE NO. 001-26

**Request from Sylvester Gallardo to rezone property located at 1002 17th Street, Hondo, Texas (Assessor's Parcel No. 16317; Hondo Block 8, Lots 15 and 16), from Central Business District (CBD) to Residential R-2.**

**Staff Presentation: John Naron, City Manager.**

**Applicant Presentation: Sylvester Gallardo stated he intends to relocate to Hondo and construct a residence on the property.**

**Mayor McAnelly opened the public hearing at 6:34 p.m.**

**No public comments were received.**

**The public hearing was closed at 6:35 p.m.**

**Councilmember Williams moved to approve the zoning change from CBD to R-2. The motion was seconded by Councilmember Ytuarte. Motion passed unanimously.**

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**ADJOURNMENT**

**There being no further business, the meeting was adjourned at 6:51 p.m.**

**Passed and approved this 9<sup>th</sup> day of March 2026.**

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**John McAnelly, Mayor**

**ATTEST:**

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**Julie Schneider, City Secretary**



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## City Council Communication

**Title:** CONSIDERATION AND APPROVAL OF ORDINANCE NO. 1317-02-26 OF THE CITY OF HONDO, TEXAS, REZONING APPROXIMATELY 0.112 ACRES OF LAND LOCATED AT 1002 17TH STREET, HONDO, MEDINA COUNTY, TEXAS, BEING A PORTION OF LOTS 15 AND 16, BLOCK 8, CITY OF HONDO, AS RECORDED IN VOLUME 1, PAGE 127 OF THE PLAT RECORDS OF MEDINA COUNTY, TEXAS, FROM CENTRAL BUSINESS DISTRICT (CBD) TO RESIDENTIAL TWO (R-2) DISTRICT; PROVIDING FINDINGS OF FACT; DECLARING COMPLIANCE WITH CHAPTER 211 OF THE TEXAS LOCAL GOVERNMENT CODE AND APPLICABLE NOTICE AND HEARING REQUIREMENTS; PROVIDING A REPEALER AND SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

**Date:** March 9, 2026      **From:**

**INFORMATION:**

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

**MOTION:**

**ATTACHMENTS:**

1. 1317 02 26 P&Z REZONING-GALLARDO EXECUTED

**STAFF CONTACTS:**

**ORDINANCE NO. 1317-02-26**

**AN ORDINANCE OF THE CITY OF HONDO, TEXAS, REZONING APPROXIMATELY 0.112 ACRES OF LAND LOCATED AT 1002 17TH STREET, HONDO, MEDINA COUNTY, TEXAS, BEING A PORTION OF LOTS 15 AND 16, BLOCK 8, CITY OF HONDO, AS RECORDED IN VOLUME 1, PAGE 127 OF THE PLAT RECORDS OF MEDINA COUNTY, TEXAS, FROM CENTRAL BUSINESS DISTRICT (CBD) TO RESIDENTIAL TWO (R-2) DISTRICT; PROVIDING FINDINGS OF FACT; DECLARING COMPLIANCE WITH CHAPTER 211 OF THE TEXAS LOCAL GOVERNMENT CODE AND APPLICABLE NOTICE AND HEARING REQUIREMENTS; PROVIDING A REPEALER AND SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Hondo, Texas (“City”) is a home-rule municipality empowered by Chapter 211 of the Texas Local Government Code and its Charter to regulate the use of land within its incorporated limits through zoning regulations and zoning district boundaries; and

**WHEREAS**, the City Council of the City of Hondo (“City Council”) previously approved and adopted the Hondo Unified Development Code (“UDC”) and Comprehensive Zoning Map on January 8, 2018, by Ordinance No. 1148-01-18, as may be amended from time to time; and

**WHEREAS**, State Law and the UDC provide procedures for amending the City’s official zoning map and changing the classification of property within the corporate limits; and

**WHEREAS**, an application was submitted by Sylvester Gallardo, owner of the property located at 1002 17th Street, Hondo, Texas, consisting of approximately 0.112 acres (4,900 square feet) of land situated within the corporate limits of the City of Hondo, Medina County, Texas, out of Survey No. 286, Abstract No. 56, A.C. Bulack, original grantee, being a portion of Lots 15 and 16, Block 8, of the City of Hondo, as shown on a plat thereof recorded in Volume 1, Page 127 of the Plat Records of Medina County, Texas, and being a portion of that certain property described in a deed to Jack T. Ulbrich, et al, from Lula Ulbrich, dated August 31, 1979, recorded in Volume 290, Page 693 of the Deed Records of Medina County, Texas, and being more particularly described by metes and bounds in **Exhibit “A”** attached hereto and incorporated herein for all purposes (the “Property”), requesting a zoning change from Central Business District (CBD) to Residential Two (R-2);

**WHEREAS**, notice of public hearings before both the Planning and Zoning Commission and the City Council regarding the requested zoning change was duly published in the Hondo Anvil Herald, a newspaper of general circulation in the City of Hondo; and

**WHEREAS**, written notice of the public hearings before the Planning & Zoning Commission and the City Council were sent to each owner of real property, as indicated on the approved tax roll of the City of Hondo, within 200 feet of the property to be rezoned, with said notice provided more than ten (10) days prior to the initial public hearing of the City Council as cited above; and

**WHEREAS**, the Planning and Zoning Commission conducted said public hearing on **February 17, 2026**, and, after due consideration and deliberation, voted to recommend approval of the requested zoning change from Central Business District (CBD) to Residential Two District (R-2); and

**WHEREAS**, the City Council of the City of Hondo conducted a public hearing on the proposed zoning change on **FEBRUARY 23, 2026**, after due notice in compliance with Chapter 211 of the Texas Local Government Code; and

**WHEREAS**, the City Council, having given full consideration to the request, the staff report, the recommendation of the Planning and Zoning Commission, and all testimony and evidence presented at the public hearing, finds that the proposed zoning change is in the best interest of the City, consistent with the City's Comprehensive Plan, and promotes the public health, safety, and general welfare of the community.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, THAT:**

**SECTION 1. ZONING AMENDMENT.** The zoning district for approximately 0.112 acres (4,900 square feet) of land situated within the corporate limits of the City of Hondo, Medina County, Texas, out of Survey No. 286, Abstract No. 56, A.C. Bulack, original grantee, being a portion of Lots 15 and 16, Block 8, of the City of Hondo, as shown on a plat thereof recorded in Volume 1, Page 127 of the Plat Records of Medina County, Texas, and being a portion of that certain property described in a deed to Jack T. Ulbrich, et al, from Lula Ulbrich, dated August 31, 1979, recorded in Volume 290, Page 693 of the Deed Records of Medina County, Texas, and being more particularly described by metes and bounds in **Exhibit "A"** attached hereto and incorporated herein for all purposes (the "Property"), is hereby amended from Central Business District (CBD) to Residential Two (R-2) District.

Further, in accordance with Section 3.3 of the UDC, as of the effective date of this Ordinance, the City Council hereby authorizes and directs City staff to amend the City's Official Zoning Map to reflect the zoning change set forth herein.

**SECTION 2. DECLARATION OF COMPLIANCE.** The City Council hereby finds and declares that all required notices and public hearings for this zoning change have been duly given and conducted as required by the City of Hondo Code of Ordinances and the laws of the State of Texas.

**SECTION 3. PUBLIC PURPOSE.** The City Council finds that this zoning change promotes sound land use, is consistent with the City's Comprehensive Plan, and is necessary for the orderly growth and development of the City, thereby serving a valid public purpose.

**SECTION 4. INCORPORATION OF RECITALS.** The City Council finds that the recitals in the preamble of this Ordinance are true and correct and incorporate them as findings of fact.

**SECTION 5. REPEALER.** All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed to the extent of such conflict.

**SECTION 6. SEVERABILITY.** If any section, subsection, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance, which shall remain in full force and effect.

**SECTION 7. OPEN MEETINGS COMPLIANCE.** It is hereby officially found and determined that the meeting at which this Ordinance was adopted was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by Chapter 551 of the Texas Government Code.

**SECTION 8. EFFECTIVE DATE.** This ordinance shall become effective upon the adoption of this Ordinance, and any notice and publication required by City Charter or other law.

**PASSED, APPROVED AND ADOPTED** this 23rd day of February 2026, by a vote of 5 (ayes) to 0 (nays) with 0 abstentions by the City Council of the City of Hondo, Texas.



**CITY OF HONDO, TEXAS**

  
**John McAnelly, Mayor**

**ATTEST:**

  
**Julie Schneider, City Secretary**

Exhibit A

THE STATE OF TEXAS  
COUNTY OF MEDINA

PREPARED FOR: Jack T. Ulbrich, Jr.,  
et al

FIELD NOTES TO DESCRIBE

A survey of 0.112 acres (4900.000 Sq.Ft.) of land situated within the Corporate Limits of the City of Hondo, in Medina County, Texas, out of Survey No. 186, Abstract No. 56, A. C. Bulack, original Grantee, being a portion of Lots 15 and 16, Block 8, of the City of Hondo, as shown on a plat thereof recorded in Volume 1 on Page 127 of the Plat Records of Medina County, Texas, being a portion of that certain property described in a deed to Jack T. Ulbrich, Jr., et al, from Lula Ulbrich, dated August 31, 1979, as recorded in Volume 290 on Page 693 of the Deed Records of Medina County, Texas, and being more particularly described by metes and bounds as follows:

- BEGINNING: At a 5/8" iron pin set at the point-of-intersection of the North line of 17th Street and the West line of Avenue "J" for the Southeast corner of said Lot 15 and the Southeast corner of this survey;
- THENCE: Along the North line of said 17th Street and the South lines of said Lots 15 and 16, S 86-50-00 W 70.00 feet to a 10" diameter creosote corner post for the Southwest corner of said Lot 16 and the Southwest corner of this survey;
- THENCE: Along fence and the West line of said Lot 16, N 03-10-00 W 70.00 feet to a 5/8" iron pin set for the Southwest corner of a certain adjoining 0.112 acre tract of land, this day surveyed, and the Northwest corner of this survey;
- THENCE: Along the South line of said adjoining 0.112 acre tract of land, N 86-50-00 E 70.00 feet to a 5/8" iron pin set on the West line of said Avenue "J" and the East line of said Lot 15 for the Southeast corner of said adjoining 0.112 acre tract of land and the Northeast corner of this survey;
- THENCE: Along the West line of said Avenue "J" and the East line of said Lot 15, S 03-10-00 E 70.00 feet to the POINT OF BEGINNING.

I certify that the foregoing field note description was prepared from an actual survey made under my supervision on the ground and that same is true and correct. Witness my hand and seal this the 31st day of December, 1993.

*Charles W. Rothe*  
Charles W. Rothe  
Registered Professional Surveyor No. 2453  
1705 Avenue K, P. O. Box 426  
Hondo, Texas 78861  
Ph. (210) 426-3005



EXHIBIT "A"

# HONDO

THIS IS GOD'S COUNTRY

## City Council Communication

**Title:** CONSIDERATION AND APPROVAL OF THE APPOINTMENT OF DANIEL WEBER TO THE AIRPORT ADVISORY BOARD TO FILL THE CURRENT VACANCY. (MAYOR MCANELLY)

**Date:** March 9, 2026      **From:**

**INFORMATION:**

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

**MOTION:**

**ATTACHMENTS:**

None

**STAFF CONTACTS:**



THIS IS GOD'S COUNTRY

## City Council Communication

***Title:***

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 478-26 AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NEWGEN STRATEGIES & SOLUTIONS, LLC FOR THE FY 2026 WATER AND WASTEWATER RATE STUDY IN AN AMOUNT NOT TO EXCEED \$35,000.00; AND PROVIDING FOR AN EFFECTIVE DATE. (JOHN NARON, CITY MANAGER)

***Date:*** March 9, 2026

***From:***

**INFORMATION:**

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

**MOTION:**

**ATTACHMENTS:**

1. 478-26 v1
2. DOCS1-#356600-v1-NewGen\_Rate\_Study\_Agreement\_3\_2\_2026

**STAFF CONTACTS:**

**RESOLUTION NO. 478-26**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NEWGEN STRATEGIES & SOLUTIONS, LLC FOR THE FY 2026 WATER AND WASTEWATER RATE STUDY IN AN AMOUNT NOT TO EXCEED \$35,000.00; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Hondo operates municipal water and wastewater utility systems and is authorized under Texas law to establish and adjust rates sufficient to recover the costs of providing such services; and

**WHEREAS**, the City desires to conduct a comprehensive Water and Wastewater Rate Study for Fiscal Year 2026, including five-year revenue requirements and rate projections; and

**WHEREAS**, NewGen Strategies & Solutions, LLC submitted a written proposal dated February 27, 2026, outlining the scope of services and fixed-fee pricing for such study; and

**WHEREAS**, the City Council finds that NewGen Strategies & Solutions, LLC is qualified to perform the requested professional services, and that authorizing negotiation and execution of a professional services agreement is in the best interest of the City;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS:**

**SECTION 1.** The City Manager is hereby authorized to negotiate and execute a Professional Services Agreement with NewGen Strategies & Solutions, LLC for the FY 2026 Water and Wastewater Rate Study, in a form approved by the City Attorney.

**SECTION 2.** The total compensation under such agreement shall not exceed \$35,000.00.

**SECTION 3.** This Resolution shall take effect immediately upon passage.

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

*[Signatures to follow on Next Page]*

CITY OF HONDO, TEXAS

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John McAnelly, Mayor

ATTEST:

---

Julie Schneider, City Secretary

## GENERAL PROFESSIONAL SERVICES AGREEMENT

1. Parties. THIS GENERAL PROFESSIONAL SERVICES AGREEMENT (the “Contract”) is entered into on the Effective Date (as defined below) and in Medina County, Texas, by and between **The City of Hondo** (hereinafter called “City”), a political subdivision of the State of Texas, acting by and through its City Manager, and **NewGen Strategies and Solutions LLC** (hereinafter called “Consultant”).

2. Recitals.

- a) The City of Hondo, Texas (the “City”), operates municipal water and wastewater utility systems as enterprise funds and is authorized under Texas law to establish and adjust rates sufficient to recover the costs of providing such services.
- b) The City desires to conduct a comprehensive Water and Wastewater Rate Study for Fiscal Year 2026, with financial projections through Fiscal Year 2031, for the purpose of evaluating revenue sufficiency, financial sustainability, capital planning, and rate design alternatives.
- c) Consultant submitted a written proposal dated February 27, 2026, attached hereto as Exhibit “A,” outlining the scope of professional services necessary to perform such study.
- d) The City has determined that engaging Consultant to perform the Services described in Exhibit “A” serves a valid public purpose and is in the best interest of the City and its utility customers.

**NOW, THEREFORE,** City and Consultant, in consideration of the covenants hereinafter set forth, agree as follows:

### **A. Basic Terms:**

1. Scope of Work. Consultant shall perform the professional consulting services described in this Contract and in the proposal attached hereto as **Exhibit “A”** (the “Services”). The Services are generally described as the “FY 2026 Water and Wastewater Rate Study” and are more particularly set forth in **Exhibit “A.”** Consultant shall furnish all personnel, expertise, and ordinary business resources necessary to properly perform the Services in accordance with this Contract.

2. Consideration. City agrees to pay Consultant, and Consultant agrees to accept, as full and complete compensation and consideration for the Services properly performed by Consultant in accordance with this Agreement for the Compensation described in this Article. Consultant is not authorized to perform any work beyond the amounts specified in **Exhibit “A.”** The total compensation shall not exceed **\$35,000.00**, inclusive of all expenses, for the scope described in Exhibit “A.” No additional services shall be performed without prior written authorization by the City.

3. Term. The Term of this Contract shall commence upon execution and shall continue until the Services are completed, unless sooner terminated as provided herein. The parties anticipate completion of the Services on or before July 31, 2026; however, the Term may be

extended by mutual written agreement of the parties if additional time is reasonably required to complete the Services.

4. Executed Contract. The “Notice to Proceed” will not be given nor shall any Services commence until this Contract is fully executed and all exhibits and other attachments are completely executed and attached to the Contract.

5. Written Authorization. Changes will not be made, nor will invoices for changes, alterations, modifications, deviations, or extra work or services be recognized or paid, except upon the prior written order from authorized personnel of the City. The Consultant will not execute change orders on behalf of the City or otherwise alter the financial scope of the services except in the event of a duly authorized change order approved by the City as provided in this Contract.

6. Insurance. Consultant shall procure and maintain, at its sole cost and expense, for the duration of this Contract, insurance coverage with insurers authorized to do business in the State of Texas and rated A- or better by A.M. Best, with limits not less than the following:

- A. Workers’ Compensation Insurance** as required by Texas law and **Employer’s Liability Insurance** with limits of not less than:
  - a. \$500,000 each accident (bodily injury);
  - b. \$500,000 each employee (bodily injury by disease); and
  - c. \$500,000 policy limit (bodily injury by disease);
- B. Commercial General Liability Insurance**, written on an occurrence basis, with limits of not less than:
  - a. \$1,000,000 each occurrence;
  - b. \$2,000,000 general aggregate;
- C. Business Automobile Liability Insurance** covering owned, hired, and non-owned vehicles, with a combined single limit of not less than:
  - a. \$1,000,000 per accident for bodily injury and property damage;
- D. Professional Liability (Errors and Omissions) Insurance** covering negligent acts, errors, or omissions in the performance of professional services under this Contract, with limits of not less than:
  - a. \$1,000,000 per claim;
  - b. \$1,000,000 aggregate.

The Commercial General Liability and Business Automobile Liability policies required herein shall be primary and non-contributory with respect to any insurance or self-insurance maintained by the City.

**E. Waiver of Subrogation.**

- a. Consultant shall cause its Commercial General Liability and Business Automobile Liability policies to include a **waiver of subrogation** in favor of the City of Hondo, Texas, and its officers, agents, employees, and elected officials. Consultant shall also obtain a waiver of subrogation in favor of the City under its Workers’ Compensation policy to the extent permitted by Texas law.

**F. Certificates of Insurance.**

- a. Consultant shall furnish the City with certificates of insurance evidencing the required coverage upon execution of this Contract and prior to commencement of services. Certificates shall provide that coverage may not be canceled or materially modified without at least thirty (30) days' prior written notice to the City.

**G. Responsibility for Damages.**

- a. Consultant shall be responsible for damages to public or private property to the extent caused by the negligent acts, errors, or omissions of Consultant or its employees, agents, or subcontractors in the performance of services under this Contract. Consultant shall promptly notify the City of any incident or claim arising out of the performance of services.

**7. Indemnity.**

**TO THE FULLEST EXTENT PERMITTED BY TEXAS LAW, CONSULTANT SHALL INDEMNIFY AND HOLD HARMLESS THE CITY OF HONDO, TEXAS, AND ITS ELECTED OFFICIALS, OFFICERS, EMPLOYEES, AND AGENTS (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, DAMAGES, LOSSES, LIABILITIES, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF THE SERVICES UNDER THIS CONTRACT, BUT ONLY TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS, ERRORS, OMISSIONS, OR WILLFUL MISCONDUCT OF CONSULTANT, ITS EMPLOYEES, AGENTS, OR SUBCONSULTANTS.**

**THE INDEMNIFICATION OBLIGATION SET FORTH HEREIN INCLUDES, WITHOUT LIMITATION:**

- a) **CLAIMS FOR BODILY INJURY, SICKNESS, DISEASE, OR DEATH OF ANY PERSON;**
- b) **CLAIMS FOR DAMAGE TO OR LOSS OF USE OF TANGIBLE PROPERTY; AND**
- c) **CLAIMS ARISING FROM PROFESSIONAL ERRORS OR OMISSIONS IN THE PERFORMANCE OF THE SERVICES.**

**CONSULTANT'S OBLIGATIONS UNDER THIS SECTION SHALL BE LIMITED TO THE EXTENT OF CONSULTANT'S PROPORTIONATE RESPONSIBILITY AND SHALL NOT APPLY TO THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNITEE.**

**NOTHING IN THIS CONTRACT SHALL BE CONSTRUED TO REQUIRE CONSULTANT TO INDEMNIFY, HOLD HARMLESS, OR DEFEND ANY INDEMNITEE FOR THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE.**

**THE PROVISIONS OF THIS SECTION SHALL SURVIVE COMPLETION OF THE SERVICES AND EXPIRATION OR TERMINATION OF THIS CONTRACT.**

8. Notice. Any official notice under this Contract will be sent to the following addresses:

To City:  City of Hondo Attn: City Manager 1101 16 <sup>th</sup> Street Hondo, Texas 78861	To Consultant:  NewGen Strategies and Solutions, LLC Attn: Erik Felthous 275 W. Campbell Road, Suite 440 Richardson, Texas 75080
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9. Ownership of Work Product. All reports, studies, models, data, drafts, and other work product prepared or developed by Consultant under this Contract shall become the property of the City upon payment for the Services. Consultant may retain copies for its records.

10. Termination.

- a. **City.** The City may terminate this Contract, in whole or in part, at any time and for any reason, upon written notice to Consultant. Upon receipt of such notice, Consultant shall immediately discontinue the Services to the extent specified in the notice and shall take all reasonable steps to minimize additional costs.

In the event of termination for convenience, Consultant shall be entitled to payment only for Services properly performed and accepted by the City prior to the effective date of termination. Consultant shall not be entitled to recover lost profits, consequential damages, or any other damages arising from such termination.

As a condition of final payment, Consultant shall deliver to the City all work product, reports, models, data, and other materials prepared or developed in connection with the Services through the effective date of termination.

- b. **Consultant.** Consultant may terminate this Contract upon thirty (30) days' written notice if the City fails to make payment in accordance with this Contract and such failure continues after written notice and opportunity to cure.

In the event of termination for cause by Consultant due to non-payment, Consultant shall be entitled to payment for Services properly performed through the effective date of termination.

11. Acknowledgment of Contract Terms. Each party acknowledges that it has carefully reviewed this Contract, understands its terms, and has had the opportunity to consult with legal counsel of its choosing prior to execution. This Contract shall not be construed against either party as the drafter.

12. Governmental Immunity. Nothing in this Contract shall be construed as a waiver of the City’s governmental immunity from suit or liability, which immunity is expressly reserved to the fullest extent permitted by Texas law.

13. Conflict of Documents. In the event of any conflict, inconsistency, or ambiguity between the terms of this Contract and any exhibit, attachment, or other document incorporated herein (including, without limitation, Exhibit “A”), the terms of this Contract shall control and govern.

**EXECUTED** on the date(s) indicated below and to be **EFFECTIVE** on the \_\_\_\_\_ day of \_\_\_\_\_, 2026 (the “**Effective Date**”).

<b>CITY:</b>  <b>CITY OF HONDO</b>  By: _____ Printed Name: _____ Title: _____ Date: _____	<b>CONSULTANT:</b>  <b>NEWGEN STRATEGIES AND SOLUTIONS, LLC</b>  By: _____ Printed Name: _____ Title: _____ Date: _____
---	--

## EXHIBIT A

Exhibit “A” is attached for the limited purpose of describing the scope of services and compensation for the Services. To the extent Exhibit “A” contains terms or conditions that conflict with, supplement, or are inconsistent with the provisions of this Contract, the provisions of this Contract shall control and govern. Any terms in Exhibit “A” that purport to modify indemnification, insurance, liability, governmental immunity, dispute resolution, payment obligations, or other legal rights and responsibilities of the parties are expressly rejected and shall be of no force or effect.

DocuSign Envelope ID: CB3CE07A-17FF-46C6-B998-0AC21E79F998



275 W Campbell Road  
Suite 440  
Richardson, TX 75080  
Phone: (972) 680-2000

February 27, 2026

Mr. John Naron  
City Manager  
City of Hondo, TX  
1600 Avenue M  
Hondo, Texas 78861

**Re: FY 2026 Water and Wastewater Rate Study**

Dear Mr. Naron:

It is our understanding that the City of Hondo (City) desires to enter into an agreement with NewGen Strategies & Solutions, LLC (NewGen) to assist the City with a water and wastewater rate study for Fiscal Year (FY) 2026 with rate projections through FY 2031. The goal will be to provide an assessment of utility financial performance to date and provide any modifications to future rates that may be needed to meet City utility objectives. We are pleased to have the opportunity to work with you.

The Project Team assembled for this engagement collectively possesses decades of combined professional expertise, including the necessary leadership and experience to ensure a successful and timely completion of the Study. NewGen will use proven industry standard methodologies when providing rate analysis. However, while NewGen can provide the City the correct “textbook” answer, we also recognize that a rate study is much more than a number-crunching exercise. Proper pricing of utility service involves balancing competing objectives, and our Project Team is committed to working with the City to make sure that the final recommendations reflect the unique challenges facing the City.

If you should have any questions and/or require additional information, please feel free to contact Mr. Chris Ekrut at (972) 232-2234 or via e-mail at [cekrut@newgenstrategies.net](mailto:cekrut@newgenstrategies.net). We appreciate the opportunity to assist the City in this matter and look forward to working with you.

Sincerely,

**NewGen Strategies and Solutions, LLC**

Chris D. Ekrut  
President and CEO

Economics | Strategy | Stakeholders | Sustainability  
[www.newgenstrategies.net](http://www.newgenstrategies.net)

Mr. John Naron  
February 27, 2026  
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Mr. John Naron  
February 27, 2026  
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## NewGen Firm Overview

NewGen is a management and economic consulting firm specializing in serving the utility industry and related markets. Established as a Limited Liability Company in August 2012, NewGen primarily serves public sector utilities and provides nationally recognized expertise in utility cost of service and rate design studies, financial feasibility studies, municipalization efforts, load forecasting, depreciation and appraisal studies, litigation support for state and federal regulatory proceedings, utility financial planning, and stakeholder engagement for electric, water, wastewater, solid waste, and natural gas utilities.



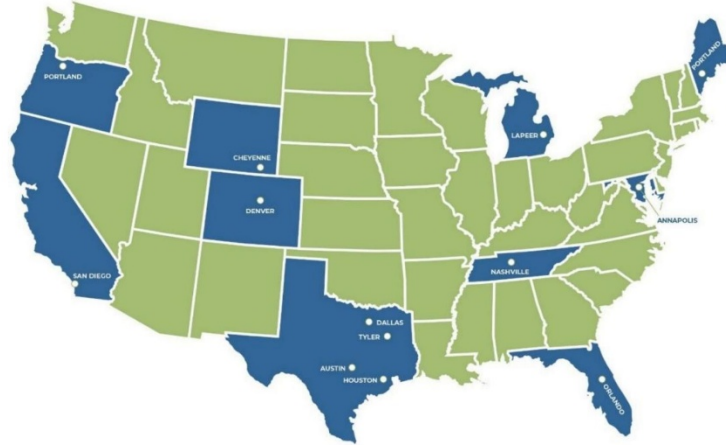
NewGen was created by consultants who are dedicated to our clients' missions and recognized as experts in our respective fields of service. *"Thoughtful Decision Making for Uncertain Times"* succinctly describes our capability to provide our clients solutions and recommendations, tempered with our keen insight into the growing role of stakeholders, resource availability (including renewables), community concerns, cost of providing utility services, and economic conditions. This ensures an integrated approach to delivering our products and services.

Our approach has three (3) important features:

1. Client/Stakeholder Communications: NewGen simplifies complex concepts by combining visual tools and our training expertise to ensure that clients have a deep understanding of how the issues and underlying data drive our recommendations. This directly impacts the evaluation of the scenarios we present, streamlines decision making, and successfully obtains buy-in from elected officials, customers, regulatory bodies, and senior management.
2. Operational Insights: NewGen makes data operational, resulting in actionable decisions with defensible results. We harness existing and untapped data to optimize operations, develop demand management strategies, estimate the impacts of distributed generation, and identify the rational nexus underlying pricing decisions. We help our clients recover costs, improve service delivery, and respond to changing market conditions.
3. Expert Witness/Credentials: We have served as expert witnesses in over 200 regulatory and civil proceedings, and we employ 26% of the ASA accredited public utility appraisers in the United States. Unlike other firms, NewGen integrates the insights of nationally recognized experts into our models, both of which have been pressure tested through the regulatory and civil process. Specific to the Texas water and wastewater marketplace, NewGen is a leading advisor to utilities within the State on rate and cost of service matters.

NewGen employs over 70 professional and administrative staff. Our current staff has the capability to work on simultaneous assignments, and we have the capacity to add staff and/or expand support from a network of teaming partners, if needed. NewGen has 13 offices located nationwide, as indicated on the map below. All proposed project team members for this Study are located in our Dallas, Texas office.

Mr. John Naron  
February 27, 2026  
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**Figure 1 – NewGen Office Locations**

### Project Team

NewGen evaluates the needs of each project and responds by assembling a Project Team of knowledgeable professionals who are uniquely qualified to provide the services needed. This Project Team assembled for this engagement includes widely recognized experts in utility cost of service and rate-making that possess a unique knowledge of regulatory requirements and industry trends, as well as best practices to develop utility rates which balance the goals and objectives of the City and its customers. The Study will be conducted in compliance with Industry standards and defensible with the State of Texas regulatory authorities.

#### **Erik Felthous, Senior Manager**

**Project Role:** Project Manager | **Location:** Dallas, TX | **Phone:** (972) 704-1655 | **Email:** [efelthous@newgenstrategies.net](mailto:efelthous@newgenstrategies.net)



Mr. Erik Felthous joined NewGen as a Senior Manager in 2023 with over 18 years of public finance experience. Prior to joining NewGen, he was employed at North Texas Municipal Water District (NTMWD). During his tenure with NTMWD, he worked with their Financial Advisor and rating agencies to upgrade credit ratings, applied numerous methods of budget allocations, revised procedures, and created cost projections to comply with contract amendments in numerous systems, and prepared the annual budgets. He also worked closely with NewGen on numerous studies, including multiple cost allocation studies and assistance with many strategic cost projections. Since joining NewGen, Mr. Felthous has provided support for various types of projects including utility rate design, cost of service, cost allocation, revenue sufficiency, and several other rate making matters. These projects have been in electric, water, wastewater, and solid waste utilities.

Mr. John Naron  
February 27, 2026  
Page 5

**Chris Ekrut, President and CEO**

**PROJECT ROLE:** QA/QC | **LOCATION:** Dallas, TX | **PHONE:** (972) 232-2234 | **EMAIL:** cekrut@newgenstrategies.net



Mr. Chris Ekrut is a founding Partner, President, and Chief Executive Officer for NewGen. Mr. Ekrut has been providing consulting services since 2004, with the majority of his client-related projects focused on pricing services and developing rates and fees for utility systems, as well as supporting clients before regulatory agencies. Mr. Ekrut is a recognized expert witness, having filed testimony regarding cost of service and rate design and providing litigation support and regulatory filing assistance before rate regulatory agencies. He has conducted numerous wholesale and retail water and wastewater rate studies, developed utility rate and fee models, and assisted in negotiations and litigation involving several wholesale service contracts. He also serves on the Faculty of the National Association of Regulatory Commissioner’s (NARUC) Rate School and has been accredited as a Certified Rate of Return Analyst by SURFA.

**Ethan Messmer, Consultant**

**PROJECT ROLE:** Analyst | **LOCATION:** Dallas, TX | **PHONE:** (972) 432-6219 | **EMAIL:** emessmer@newgenstrategies.net



Mr. Ethan Messmer joined NewGen in January 2025 as a Consultant. He has served as a Junior Financial Consultant for Texas Financial Advisors, developing customized financial plans and providing ongoing consultation and customer support. Mr. Messmer received a bachelor’s degree in Economics and Political Science from Florida State University in 2025.

**Project Methodology**

When undertaking a cost of service, rate, or fee study for a municipal utility (enterprise fund), it is important that the participants in the study have a shared vision of the objectives that must be reflected in the study. Our approach to reviewing and evaluating municipal utility rates is governed by the view that the ideal rate structure must satisfy seven (7) criteria:

- **Legal and Regulatory Compliance** is a prime consideration because rate structures must incorporate applicable local, state, and federal statutes.
- **Equity** requires that rates and charges result in no undue discrimination among customers.
- **Efficiency** refers to the ability of the rate schedule to encourage wise use of the resources.
- **Revenue Adequacy** recognizes that rates and fees are cost driven.
- **Affordability** means the recommended rates must result in bills that are realistically within the ability of customers to pay.
- **Sustainability** means the objective of the rate methodology is to keep rates low over time, not to merely keep them low for the short-term by omitting or deferring needed expenses.
- **Administrative Simplicity** recognizes that limits must be placed on the number of customer classes, complexity of the rate schedule, and frequency of billing.

Rate structures must be tailored to community perceptions, realities, and values if the project is to proceed smoothly and timely.

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### Proposed Work Plan

The Project Team proposes the following work plan, which closely follows the approaches and methodologies utilized by NewGen’s Project Team members in all of their cost of service and rate design studies. Therefore, the City can be assured that the proposed work plan has been tested and proven in numerous studies across the state and nation.

NewGen maintains a strong and active presence before the State of Texas’ rate regulatory authorities and is routinely requested to provide expert opinions on rate matters by legal counsels representing clients throughout the State of Texas. For NewGen to maintain its reputation and presence within the regulatory environment, our product must be of such quality to withstand intense scrutiny. The product(s) developed by NewGen for this engagement will withstand such scrutiny.

#### Task 1 – Project Management and Data Review

NewGen will manage all aspects of the Study. This will include coordination of all activities necessary for completion of the study, project status monitoring/reporting, and coordination with City staff. While we will not require a significant amount of the City staff time, our overall approach to the project is to keep the City fully informed and engaged during the study to solicit input and provide transparency. We propose conducting periodic review meetings as well as remote meetings using web-conferencing, when appropriate.

##### *Task 1 Deliverables*

- Data request
- Ongoing project management

#### Task 2 – Project Kickoff Meeting

A project kickoff meeting will be held, which all key City and consultant personnel will be invited to attend. The purpose of this relatively short (about two (2) hours in duration) meeting is to review, update, and validate the proposed work plan; introduce key personnel to one another; identify any roadblocks to timely completion; agree to key dates; and establish the formal and informal reporting relationships that are necessary for a smooth project.

As part of the kickoff meeting, we will discuss the current financial and rate policies currently in place, as they will serve as key guideposts for the Study. We will also want to discuss any potential policy issues that may need to be addressed during the study. The primary goal of Task 2 is to set a strong foundation for the study, ensuring all parties understand desired outcomes.

##### *Task 2 Deliverables*

- Kickoff meeting materials
- Updated scope of work and project schedule (if necessary)

#### Task 3 – Revenue Requirements

One of the primary tasks for the Study is the identification of the cost of providing water and wastewater services. Our approach includes a detailed review of each of the costs incurred by the City (both identified and unidentified) to ensure the total cost to provide each service is provided. An example of unidentified costs is the cost associated with repair and replacement of buried assets, which is sometimes understated. The cost analysis can be broken down into four (4) main categories of costs: operating and maintenance costs, capital improvements, debt service, and any contributions to reserves. The following section of our

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proposal describes our approach to reviewing and identifying each of these costs. The total amount of cash required on an annual basis for all purposes and from all sources constitutes the revenue requirement.

The completion of this task will provide a comprehensive five (5)-year forecast of system revenue requirements for the City system with the ability to change assumptions (e.g., capital financing, economic assumption, etc.) and immediately see the impact on revenue requirements.

*Review O&M Costs*

Using the City's current operating budget as a starting point, we will review the adequacy of budgeted operating and maintenance costs. To the extent that costs are directly identified to specific functions of the water or wastewater system, they will be so documented. O&M expenses will be forecasted based on estimated annual inflation rates at the budgetary account line-item level.

*Review Capital Improvements Program*

We will review the City's capital improvement plan for the utility systems. The types and levels of various funding sources to pay for the capital costs of the utility systems will be examined, and the impacts of various approaches will be quantified.

*Analyze Current and Projected Debt Service*

The annual principal and interest payments for existing debt service related to the utility systems will be documented. Those projects or categories of projects contained in the CIP and which are anticipated to be debt-funded will be identified, and projections of debt service will be developed. Further, all projections of debt will include the impact of any agreed upon Debt Service Coverage and Additional Bonds Tests requirements.

*Evaluate the Adequacy of Reserves*

The wise use and management of financial reserves provides many advantages to a utility, such as rate stabilization and "smooth" rate increases, as well as enhanced credit ratings and resulting interest savings. We will review the adequacy of the City's current reserves in light of City policy and our industry expertise. New reserves may be appropriate and will be evaluated, as needed.

*Task 3 Deliverables*

- Five (5)-year comprehensive forecast of water and wastewater revenue requirements

**Task 4 – Demand Forecast**

Task 4 consists of the development of a customer and demand forecast for the City's service area and a detailed analysis of historical customer usage to examine customer usage patterns and develop normalized consumption/demand.

*Task 4 Deliverables*

- Five (5)-year demand forecast and customer usage analysis

**Task 5 – Customer Classification and System Demands**

NewGen will analyze the usage characteristics to help differentiate customer classes and describe the variation in system demands place on the utility by each defined class. This summary-level analysis would

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involve an evaluation of the peaking factors by each customer class to determine demands on the utility. The Project Team will discuss the results with City staff and take direction on how this will be factored into rate design in later steps.

*Task 5 Deliverables*

- Identification of customer class peaking factors for discussion in rate design

**Task 6 – User Rate Analysis and Rate Alternatives**

Each of the City’s water and wastewater rates and charges will be reviewed to determine if the structure of the rate is appropriate for accomplishing the City’s goals. There are many rate designs that comply with industry practice and will withstand legal challenge, but the policy determinations and preferences of the City are one of the most important factors in determining the preferred rate design. Based on the results of the evaluation of alternative rate designs, and relying on discussions with City staff, a recommended rate design will be developed in detail, including an analysis of its impact on customer classes and typical customer bills. As requested by the City, up to three (3) varying options will be considered for final recommendation to Council.

*Task 6 Deliverables*

- Five (5)-year rate projections of the current rate structure and up to three (3) rate alternative structures

**Task 7 – Financial Model**

We will develop a financial model with Microsoft Excel. Our projects typically involve expert modeling and analysis of the rates, revenues, funds, capital and operating expenditures, debt commitments, miscellaneous charges, non-rate fees, and other financial data. In these instances, we employ advanced financial modeling techniques and graphical interfaces to develop sophisticated and flexible financial models. Our project teams include consultants with experience in the design, implementation, and execution of solutions utilizing a variety of software systems and coding languages, including Power BI, Visual Basic for Applications (VBA), and Data Analysis Expressions (DAX) if needed.

*Task 7 Deliverables*

- Review of the Excel-based model to enable adjustments to projected rates if needed

**Task 8 – Benchmarking**

While it is important that the City take action to properly fund its utility systems to meet future needs, our Project Team recognizes that the City must also remain competitive with surrounding communities. To ensure our recommendations align with the local community, NewGen will research and compare the City’s rates and recommended rates with other similar communities.

*Task 8 Deliverables*

- Summary of research on benchmarking
- Recommendations on relevant policy issues (as needed)

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**Task 9 – Reporting**

NewGen will document our work performed in a concise narrative report. A draft of the report will be provided to City staff for review and comment. NewGen will incorporate modifications to the report suggested by City staff, where appropriate, into a final report. A PowerPoint presentation will also be developed and presented by NewGen to City Council.

*Task 9 Deliverables*

- Draft Report
- Final Report
- PowerPoint Presentation
- Presentation of Results

**Schedule, Rate, and Fees**

The estimated start date of this project will be in February 2026, with a scheduled conclusion in July 2026, assuming prompt responses to data requests. NewGen can adjust the expected dates and the number of meetings if needed to accommodate the City’s schedule. As services are requested and performed, NewGen will invoice the City on a monthly basis for the portion of the project completed as of the date of its monthly invoice.

**The fixed fee pricing, including any out-of-pocket expenses, for our scope is \$35,000.** This pricing reflects one (1) on-site meeting and up to three (3) rate scenarios for water and three (3) rate scenarios for wastewater. Additional on-site meetings may be conducted at the City’s direction with additional meetings at a fixed fee of \$3,000 per meeting. Extra rate scenarios may also be considered with City direction with an understanding these would be in addition to this proposed fee on a time and expense basis or fixed fee, not to exceed amount agreed upon by the City and NewGen.

**NewGen Strategies and Solutions  
 2026 Billing Rates**

Position	Hourly Billing Rate
Partner	\$305 – \$455
Principal	\$295 – \$455
Senior Manager	\$250 – \$295
Manager	\$220 – \$250
Senior Consultant	\$200 – \$220
Consultant	\$185 – \$200
Administrative Services	\$145

Note: Billing rates are subject to change based on annual reviews and salary increases.

**Terms and Conditions**

By executing this letter, you agree that the services rendered by NewGen will be performed in accordance with instructions or specifications received by the City and will be provided with the degree of skill and judgment exercised by recognized professionals performing services of a similar nature and consistent with the applicable industry’s best practices. Additionally, the City and NewGen mutually agree that during the term of this Agreement and for a period of one (1) year after any termination, the parties agree not to solicit the other entities’ employees related to this Agreement. This clause does not apply where an

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employee seeks employment in response to an advertisement placed into the public domain for a specific position or other general recruitment activities.

To ensure the Study can be provided within the available fiscal resources of the City, the proposed scope of services will examine the overall cash flow and sufficiency of revenues for the City but will not include a full cost of service analysis as that term is defined by the American Water Works Association (AWWA). As part of this limitation, the Project Team will maintain any existing differentials in pricing between customers located inside versus outside the City's municipal boundaries, if applicable. By agreeing to this engagement, the City specifically recognizes the appellate jurisdiction of the Public Utility Commission of Texas (PUCT) under Texas Water Code 13.043(b)(3). Further, the City recognizes that the scope of services as proposed may be considered insufficient to meet the City's burden of proof as required by the PUCT should customers located outside the municipal boundaries petition the PUCT for a review of the City's adopted rates. Should a challenge of this type be brought against the City, any services requested of NewGen's Project Team during said appeal will be provided under a separate engagement based on time and expenses incurred.

All payments made under this engagement should be remitted to:

NewGen Strategies and Solutions, LLC  
275 W. Campbell Rd. Suite 440  
Richardson, Texas 75080

If this letter and its terms and conditions are acceptable, please execute one copy and return it to our Richardson, Texas office. If you should have any questions regarding this letter and/or require additional information, please contact Erik Felthous at (972) 704-1655 or via email at [efelthous@newgenstrategies.net](mailto:efelthous@newgenstrategies.net).

Very truly yours,  
**NewGen Strategies and Solutions, LLC**

Signed by:  
  
FB62F348CF8440...  
Chris D. Ekrut  
President and CEO

**FY 2026 Water and Wastewater Rate Study (\$35,000)**  
**City of Hondo, Texas**

Signed \_\_\_\_\_ Printed \_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_\_

City of Hondo, TX  
FY 2026 Water and Wastewater Rate Study