



REGULAR CITY COUNCIL MEETING

June 9, 2025 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 June 9, 2025 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/aetaajdf64jalxx2009a>. Persons may submit questions or comments for items on the agenda by email to: rdolphus@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.

ANNUAL ELECTION ACTIONS

6. **RECOGNIZE THE PUBLIC SERVICE RENDERED BY JOHN E. VILLA AS CITY COUNCIL MEMBER. (MAYOR MCANELLY)**
7. **ISSUE A CERTIFICATE OF ELECTION TO INCUMBENT MAYOR JOHN MCANELLY. (CITY SECRETARY, REBEKAH DOLPHUS)**
8. **ISSUE A CERTIFICATE OF ELECTION TO COUNCIL MEMBER ELECT PLACE 5 MAKENNA LANGE. (CITY SECRETARY, REBEKAH DOLPHUS)**
9. **ADMINISTER OATH OF OFFICE TO INCUMBENT MAYOR JOHN MCANELLY. (JP 1, PHILLIP LANGE)**
10. **ADMINISTER OATH OF OFFICE TO COUNCIL MEMBER ELECT PLACE 5 MAKENNA LANGE. (JP 1, PHILLIP LANGE)**
11. **DISCUSS AND CONSIDER ACTION ON THE ELECTION OF A MAYOR PRO TEM. (MAYOR MCANELLY)**

PRESENTATIONS

12. **HOLISTIC UTILITY SOLUTIONS SOLAR PROJECT OPPORTUNITY. (IRA NICODEMUS, PRESIDENT HOLISTIC UTILITY SOLUTIONS)**

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.

13. **CONSIDERATION AND APPROVAL OF VARIOUS APPOINTMENTS TO BOARDS AND COMMISSIONS. (MAYOR MCANELLY)**

OTHER BUSINESS

14. **DISCUSS AND CONSIDER ACTION ON RESOLUTION NO. 455-25 OF THE CITY OF HONDO, TEXAS, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR FINANCIAL ASSISTANCE TO THE MOTOR VEHICLE CRIME PREVENTION AUTHORITY FOR THE HONDO POLICE DEPARTMENT - SB 224 CONVERTER CATALYTIC GRANT PROGRAM FY 25-26. (MARI RIVAS, ADMINISTRATIVE SERGEANT)**
15. **DISCUSS AND CONSIDER ACTION ON PROPOSED AMENDMENTS OF THE HOME RULE CHARTER FROM THE CHARTER REVIEW COMMISSION.**

16. **DISCUSS AND CONSIDER ACTION ON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH HOLISUS LLC (DBA HOLISTIC UTILITY SOLUTIONS) FOR A FEASIBILITY STUDY ON A SOLAR AND/OR BATTERY ENERGY STORAGE SYSTEM. (JOHN NARON, CITY MANAGER)**
17. **DISCUSS AND CONSIDER ACTION ON THE HONDO PUBLIC LIBRARY BECOMING A FINE-FREE LIBRARY. (ELSIE PURCELL, LIBRARY DIRECTOR)**
18. **DISCUSS AND CONSIDER ACTION ON INCREASING CURRENT MEALS ON WHEELS CONTRIBUTION FROM THE CITY. (JOSE "PORKY" YTUARTE, MAYOR PRO TEM)**
19. **DISCUSS AND CONSIDER ACTION ON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH NUECES RIVER AUTHORITY FOR A SHORT-TERM OPTION FOR POTABLE WATER RESERVATION AND DIVERSION. (JOHN NARON, CITY MANAGER)**
20. **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 June 6, 2025 at 5:30 p.m.

ATTEST:



Rebekah Dolphus
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.



City Council Communication

Title: RECOGNIZE THE PUBLIC SERVICE RENDERED BY JOHN E. VILLA AS CITY COUNCIL MEMBER. (MAYOR MCANELLY)

Date: June 9, 2025

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: HOLISTIC UTILITY SOLUTIONS SOLAR PROJECT OPPORTUNITY. (IRA NICODEMUS, PRESIDENT HOLISTIC UTILITY SOLUTIONS)

Date: June 9, 2025

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. Hondo_Solar Options_Council Presentation_5.12.25

STAFF CONTACTS:



HOLISTIC

Utility Solutions

Solar Project Opportunity

May 12, 2025

HONDO

THIS IS GOD'S COUNTRY

Who We Are

We help cities lower cost and increase revenue through optimization of electric and water utilities



Who We Are



Ira Nicodemus
President/Owner

- Client SPOC and lead strategist
- 15+ years industry experience; \$100M+ in projects developed
- BS Engineering & Management and MBA



Micah Sussman
Solar Developer

- Leads development process and deal structuring
- 15+ years industry experience
- \$500MM in projects developed and financed
- BS, MS, and PhD Engineering



Emma Nicodemus
VP of Finance

- Leads financial analysis and lender/investor support
- 10+ years development and asset management experience
- BS Finance



Swetha Dokku
Solar Specialist

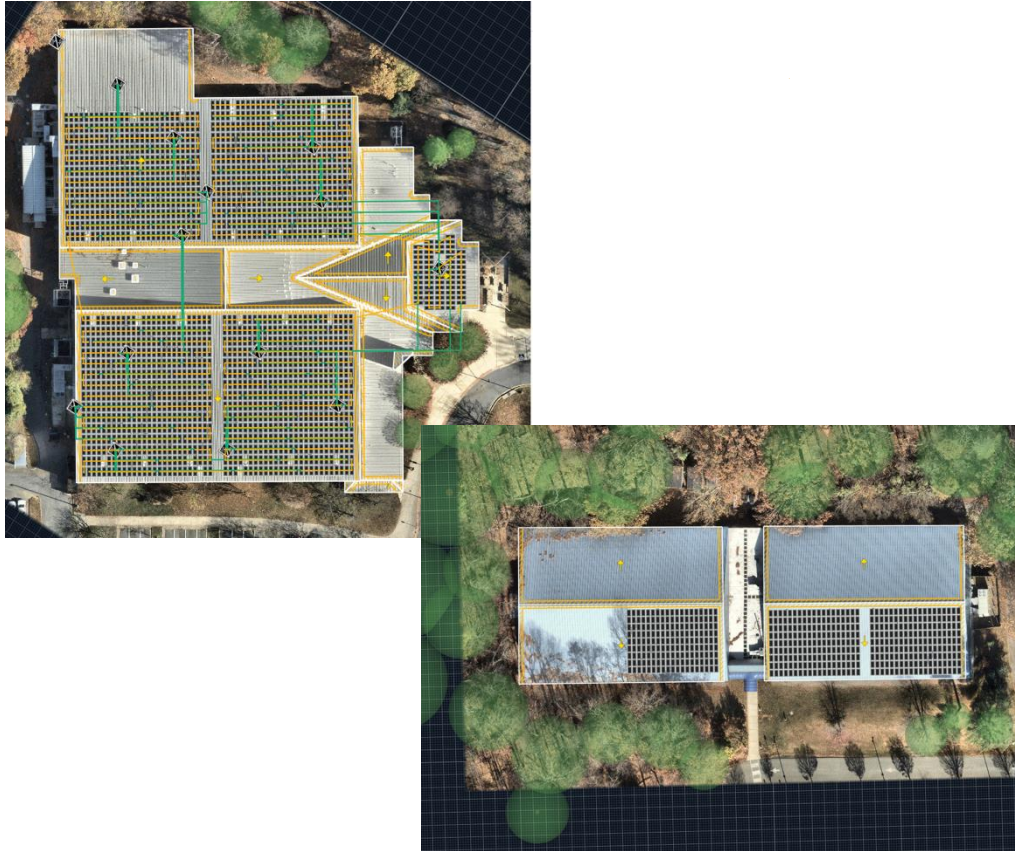
- Coordinates site due diligence, engineering analysis, and interconnection applications
- MS Environmental Studies

TXK Airport Solar



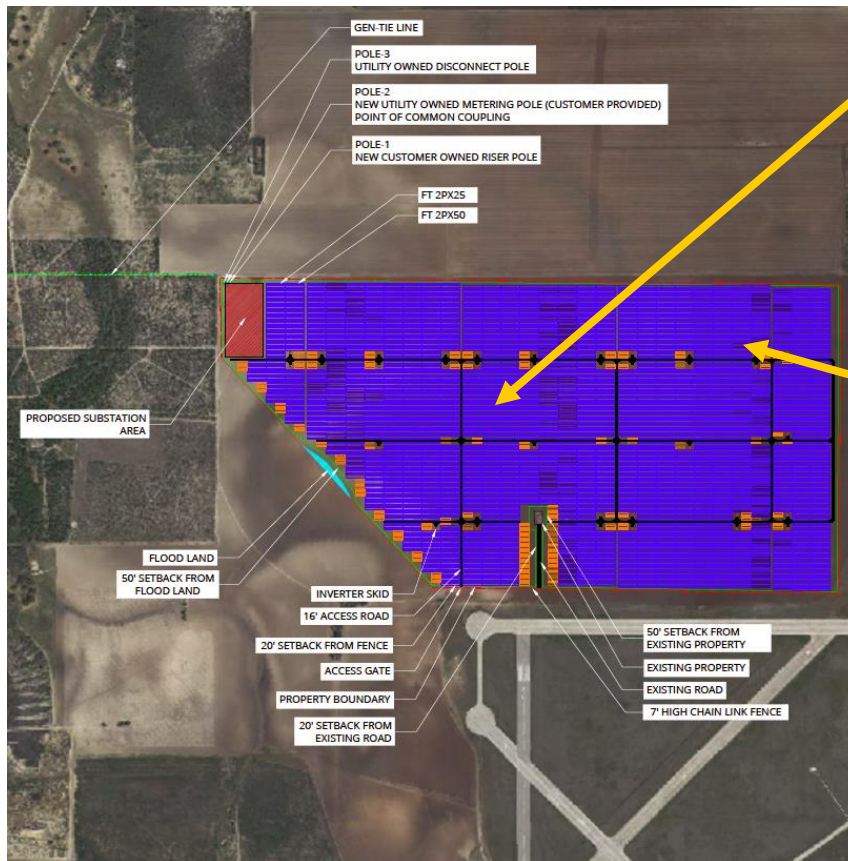
- 528 KW-dc System
- 25.5% Tax Credit (~\$700k)
- ~\$55k increase in parking revenue
- ~\$55k decrease in energy cost
- 0.4% State Energy Office financing (\$1M interest savings over project life)
- Provided owner's rep, financing, and tax incentive support

Montgomery County (MD) Solar Master Plan



- Completing Phase I due diligence on ~6 MW of roof, carport, and ground mount systems across 10 sites
- Providing layouts, cost estimates, financial analysis, site due diligence, structural review, etc.
- Summarizing into Master Plan. Tentatively planned to provide turnkey delivery as well.

Hondo Project Overview



Large System

- Approximately 125MW on ~275 acres
- Power will be sold to large 3rd party users (data centers, etc.)
- City benefits from lease revenue and taxes

Small System

- Approximately 13MW in NE Corner
- Power will be purchased by City of Hondo
- City benefits through lower cost of power + land lease revenue

Hondo Project Overview



Actual 134MW system near Houston

Site Design

- System will use fixed or tracking racking
- Setbacks will be maintained for future airport development and safety

Land Management

- Project will have detailed land management plan to prevent erosion or soil contamination
- Lease will have requirements to restore land back to original condition at the end of system life (25-35 years)

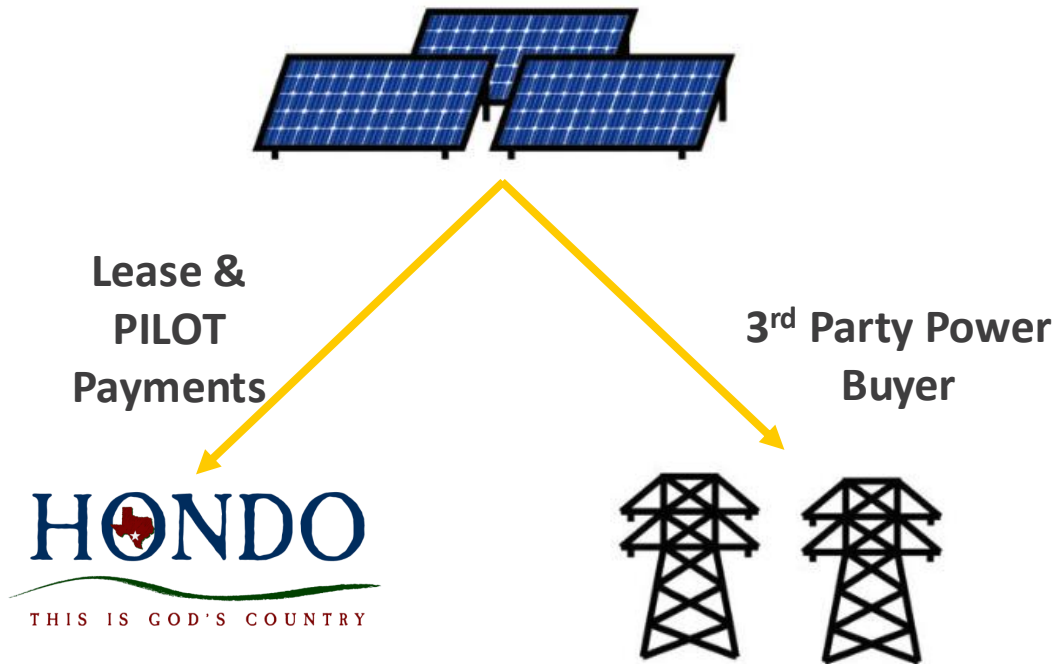
Potential Revenue

	Small System	Large System	Combined
Land Lease	\$ 25,000	\$ 135,000	\$ 160,000
Utility Benefit	\$ 100,000	\$ --	\$ 100,000
Payment in Lieu of Taxes (PILOT)	\$ 40,000	\$ 250,000	\$ 290,000
TOTAL	\$ 165,000	\$ 385,000	\$ 550,000

Values are preliminary estimates and are expected to change as project is further developed

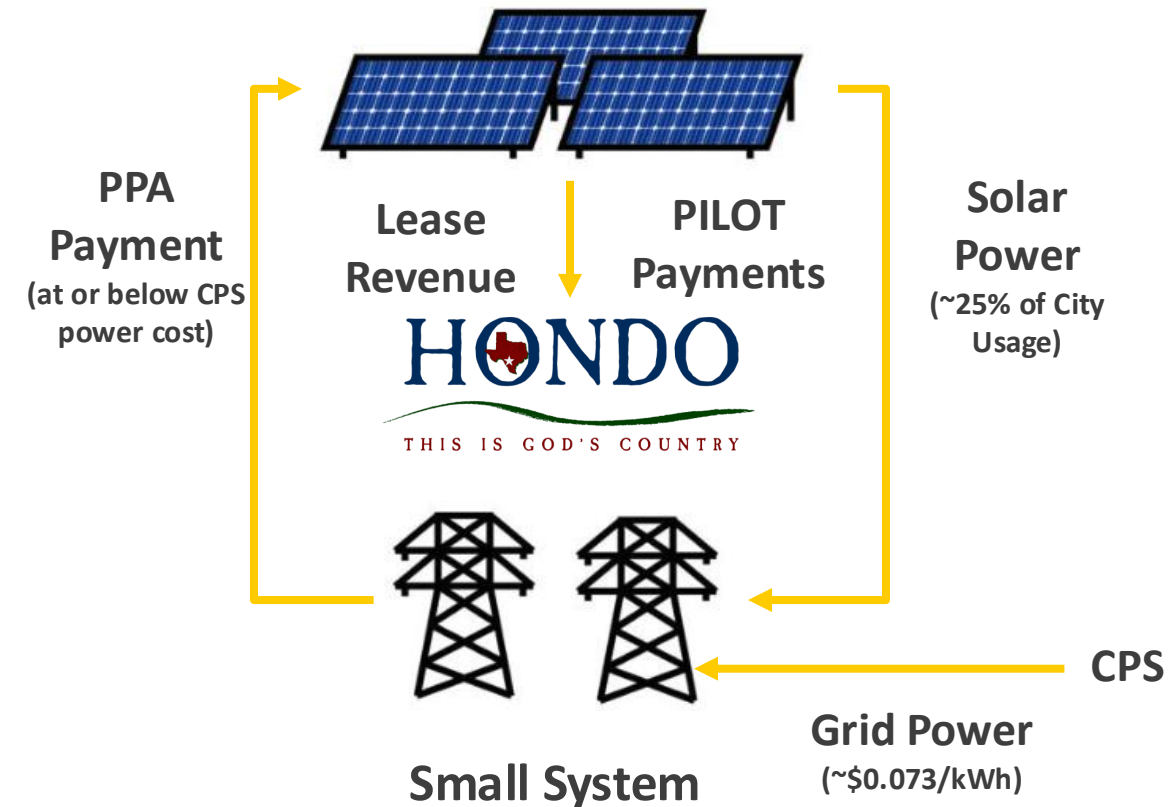
Deal Structure

3rd Party PV System Owner



Large System

3rd Party PV System Owner



Deal Structure



Key Points

- Hondo does not pay for the construction cost of either system (~\$200M investment)
- Development cost will be carried by Holistic
- Hondo only pays any costs if Holistic develop a project that meets minimum financial benefits to the City and the City decides not to approve final lease/PPA contracts (City's cost capped at \$100k/project)

Potential Grant

Topic Area	Award Size per Project	Total Expected Award Amount for Topic Area	Cost Share from Applicant	Cost Share from Applicant: Eligible for Lower Amount ²⁵
1 Open category	\$10M–\$50M	\$150M	50%	20%
2 Dual use and co-location	\$10M–\$50M	\$175M	50%	20%
3 Smaller-scale community-centered	\$2M–\$10M	\$50M	20%	5%
4 Isolated microgrids & unelectrified buildings	\$2M–\$10M	\$25M	20%	5%

Holistic has already submitted two Concept papers (one for each project) for a potential grant. If received, these will reduce project cost and allow increased revenue/savings to City.

Potential Grant

	Small System	Large System	Combined
Land Lease	\$ 50,000	\$ 275,000	\$ 325,000
MOU Benefit	\$ 500,000	\$ --	\$ 500,000
Payment in Lieu of Taxes (PILOT)	\$ 40,000	\$ 500,000	\$ 540,000
Workforce Development Training		\$ 350,000	\$ 350,000
TOTAL	\$ 590,000	\$ 1,125,000	\$ 1,715,000

Above are estimated benefits to City if grants were received.

Next Steps

Development Services Agreement

- Engage Holistic to work on the City's behalf to begin next steps in project development

Early Project Development

- Pre-Interconnection studies
- Preliminary project budgets
- Land use study
- CPS, FAA, and other approvals
- Grant application (potential)

Final Agreements

- Land lease execution
- PPA Agreements

Final Development

- Permitting
- Site due diligence
- Detailed project budgets
- Full interconnection applications/approval

Installation & Operation

- System installed by 3rd party
- Ongoing maintenance completed by 3rd party
- Site restoration at end of term

Ira Nicodemus

ira@HolisticUS.com

www.HolisticUS.com

214.384.3819



HOLISTIC

Utility Solutions



City Council Communication

Title: CONSIDERATION AND APPROVAL OF VARIOUS APPOINTMENTS TO BOARDS AND COMMISSIONS. (MAYOR MCANELLY)

Date: June 9, 2025

From: Mayor John McAnelly, Mayor

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. Mayor appointments

STAFF CONTACTS:



To: Members of the Hondo City Council

From: Mayor John McAnelly Jr.

Date: June 9, 2025

Re: Commission and Board Appointments

Several of the city's volunteer boards have the need for appointments and re-appointments. The appointment(s) are as follows:

1. Planning & Zoning Commission

I would recommend appointing Anthony Sittre for a two-year term.



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City Council Communication

***Title:* DISCUSS AND CONSIDER ACTION ON RESOLUTION NO. 455-25 OF THE CITY OF HONDO, TEXAS, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR FINANCIAL ASSISTANCE TO THE MOTOR VEHICLE CRIME PREVENTION AUTHORITY FOR THE HONDO POLICE DEPARTMENT - SB 224 CONVERTER CATALYTIC GRANT PROGRAM FY 25-26. (MARI RIVAS, ADMINISTRATIVE SERGEANT)**

Date: June 9, 2025

From: Maria Rivas

INFORMATION:

The Hondo Police Department is requesting authorization to apply for grant funding from the Motor Vehicle Crime Prevention Authority formally named, SB224 Converter Catalytic Grant Program Staff is asking the council to issue a resolution authorizing the same. The grant requires a 20 percent match.

FINANCIAL IMPACT:

Total cost of project is \$53,184.00 City of Hondo 20 percent match total is \$8,864.00 MVCPA match is \$44,320.00. The Police Department has not budget for this cost. A budget amendment will be presented to council at a later date if approved.

STAFF RECOMMENDATION:

Authorize staff to apply for the Motor Vehicle Crime Prevention Authority formally named, SB224 Converter Catalytic Grant Program and issue a resolution of the same.

MOTION:

I make a motion to approve resolution **** authorizing the Hondo Police Department to apply for grant funding from the Motor Vehicle Crime Prevention Authority formally named, SB224 Converter Catalytic Grant Program, designating Administrative Sergeant Maria Rivas as the grant authorized official.

ATTACHMENTS:

1. 455-25 PD

STAFF CONTACTS:

Maria Rivas



Hondo Police Department

1030 Avenue Y, Hondo, Texas 78861

Phone: (830)426-5353 Fax: (830)741-5814



Motor Vehicle Crime Prevention Authority

Resolution No. 455-25

2026 FY City of Hondo Resolution

SB224 Converter Catalytic Grant Program

WHEREAS, under the provisions of the Texas Transportation Code Chapter 1006 and Texas Administrative Code Title 43; Part 3; Chapter 57, entities are eligible to receive grants from the Motor Vehicle Crime Prevention Authority to provide financial support to law enforcement agencies for economic automobile theft enforcement teams and to combat motor vehicle burglary in the jurisdiction; and

WHEREAS, this grant program will assist this jurisdiction to combat catalytic converter thefts; and

WHEREAS, The Hondo City Council has agreed that in the event of loss or misuse of the grant The Hondo City Council assures that the grant funds will be returned in full to the Motor Vehicle Crime Prevention Authority.

NOW THEREFORE, BE IT RESOLVED and ordered that Justin Soza, Chief of Police, is designated as the Authorized Official to apply for, accept, decline, modify, or cancel the grant application for the Motor Vehicle Crime Prevention Authority Grant Program and all other necessary documents to accept said grant; and

BE IT FURTHER RESOLVED that Maria Rivas, Sergeant, is designated as the Program Director and Chris Hill, City of Hondo Chief Financial Officer, is designated as the Financial Officer for this grant.

PASSED & APPROVED this the 9th day of June, 2025.

JOHN McANELLY Jr.
Mayor

ATTEST:

REBEKAH DOLPHUS
City Secretary

~ Committed to Protecting and Serving the citizens of "God's Country" ~
Chief of Police Justin Soza



City Council Communication

Title: DISCUSS AND CONSIDER ACTION ON PROPOSED AMENDMENTS OF THE HOME RULE CHARTER FROM THE CHARTER REVIEW COMMISSION.

Date: June 9, 2025

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. 5.21.2025_Revised_Home_Rule_Charter_Proposed_Amendments

STAFF CONTACTS:

Chapter CHA
HOME RULE CHARTER¹

ARTICLE I
FORM OF GOVERNMENT AND
BOUNDARIES

- § 3.16.
§ 1.01. **Form of Government.**
§ 1.02. **Boundaries.**

- § 3.15. **Authentication, Recording,**
 Codification, Printing and
 Distribution.
 Investigations by the City
 Council.
§ 3.17. **Bond.**

ARTICLE II
POWERS OF THE CITY

- § 2.01. **Local Self-Government.**
§ 2.02. **Public Improvements.**
§ 2.03. **Intergovernmental Relations.**
§ 2.04. **General Enumeration of**
 Powers.

ARTICLE III
CITY COUNCIL

- § 3.01. **Composition.**
§ 3.02. **Qualifications of City Council.**
§ 3.03. **Compensation.**
§ 3.04. **Mayor and Mayor Pro Tem.**
§ 3.05. **Vacancies, Forfeiture and**
 Filling of Vacancies.
§ 3.06. **Powers of the City Council.**
§ 3.07. **Prohibitions.**
§ 3.08. **Meeting of the City Council.**
§ 3.09. **Quorum.**
§ 3.10. **Conflict of Interest.**
§ 3.11. **Abstentions.**
§ 3.12. **Rules of Procedure.**
§ 3.13. **Passage of Ordinances in**
 General.
§ 3.14. **Emergency Ordinances.**

ARTICLE IV
CITY ADMINISTRATION

- § 4.01. **City Manager.**
§ 4.02. **City Secretary.**
§ 4.03. **Municipal Court.**
§ 4.04. **City Attorney.**
§ 4.05. **Administrative Departments,**
 Offices, and Agencies.
§ 4.06. **Personnel System.**
§ 4.07. **Freedom From Interference.**

ARTICLE V
NOMINATIONS AND ELECTIONS

- § 5.01. **City Elections.**
§ 5.02. **Filing for Office.**
§ 5.03. **Official Ballots.**
§ 5.04. **Official Results.**
§ 5.05. **Taking of Office.**
§ 5.06. **Oath of Office.**

ARTICLE VI
INITIATIVE, REFERENDUM AND RECALL

- § 6.01. **Power of Initiative.**
§ 6.02. **Power of Referendum.**
§ 6.03. **Form of Petition for Initiative**
 and Referendum.

1. Editor's note—Printed herein is the charter of the City of Hondo, Texas, which was adopted at an election held on May 12, 2007, and further amended on November 3, 2020. The results of the election were certified by Resolution No. 354-20 adopted November 9, 2020. Apart from minor nonsubstantive changes in style and formatting, the charter is reproduced as adopted. Capitalization, punctuation and grammar have been retained. Obviously misspelled words have been corrected without notation. Material enclosed in brackets has been added for clarification. Amendments to the charter are indicated by a history note following the amended provision. The absence of a history note indicates the material is unchanged from the original charter.

HONDO CODE

§ 6.04.	Filing, Examination and Certification of Petitions.	ARTICLE VIII	
§ 6.05.	Council Consideration and Submission to Voters.	BOARDS AND COMMISSIONS	
§ 6.06.	Ballot Form and Results of Election.	Authority, Composition and Procedures.	
§ 6.07.	Power of Recall.	ARTICLE IX	
§ 6.08.	Recall Election.	PLANNING AND ZONING COMMISSION	
§ 6.09.	Recall Ballot.	§ 9.01.	Organization.
§ 6.10.	Results of a Recall Election.	§ 9.02.	Duties and Powers.
§ 6.11.	Limitations on Recall.	§ 9.03.	Procedures.
§ 6.12.	Failure of the City Council to Call an Election—Initiative, Referendum, or Recall.	§ 9.04.	The Comprehensive Master Plan: Procedure and Legal Effect.
ARTICLE VII		ARTICLE IX-A	
FINANCIAL PROCEDURES		BOARD OF ADJUSTMENT	
§ 7.01.	Fiscal Year.	§ 9A.01.	Organization.
§ 7.02.	Submission of Budget and Budget Measure.	§ 9A.02.	Procedure.
§ 7.03.	Budget Message.	§ 9A.03.	Duties and Powers.
§ 7.04.	Budget a Public Record.	§ 9A.04.	Appeal from Decision of Board.
§ 7.05.	Public Hearing on Budget.	ARTICLE X	
§ 7.06.	Proceeding on Adoption of Budget.	UTILITY AND PUBLIC SERVICE	
§ 7.07.	Budget, Appropriation and Amount to be Raised by Taxation.	FRANCHISES AND LICENSES	
§ 7.08.	Amending the Budget.	§ 10.01.	Authority.
§ 7.09.	Certification; Copies Made Available.	§ 10.02.	Ordinance Granting Franchise.
§ 7.10.	Capital Program.	§ 10.03.	Transfer of Franchise.
§ 7.11.	Defect Shall Not Invalidate the Tax Levy.	§ 10.04.	Franchise Value Not to be Allowed.
§ 7.12.	Lapse of Appropriations.	§ 10.05.	Right of Regulation.
§ 7.13.	Bonds and Other Evidences of Indebtedness.	§ 10.06.	Regulation of Rates.
§ 7.14.	Emergency Funding.	§ 10.07.	Licenses.
§ 7.15.	Purchasing.	ARTICLE XI	
§ 7.16.	Administration of Budget.	GENERAL PROVISIONS	
§ 7.17.	Depository.	§ 11.01.	Severability.
§ 7.18.	Independent Audits.	§ 11.02.	Wording Interpretation.
§ 7.19.	Tax Administration.	§ 11.03.	Amendment of Charter.
§ 7.20.	Tax Liens, Liabilities and Suits.	§ 11.04.	Charter Review Commission.
		ARTICLE XII	
		LEGAL PROVISIONS	

HOME RULE CHARTER

§ 12.01.	Annexation - Extensions of Boundaries.	§ 12.13.	Construction of Charter.
§ 12.02.	Disannexation.	§ 12.14.	Regulation of Alcohol.
§ 12.03.	Assignment, Execution and Garnishment.	ARTICLE XIII TRANSITIONAL PROVISIONS	
§ 12.04.	Security and Bond.	§ 13.01.	Effective Date.
§ 12.05.	Notice of Claim.	§ 13.02.	Continuation of Elective/ Appointive Offices.
§ 12.06.	Power to Settle Tax Claims.	§ 13.03.	Continuation of Operation.
§ 12.07.	Service of Process Against the City.	§ 13.04.	Officers and Employees.
§ 12.08.	Judicial Notice.	ARTICLE XIV CODE OF ETHICS AND NEPOTISM	
§ 12.09.	Pending Matters.		
§ 12.10.	Property Not Exempt From Special Assessments.	§ 14.01.	Code of Ethics.
§ 12.11.	City Council May Require Bonds.	§ 14.02.	Nepotism.
§ 12.12.	Disaster Clause.		

PREAMBLE

We, the citizens of the City of Hondo, Texas, in order to establish a Home Rule municipal government, provide for the future growth and progress of our City, obtain more fully the benefits of local self-government and provide for the public welfare do adopt this Home Rule Charter, in accordance with the laws and statutes of the State of Texas; and we do declare the residents of the City of Hondo, in Medina County, Texas living within the legally established boundaries of said City, to be a political subdivision of the State of Texas, incorporated in perpetuity under the name and style of "City of Hondo" with such powers, rights, privileges, authorities, duties and immunities as are provided in this Charter.

**ARTICLE I
FORM OF GOVERNMENT AND BOUNDARIES**

§ 1.01. Form of Government.

The municipal government provided for by this Charter shall be known as the “Council-Manager” form of government. Pursuant to its provisions, and subject only to the limitations imposed by the Constitution, laws and statutes of the State of Texas and by this Charter, all powers of the City of Hondo (referred to as the City) shall be vested in an elected City Council (referred to as the City Council) which shall enact local legislation, adopt budgets, determine policies and appoint a City Manager, who in turn, will be held responsible to the City Council for the execution of the laws and the administration of the government of the City. All powers of the City shall be exercised in the manner prescribed by this Charter, or if the manner not be prescribed, then in such manner as may be prescribed by the United States Constitution, Texas Constitution, laws or statutes of the State of Texas, and ordinances adopted by the City of Hondo. (Resolution 354-20 adopted 11/9/2020)

§ 1.02. Boundaries.

The boundaries of the City of Hondo shall be the same as have heretofore been established and as they existed on the day of ratification of this Charter. An official map shall be maintained and posted in City Hall so that it is accessible by the citizens. The map shall be updated at least annually. (Resolution 354-20 adopted 11/9/2020)

**ARTICLE II
POWERS OF THE CITY****§ 2.01. Local Self-Government.**

The City shall have perpetual succession as a body politic and corporate; may use a seal; may sue and, in cases where its sovereign immunity has been waived, may be sued; may enter into contracts for any public purpose; may acquire and hold, in fee simple or any lesser estate or in trust, by gift, deed, bequest, right of eminent domain, purchase, lease, exchange, or otherwise, and may alienate any character of property, real or personal, within and without the City limits. The City may exercise all powers of local self-government not inconsistent with the Constitution or the laws of this State or by special limitations in this Charter, and has all powers and authority possible for a city to have under the Constitution and laws of this State, as fully and completely as though all such powers and authority were specifically enumerated in this Charter. (Resolution 354-20 adopted 11/9/2020)

§ 2.02. Public Improvements.

The City shall have the power to, among others, construct and maintain, or require the construction and maintenance, within or without its corporate limits, **of** streets, flood control and sanitary facilities, water and storm drainage facilities in, over, under or upon all public property or easements granted for that purpose and to levy assessments for the costs of such improvements. The City shall have the power to collect attorney's fees for the collection of paving assessments in foreclosure cases as allowed under state law. It shall have the power to cause liens to be established for the purpose of securing the payment of such levies and shall have the power to compel the use of such improvements by the citizens of the City. (Resolution 354-20 adopted 11/9/2020)

Commented [MM1]: Proposed Amendment.

§ 2.03. Intergovernmental Relations.

The City may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by contract or otherwise, with any one or more states or any state civil division or agency, or the United States or any of its agencies, and any other county or any other political subdivisions in the State of Texas. (Resolution 354-20 adopted 11/9/2020)

§ 2.04. General Enumeration of Powers.

It being intended by this Charter to grant and bestow upon the City and its inhabitants full power of local government to accomplish any public purpose, and by all powers of municipal government, not inconsistent with this Charter or the Constitution or general laws of the State of Texas, giving and granting to the City and its inhabitants all powers that are or may be later granted to municipalities of any class by the Constitution or laws of the State of Texas and all such powers, whether expressed or implied shall include, but not limited to the following:

- (1) to enact and to enforce all ordinances and take other action as necessary to protect life, health, property and the public welfare, and to accomplish any public purpose;
- (2) to prevent and summarily abate and remove nuisances;
- (3) to preserve and promote good government, order, security, amusement, recreation, trade and economic development, peace, prosperity and the general welfare of said City and its inhabitants;

- (4) to exercise any and all municipal powers necessary to the complete and efficient management and control of municipal property and the affairs of said City;
- (5) to exercise all powers that may be conducive to the public welfare, happiness, prosperity and to accomplish any public purpose of the City and its inhabitants and to enact and enforce any and all ordinances upon any subject, provided that no such ordinance shall be enacted inconsistent with the provisions of this Charter or the Constitution or laws of the State of Texas; and
- (6) to provide further that the specification of particular powers shall never be construed as a limitation upon the general powers granted by this Charter.

In addition to the express or implied powers enumerated in this Charter, the City may have and may exercise in the manner provided by this Charter all other powers necessary or useful to accomplish any public purpose, that are not inconsistent with the Constitution and laws of the State of Texas, and that it would have been competent for this Charter to specifically enumerate.

(Resolution 354-20 adopted 11/9/2020)

**ARTICLE III
CITY COUNCIL**

§ 3.01. Composition.

- (1) The “City Council” shall be composed of a “Mayor” and five (5) “Council Members” elected under the Place System, with there being Places 1, 2, 3, 4, and 5. The Mayor and each Council Member shall be elected at large, and unless sooner removed under the provisions of this Charter, shall serve for a term of three (3) years and until their successor has been elected and duly qualified. The Mayor and City Council members may not be elected for more than three (3) consecutive terms and must “sit out” for two years prior to being eligible to run for the same elected office, i.e. Mayor or City Council Member. That is, a Council Member completing three consecutive terms is eligible to run for Mayor, and a Mayor completing three consecutive terms is eligible to run for City Council without a “sitting out” period. The previous terms of the City Council Members holding office as of November 2015 shall count toward the term limitations of this Charter.
- (2) The terms of office of Council Members in office as of November 2015 shall continue to be staggered to the same extent they were staggered prior to that date.
- (3) At such time as the City attains twelve thousand (12,000) inhabitants as determined by the U.S. Census, the number of Council Members shall increase to seven (7). Place number 6 shall be elected in the first May after the population of the City attains twelve thousand (12,000) inhabitants as determined to occurred pursuant to this Charter and Place seven (7) shall be elected the first May after the election for Place six (6). Such places shall be elected every three (3) years. The two additional Councilmembers shall be elected in accordance with the laws of the State of Texas.
- (4) Whenever this Charter requires a calculation of the number of votes required to pass an item based on a majority of the Council Members or a percentage or fraction of the number of Council Members, the Mayor shall not be considered towards determining the number of Council Members unless specifically stated herein. The total number of City Council places in existence, without regard to any vacancies, shall be used for determining a majority except where this Charter specifically states the count is based on the number of City Council members present.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 1, 2; Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 1; Resolution 354-20 adopted 11/9/2020)

§ 3.02. Qualifications of City Council.

In addition to any other qualifications prescribed by the Texas Election Code, the Mayor and each Council Member shall meet the qualifications set forth in Article V of this Charter while in office.

(Resolution 354-20 adopted 11/9/2020)

§ 3.03. Compensation.

Compensation of the City Council shall be \$400.00 per month and the compensation for the Mayor shall be \$500.00 per month. Any subsequent increases shall be determined and approved by a vote of the citizens at a regular election to amend this Charter. No increase in such compensation shall take effect until the beginning of the terms of Mayor and/or Council Members elected at the next general election. The City Council and Mayor shall also be entitled to reimbursement for actual expenses incurred in the performance of official duties with the approval of the City Council at a public meeting.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 3; Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 2; Resolution 354-20 adopted 11/9/2020)

§ 3.04. Mayor and Mayor Pro Tem.

- (1) The Mayor occupies the highest elective office in the City and shall preside at meetings of the City Council. The Mayor shall be recognized as head of the City government for all ceremonial purposes, and by the Governor for purposes of military law, but shall have no regular administrative duties. The Mayor may participate in the discussion of all matters coming before the City Council. The Mayor shall not be entitled to vote as a member of the Council, on legislative or other matters, except in case of a tie, when the Mayor shall cast the deciding vote, or where the number of filled City Council positions drops to below 3 due to vacancies caused by death, resignation, forfeiture of, or removal from office by law.
- (2) Before an Ordinance or Resolution adopted by the City Council may take effect, the Ordinance or Resolution must be signed by the Mayor except as authorized further in this paragraph. On any Ordinance or Resolution adopted by the Council to which the Mayor does not execute or file objections within one week after Council approval, the Ordinance or Resolution shall take effect. If the Mayor files objections with the City Secretary within one week after Council approved the Ordinance or Resolution, the action by the Mayor shall be deemed a veto of the original Council action. Mayor's objections must be filed within one week of the original Council action, and must state the Mayor's reason for this filing. The City Secretary will forward copies to each Council Member along with notice that the original item will be added to the next Council agenda for reconsideration by the Council. At the meeting at which the ordinance or resolution is reconsidered an affirmative vote of a supermajority of the Council Members present shall overturn the Mayor's veto and constitute immediate enactment of the ordinance or resolution and no further veto authority shall exist with respect to said ordinance or resolution. If an ordinance takes effect automatically without the Mayor's signature by any provision in this paragraph, the City Secretary shall note in the signature block of the ordinance the date and reason the ordinance became effective without signature and shall note that no further signature is necessary.
- (3) The Mayor Pro Tem shall be a Council Member elected by the City Council at the first regular meeting after each election of Council Members and/or Mayor. The Mayor Pro Tem shall act as Mayor during the disability or absence of the Mayor, and in this capacity shall have all the rights conferred upon the Mayor and shall still be entitled to vote as a Council Member.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 4; Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 3; Resolution 354-20 adopted 11/9/2020)

§ 3.05. Vacancies, Forfeiture and Filling of Vacancies.

- (1) The office of a Council Member or the Mayor shall become vacant upon his/her death, resignation, forfeiture of, or removal from office by any manner authorized by law.
- (2) If any member of the City Council is absent from three (3) consecutive regular meetings without explanation acceptable to a majority of the remaining Council Members or if any member of the City Council is absent for more than twenty-five percent (25%) of the aggregate number of regularly scheduled meetings in a calendar year his/her office shall be declared vacant at the next regular meeting of the City Council by resolution. The determination of absences shall be calculated after the first six months a member is in office.
- (3) A Council Member or the Mayor shall forfeit his/her office if he/she: (1) lacks at any time during the term of office any qualification for the office prescribed by this charter or by law, (2) violates any Express Prohibition of this charter, or (3) is convicted of a felony or of a misdemeanor involving moral turpitude or is convicted of violating any state laws or City ordinance regulating conflicts of

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interest of municipal officers. Every forfeiture shall be declared and enforced by the City Council as provided for herein.

The following are determined to be an Express Prohibition of this Charter for the purposes of this section:

- A. holding any other City office or City employment during his/her term as Mayor or Councilmember;
 - B. dictating the appointment or removal of the City administrative officers or employees whom the City Manager or any of the City Manager's subordinates are empowered to appoint;
 - C. giving orders to City officers and employees, who are subject to the direction and supervision of the City Manager; and
 - D. taking any action, including but not limited to executing any contract, which binds the City or requires the expenditure of City funds unless specifically authorized to do so by a majority vote of the City Council.
- (4) If a Council Member or the Mayor forfeits his/her office, or the office is declared vacant as required under the Charter, and the Council Member or Mayor does not immediately resign, the City Council and Mayor may conduct a hearing to determine if the office holder has forfeited and should vacate his/her office. Upon the conclusion of the hearing the City Council may, by an affirmative vote of a super-majority of City Council with the Mayor, declare the office of said office holder to be forfeited and vacant. For purposes of this section only: the Mayor has a vote; the place of the individual who is the subject of the vote shall not count; and City Council places which are vacant due to death, resignation, forfeiture of, or removal from office shall not count. A super-majority for purposes of this section shall require five (5) votes if the number of Council places with the Mayor equals seven (7), four (4) if the number of Council places with the Mayor equals five (5) or six (6); and three (3) if the number of Council places with the Mayor equals four (4) or less. Disposition of the matter under this Charter is final and is res judicata. Further relief may be sought in a court of law. The office holder subject to the forfeiture shall not have a vote. The Mayor shall vote unless his/her office is the office subject to the forfeiture.
- (5) A vacancy in the City Council where the term is less than one year shall be filled by selection of a person qualified for the position, as described in this Charter, within thirty (30) days of the occurrence of the vacancy by a majority vote of the remaining Council Members. This appointee shall serve until the next municipal election at which time a new Council Member shall be elected in accordance with the Texas Constitution and the Texas Election Code. If the vacancy in the City Council were to occur and a year or more is left on the term of the vacated place on the Council, that position must be filled by election in accordance with state law. The provisions of this paragraph shall also apply to filling a vacancy in the Mayor's position in the event State law or this Charter do not otherwise provide a procedure for filling the Mayor's position.
- (6) All vacancies filled by appointment or election shall be for the remainder of the unexpired term of the office so filled. Specifically, any person elected to a vacancy that occurs in the first or second year of a three-year term shall serve out the remainder of that term.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 5; Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 4; Resolution 354-20 adopted 11/9/2020)

§ 3.06. Powers of the City Council.

All powers of the City and the determination of all matters of policy shall be vested in the City Council. Except where in conflict with and otherwise expressly provided by this Charter, the City Council shall have all powers authorized to be exercised by the Constitution and laws of the United States and the State of Texas and the acts amendatory thereof and supplementary thereto, now or hereafter enacted. Without limitation of the foregoing and among the other powers that may be exercised by the City Council, the following are hereby enumerated for greater certainty:

- (1) Appoint and remove the City Manager;
 - (2) Appoint the Municipal Judge(s) of the Municipal Court;
 - (3) Appoint and remove the City Attorney;
 - (4) Establish administrative departments;
 - (5) Adopt the budget of the City;
 - (6) Inquire into the conduct of any office, department or agency of the City and make investigations as to municipal affairs;
 - (7) Provide for and appoint a Planning and Zoning Commission and other boards and commissions as deemed necessary, and appoint the members of all such boards and commissions. Such boards and commissions shall have all powers and duties now or hereafter conferred and created by this Charter, by City ordinance or by state law;
 - (8) Adopt and modify the official map of the City and the official zoning map;
 - (9) Adopt, modify and carry out plans in cooperation with the Planning and Zoning Commission for the replanning, improvement and redevelopment of specific areas of the City;
 - (10) Adopt, modify and carry out plans in cooperation with the Planning and Zoning Commission for the replanning, reconstruction or redevelopment of any area or district which may have been destroyed, in whole or part, by disaster;
 - (11) Regulate, license and fix the charges or fares, or tariffs made by any person owning, operating or controlling any vehicle of any character used for the carrying of passengers for hire on the public streets and alleys of the City;
 - (12) Provide for the establishment and designation of fire limits and prescribe the kind and character of buildings or structures or improvements to be erected therein; provide for the erection of fireproof buildings within certain limits; and provide for the condemnation of dangerous or dilapidated structures or buildings, and such buildings or structures calculated to increase the fire hazard, and the manner of their removal or destruction;
 - (13) Fix and regulate rates and charges of all utilities and public services and operate municipal utilities;
 - (14) Adopt development Master Plans and subdivision plats; and
 - (15) Provide for the development and maintenance of a Comprehensive Plan and Capital Improvement Plan.
- (Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 6; Resolution 354-20 adopted 11/9/2020)

§ 3.07. Prohibitions.

- (1) Except where authorized by law or by this Charter, no Mayor or Council Member shall hold any other City office or City employment during his/her term as Mayor or Council Member. No former Mayor or Council Member shall hold any compensated appointive office or City employment until two (2) years after the expiration of the term for which they were elected or appointed to the City Council.
- (2) Members of the City Council shall not in any way dictate the appointment or removal of the City administrative officers or employees whom the City Manager or any of the City Manager's subordinates are empowered to appoint. The City Council, at a meeting called for that purpose, may express its views and fully and freely discuss with the City Manager anything pertaining to appointment and removal of such officers and employees.
- (3) Except for the purpose of inquiries and investigations as provided by this Charter, the City Council shall deal with City officers and employees, who are subject to the direction and supervision of the City Manager, solely through the City Manager. The City Council shall not give orders to any such officer or employee, either publicly or privately, except as otherwise provided in this Charter.
- (4) The Mayor and Council Members are prohibited from taking any action, including but not limited to executing any contract, which binds the City or requires the expenditure of City funds unless specifically authorized to do so by a majority vote of the City Council.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 7; Resolution 354-20 adopted 11/9/2020)

§ 3.08. Meeting of the City Council.

- (1) The City Council may hold at least one (1) regular meeting each month and as many additional meetings as it deems necessary to transact the business of the City. The City Council shall fix, by ordinance, the date and time of the regular meetings.
- (2) Special meetings of the City Council shall be held at the call of the City Manager, Mayor or a majority of the City Council Members upon provision of public notice in accordance with Texas Open Meetings Act.
- (3) Except as provided by state law, all City Council meetings shall be open to the public and shall be held and notice given in accordance with the Texas Open Meetings Act.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 8; Resolution 354-20 adopted 11/9/2020)

§ 3.09. Quorum.

Three (3) Council Members shall constitute a quorum for the purpose of transacting business. Upon the election of an individual to City Council Place six (6) four (4) Council Members shall constitute a quorum for the purpose of transacting business. No action of the City Council, except as specifically provided in this Charter, shall be valid or binding unless adopted by the affirmative vote of a majority of the City Council places occupied at the time of the vote. The presence of the Mayor at any Council meeting shall not count toward a quorum, except where expressly stated herein.

Vacancy Emergency Provision: When the number of filled City Council positions drops to below three (3) because of vacancies due to death, resignation, forfeiture of, or removal from office, the Mayor shall count towards the quorum and shall be entitled to vote.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 9; Ordinance 1073-09-15, adopted at

election of 11/3/15, measure no. 5; Resolution 354-20 adopted 11/9/2020)

§ 3.10. Conflict of Interest.

Should any member of the City Council have a conflict of interest, pursuant to any state laws and/or City ordinances regulating conflicts of interest of municipal officers, with an agenda item then before the City Council, he/she shall openly declare same before discussion proceeds, and he/she is thereby prohibited from discussing the item or voting on the question and is not considered as present and voting for the purposes of the tally.

(Resolution 354-20 adopted 11/9/2020)

§ 3.11. Abstentions.

Should any member of the City Council choose to abstain from voting on any question before the City Council, where no conflict of interest exists, the person's vote shall be recorded as an abstention vote in the official minutes of the meeting and the council member is considered as present and voting for the purposes of the tally.

(Resolution 354-20 adopted 11/9/2020)

§ 3.12. Rules of Procedure.

- (1) The City Council and all Commissions and Boards shall conduct business in accordance with Robert's Rules of Order or such other rules of procedure which they may adopt by resolution. The City Council shall provide that the citizens of the City shall have a reasonable opportunity to clearly hear and be heard at all regular meetings and public hearings with regard to specific matters under consideration.

The City Council shall provide for minutes to be taken and recorded for all public meetings as required by law. Such minutes shall be a public record and shall be kept and maintained by the City Secretary.

~~City Council shall adopt Rules of Procedure consistent with this Charter.~~

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The Mayor, City Manager or any two (2) Councilmembers may place items on the agenda prior to the agenda being posted.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 6; Resolution 354-20 adopted 11/9/2020)

§ 3.13. Passage of Ordinances in General.

- (1) The City Council shall legislate by ordinance, resolution, or order, and the enacting clause of every ordinance shall be "Be it ordained by the City Council of the City of Hondo, Texas..." Each proposed ordinance shall be introduced in the written or printed form required for adoption. No ordinance shall contain more than one (1) subject which shall be clearly expressed in its title. General appropriation ordinances may contain various items and accounts for which monies are to be appropriated. After adoption, an ordinance shall not be amended or repealed except by the adoption of another ordinance. Copies of each proposed ordinance, in the form required for adoption, shall be furnished to the City Council. Copies of the proposed ordinance, in the form required for adoption, shall be available at the City offices and shall be furnished to citizens upon request to the City Secretary from and after the date on which such proposed ordinance is posted as an agenda item for a City Council meeting and, if amended, shall be available and furnished in amended form for as long as the proposed ordinance

is before the City Council.

- (2) A proposed ordinance which has been amended in substance after its placement on the agenda for a City Council meeting may not be voted on at such meeting. Such amended ordinance shall be placed on the agenda of a subsequent meeting of the City Council in accordance with the provisions of this Section. All persons interested in such ordinance shall have a reasonable opportunity to be heard.
- (3) Every ordinance shall become effective upon adoption or at any later time(s) specified in the ordinance, except that every ordinance imposing any penalty, fine or forfeiture shall become effective only after having been published in its entirety, summary form or brief description after adoption, in a newspaper designated as the official newspaper of the City.
- (4) If a majority of the City Council present requests that the ordinance title and caption be read or that the ordinance in its entirety be read, it must be read.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 7; Resolution 354-20 adopted 11/9/2020)

§ 3.14. Emergency Ordinances.

Ordinances adopted by the City Council to address an urgent public necessity at an emergency meeting authorized pursuant to the Texas Government Code Section 551.045, as it may be amended from time to time, shall become effective upon adoption and shall be published as soon as practicable. Every emergency ordinance so adopted, except one authorizing the borrowing of money is automatically repealed as of the sixty-first (61st) day following the day on which it became effective. The ordinance may be re-enacted if the emergency still exists.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 10; Resolution 354-20 adopted 11/9/2020)

§ 3.15. Authentication, Recording, Codification, Printing and Distribution.

- (1) All ordinances and resolutions adopted by the City Council shall be authenticated by seal and signature of the person performing the duties of the City Secretary and numbered consecutively as adopted. They shall be properly indexed and placed in a book kept open for public inspection. In addition, all City ordinances shall be posted on the City's official website.
- (2) The City Council shall plan and budget for the codification of ordinances of the City. This codification shall be known and cited as the "Hondo Code of Ordinances" and shall be in full force and effect without the necessity of such code or any part thereof being published in any newspaper. The caption, descriptive clause and other formal parts of the ordinances of the City may be omitted without affecting the validity of such ordinances when codified. Every general ordinance, enacted subsequent to such codification, shall be enacted as an amendment to the code. For the purpose of this section, general ordinances shall be deemed to be those ordinances of a permanent or continuing nature which affect the residents of the City at large. Copies of the code shall be furnished to City Officers, placed in the City offices and made available for purchase by the public at a reasonable price to be fixed by the City Council. The initial codification shall be completed within two years of the adoption of this Charter.
- (3) The City Council shall cause all ordinances and amendments to this Charter to be printed promptly following their adoption. A copy of each ordinance and amendment shall be placed in appropriate City offices for public reference. Printed ordinances and Charter amendments shall be sold to the public at a reasonable price in accordance with the Texas Public Information Act.

(Resolution 354-20 adopted 11/9/2020)

§ 3.16. Investigations by the City Council.

The City Council shall have the power to inquire into the official conduct of any appointed official, department head or agency of the City. For that purpose, the City Council shall have the power to administer oaths, subpoena witnesses and compel the production of books, papers or other evidence material to the inquiry. The City Council shall provide, by ordinance, procedures on the conduct of investigations, penalties for contempt for failing or refusing to obey any such subpoena or to produce any such books, papers or other evidence and shall have the power to punish any such contempt in the manner provided by the ordinance and/or the laws of the State of Texas.

(Resolution 354-20 adopted 11/9/2020)

§ 3.17. Bond.

The City Council shall require bonds of all municipal officers and employees who receive monies for or pay out any monies of the City. The amount of the bonds shall be determined by state law or the City Council, the bonds shall be payable to the City of Hondo and conditioned upon the faithful discharge of the duties of such persons and upon the faithful accounting of all monies, credits, and things of value coming into the hands of such persons, and such bonds shall be signed as surety by a corporate surety bond company authorized to do business under the laws of the State of Texas. The premium on such bonds shall be paid by the City, and such bonds must be acceptable to the Council. The Council may also require new bonds at any time, if in its opinion; the existing bond on any employee is insufficient.

(Resolution 354-20 adopted 11/9/2020)

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**ARTICLE IV
CITY ADMINISTRATION**

§ 4.01. City Manager.

- (1) Appointment. The City Council shall appoint and approve a written agreement for the City Manager by the affirmative vote of a majority of the full membership of the City Council. The City Manager shall serve as Chief Administrative Officer of the City. The City Manager shall be responsible to the City Council for administration of all the affairs of the City, with only those exceptions that are named in this Charter. The City Manager shall be appointed solely upon the City Manager's executive, administrative and educational qualifications and shall have previous city manager or administrator or assistant city manager experience and/or a degree in a field related to city government. The City Manager need not be a resident of the City when appointed, but shall, within a reasonable time (no more than one year), after such appointment, reside within the City during the balance of the tenure of his/her appointment.
- (2) Exemption. No Mayor or member of the City Council shall, during the term to which he/she is elected and for two (2) years thereafter, be appointed City Manager.
- (3) Compensation. The City Council shall fix the compensation of the City Manager, and the City Manager's compensation may be amended from time to time, in accordance with the City Manager's experience, qualifications and performance.
- (4) Suspension or Removal. The City Manager may be removed at the discretion of the City Council by the affirmative vote of four (4) City Council Members. Upon the election of an individual to City Council Place 6 or 7, the City Manager may be removed by the affirmative vote of five (5) City Council Members. Upon decision to remove the City Manager, notice, in writing, of such decision shall be immediately furnished to him/her and the City Council may then suspend him/her from duty.
 - (A) If, within five (5) working days after being notified of his/her termination and removal, the City Manager files a written request to the City Council requesting that his/her termination be reconsidered, the City Council shall, as soon as practical, meet with the City Manager in accordance with the Texas Open Meetings Act to review its decision to terminate.
 - (B) Following such review, after affording the City Manager an opportunity to respond to such initial decision to terminate, a new vote requiring the affirmative vote of four (4) City Council Members (or the affirmative vote of five (5) City Council Members upon the election of an individual to City Council Place 6 or 7) shall be taken with regard to the termination of the City Manager.
 - (C) The City Manager shall, from the date of suspension, continue to receive his/her salary pending the final decision of the City Council provided however, that if the Manager is suspended or terminated because of a final conviction for a misdemeanor involving moral turpitude or personal gain, or indicted for any felony, then, in that event, the City shall have no obligation to pay the salary designated in this Section.
 - (D) This procedure for a review meeting with the City Manager shall not alter the fact that the City Manager serves at the pleasure of the City Council, and the City Manager shall not have, nor should this procedure be construed to grant to the City Manager, any right to continued employment.

(5) Acting City Manager.

- (A) In case of a disability or suspension of the City Manager, the City Council may designate a qualified administrative officer of the City to perform the duties of the office or appoint an acting City Manager.
- (B) By letter filed with the City Secretary and copies provided to the Mayor and City Council, the City Manager shall designate, subject to the approval of the City Council, a qualified administrative officer to exercise the powers and perform the duties of the City Manager during vacation or any temporary voluntary leave of the City Manager. The Council may revoke such designation at any time and appoint another officer of the City to serve until the return of the City Manager.

(6) Duties and Responsibilities. The City Manager shall:

- (A) Appoint, suspend and remove all City employees and appointive administrative officers provided for in this Charter, except as otherwise provided by law, this Charter or personnel rules adopted pursuant thereto;
- (B) Direct and supervise the administration of all departments, offices and agencies of the City, except as otherwise provided by law of this Charter;
- (C) See that all state laws and City ordinances are effectively enforced;
- (D) Attend or designate a City employee to attend City Council, Commission, and Board meetings, with the right to take part in discussion, but shall not vote;
- (E) Prepare and accept, or designate an appropriate department head or City employee to prepare and accept, items for inclusion in the official agenda of all City Council meetings and meetings of all boards and commissions;
- (F) Prepare and recommend to the City Council the annual budget and capital improvement budgets and administer budgets as adopted by the City Council;
- (G) Keep the City Council advised, at least quarterly, as to the financial conditions of the City and make recommendations concerning the affairs of the City;
- (H) Make reports as the City Council may require concerning the operations of the City departments, offices, or agencies subject to the City Manager's direction or supervision;
- (I) Designate an appropriate department head or City employee to keep a written inventory of all real property and all permanent equipment belonging to the City, said inventory to be subject to annual audit. A system shall be established to control the use and replacement of expendable items;
- (J) Execute all contracts as authorized by resolution or ordinances adopted by the City Council except as otherwise provided in this Charter; and
- (K) Perform such other duties as are specified in this Charter or may be required by the City Council, which are consistent with this Charter and state and federal laws.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 11; Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 8; Resolution 354-20 adopted 11/9/2020)

§ 4.02. City Secretary.

- (1) The City Manager shall appoint or remove without cause, the City Secretary.
- (2) The City Manager shall annually evaluate the performance of the City Secretary.
- (3) The City Secretary shall:
 - (A) Give notice of all official public meetings of the City Council, Commissions, and Boards in a manner consistent with this Charter and state laws;
 - (B) Attend or designate a City employee to attend public meetings and hearings of the City Council;
 - (C) Keep the minutes of the proceedings of all public official meetings and hearings of the City Council in a manner prescribed by the City Council consistent with applicable law;
 - (D) Act as a custodian of all official records of the City Council;
 - (E) Hold and maintain the seal of the City and affix this seal to all appropriate documents;
 - (F) Authenticate, by signature and seal, and record all ordinances, resolutions and proclamations of the City;
 - (G) Act as agent for the purposes of serving civil process;
 - (H) Assist the City Manager with the maintenance and public information request of all records;
 - (I) Perform such other duties, as may be required by the City Council or City Manager, which are consistent with this Charter and state and federal law; and
 - (J) Schedule and oversee all City elections in accordance with the Texas Election Code and any other applicable law.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 6; Resolution 354-20 adopted 11/9/2020)

§ 4.03. Municipal Court.

- (1) The City Council shall establish and cause to be maintained a Municipal Court. The Court shall have all the powers and duties as are now, or as may be, prescribed by the laws of the State of Texas.
- (2) The City Council shall appoint, by the affirmative vote of a majority of the membership of the City Council, such Municipal Judges of the Municipal Court, as may be necessary, all of whom shall be competent, duly qualified attorneys licensed and practicing for at least five (5) years in the State of Texas. In the event a duly qualified attorney is not available, the City Council shall then select a qualified person to be the Municipal Judge. The Municipal Judge(s) of the Municipal Court(s) shall be appointed to a term of two (2) years and may be appointed to additional consecutive terms upon completion of his/her term(s) of office. The Municipal Judge(s) shall receive compensation as may be determined by the City Council.
- (3) In the event of failure of any Municipal Judge to perform his/her duties, the Mayor shall appoint a Municipal Judge for a term not to exceed three continuous months. In the event of a vacancy, a Municipal Judge shall be appointed by the City Council in accordance with subsection (2) of this Section. If the Mayor appoints a Municipal Judge, the Judge shall be compensated at the same salary, if any, as the Municipal Judge for whom the Judge is acting.
- (4) Municipal Judge shall have the power to punish for contempt to the same extent and under the same

circumstance as the Justice of the Peace may punish for contempt of criminal cases.

- (5) The Clerk and Deputy Clerks of the Municipal Court(s) shall have the power to administer oaths, certify affidavits, make certificates, affix the seal of the Court and perform all usual and necessary acts in conducting the business of the Court(s), including but not limited to, the keeping of records and accounts of the Municipal Court(s).
- (6) All special expenses and fines imposed by the Municipal Court(s) shall be paid into the City Treasury for the use and benefit of the City, as may be consistent with present and future laws.
(Resolution 354-20 adopted 11/9/2020)

§ 4.04. City Attorney.

- (1) The City Council shall appoint, by the affirmative vote of a majority of the City Council, a competent, duly qualified, licensed and practicing attorney in the State of Texas for at least five (5) years who shall serve as the City Attorney. The City Council may provide for such services by contract with a duly qualified law firm. The City Attorney designated to provide services must be a member of and be in good standing with the State Bar of Texas.
- (2) The City Attorney shall:
 - (A) Serve as the legal advisor to the City Council and City Manager;
 - (B) Represent the City in litigation and legal proceedings as directed by the City Council and the City Manager; and
 - (C) Provide opinions as requested by the City Council or City Manager.
 - (D) Review all contracts as to legality and form prior to their execution.
- (3) The City Council shall have the right to retain special counsel at any time that it may deem necessary and appropriate. Once retained Special Counsel shall report to the City Manager, the City Attorney, or to the City Council at a properly called City Council meeting.
- (4) The City Attorney and Special Counsel shall receive compensation as may be determined by the City.
- (5) The City Attorney, with approval of the City Council, may select additional attorneys to act for him/her and the City in its representation and/or litigation.
- (6) The City Attorney may be removed, without cause, by the affirmative vote of a majority of the City Council.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 12, 13; Resolution 354-20 adopted 11/9/2020)

§ 4.05. Administrative Departments, Offices, and Agencies.

- (1) The City Council may, after hearing recommendations of the City Manager, establish, abolish, re-designate and/or combine departments, offices or agencies, in addition to those provided for by this Charter, and may prescribe the functions and duties of such departments, offices and agencies.
- (2) Except as provided elsewhere in this Charter, all departments, offices and agencies of the City shall be under the direction and supervision of the City Manager and shall be administered by officers appointed by and subject to the direction and supervision of the City Manager. The City Manager may, with the consent of the City Council, serve as the head of one (1) or more City departments,

offices or agencies or appoint one (1) person as head of two (2) or more of them.

- (3) The City Manager may appoint a City Tax Collector, whose duties and functions shall be those usual to the office and consistent with the laws of the State of Texas, as they may apply to City or County Tax Collectors. The City Manager may recommend that the City Council enter into an outside contract for such services.

(Resolution 354-20 adopted 11/9/2020)

§ 4.06. Personnel System.

Personnel rules shall be prepared by the City Manager and presented to the City Council who may adopt them by ordinance or resolution, with or without amendment. The adopted rules shall establish the City as an Equal Opportunity Employer and shall govern the equitable administration of the personnel system of the City. The City shall comply with all applicable State and Federal labor laws.

(Resolution 354-20 adopted 11/9/2020)

§ 4.07. Freedom From Interference.

It shall be unlawful for the City Council or any of its members to dictate to the City Manager the appointment of any person to office or employment or interfere in any manner with the City Manager in the performance of the duties of that office as stated in Section 3.07 of this Charter.

(Resolution 354-20 adopted 11/9/2020)

**ARTICLE V
NOMINATIONS AND ELECTIONS**

§ 5.01. City Elections.

- (1) All City elections shall be conducted in accordance with the Texas Election Code and other applicable law.
- (2) The general City election shall be held annually during the month of May or such date as required by the Texas Election Code. The City Council shall be responsible for specification of places for holding such elections.
- (3) The City Council may, by resolution, order a special election for purposes consistent with this Charter and laws of the State of Texas. The City Council will fix the time and places for such a special election and provide all means for holding same.
- (4) Municipal elections shall be conducted by election officials appointed by the City Council or contracted with the County Elections Office, as prescribed by law. Sample ballots, identical in format to those used in the specific election, shall be posted in the voting place(s) for the purpose of voter orientation.
- (5) All municipal elections shall be publicized in accordance with the Texas Election Code.
- (6) A sample ballot shall be published twice in the official newspaper of the City prior to the date of the election.

(Resolution 354-20 adopted 11/9/2020)

§ 5.02. Filing for Office.

- (1) Candidates for elective City offices shall file for office in accordance with the Texas Election Code.
- (2) Candidates for elective City offices shall meet the following qualifications:
 - (A) Shall be at least twenty-one (21) years of age at the time of the election for which they are filing;
 - (B) Shall be a registered voter;
 - (C) Shall have resided within the corporate limits of the City, or recently annexed territory, for at least twelve (12) months prior to the filing date and shall have their primary residence within the City limits of the City of Hondo. Each Council Member and Mayor must continually reside within the City during his term of office, and any removal of his residence from the City during his term of office shall constitute a forfeiture of his office;
 - (D) No candidate may file in a single election for more than one (1) elective office or position;
 - (E) No employee of the City shall continue in such position after filing for an elective City office;
 - (F) In the event any incumbent office holder, of any elected city office, becomes a candidate for election to any office other than the one they are presently holding, and the incumbent office holder has less than one year remaining in office, such candidate shall tender a resignation from the currently held city office if the incumbent is elected to the other office. Such resignation shall take effect without any further act of acceptance by the Council. Failure to offer the resignation, the incumbent shall automatically forfeit his position upon being elected and the

Council may proceed in filling the vacancy in accordance with the Charter;

- (G) In the event any incumbent office holder, of any elected city office, becomes a candidate for election to any office other than the one they are presently holding, and the incumbent office holder has more than one year **and thirty (30) days** remaining in office, such candidate shall forfeit his/her position effective as of the date of becoming a candidate for the other elected office. Such resignation shall take effect without any further act of acceptance by the Council and the Council may proceed in filling the vacancy by calling an election in accordance with state law;
- (H) A candidate or incumbent to a city office must demonstrate fiscal responsibility and judgment in the management of their debts and therefor must not be in debt to the City, including but not limited to fees, fines and taxes levied by the City; and

(I) Shall comply with all other City ordinances and/or resolutions that may be applicable. (Resolution 354-20 adopted 11/9/2020)

§ 5.03. Official Ballots.

- (1) The name of each candidate seeking elective office, except those who have withdrawn, died or become ineligible, shall be printed on the official ballot in the form designated by the candidate in accordance with the Texas Election Code. If two (2) or more candidates have the same surname, their residence addresses shall be printed with their names on the ballot.
- (2) The order of the names of the candidates on the ballot shall be determined by lot in a public drawing to be held under the supervision of the person performing the duties of the City Secretary in accordance with the Texas Election Code.
- (3) Procedures for voting by absentee ballot shall be consistent with the Texas Election Code.
- (4) An ordinance, bond issue, or Charter amendment to be voted on by the voters of the City shall be presented for voting by ballot title. The ballot title of a measure may be different from its legal title and shall be a clear, concise statement, approved by the City Council, describing the substance of the measure without argument or prejudice.
- (5) Procedures for write-in votes shall be consistent with the Texas Election Code.
(Resolution 354-20 adopted 11/9/2020)

§ 5.04. Official Results.

- (1) The Mayoral or Council candidate for elective office receiving a plurality, meaning the greatest number of the votes cast shall be declared the winner.
- (2) The returns of every municipal election shall be handled in accordance with the Texas Election Code. These returns shall be delivered from the election judges to the person performing the duties of the City Secretary at City Hall as soon as possible after the closing of the polls. Election returns, general and special, shall be presented to the City Council at their next meeting in accordance with the Texas Election Code, at which time the City Council shall canvass and declare the results of the election, which shall be recorded in the minutes of the meeting.
(Resolution 354-20 adopted 11/9/2020)

§ 5.05. Taking of Office.

- (1) Each newly elected person to the City Council shall be inducted into office at the first regular City

Commented [MM5]: Proposed Amendment

Council meeting following the official canvassing of the election.

(2) At such meeting, the oath shall be administered in accordance with the City Charter.
(Resolution 354-20 adopted 11/9/2020)

§ 5.06. Oath of Office.

Every officer of the City shall, before entering upon the duties of his/her office, take and subscribe to the following oath or affirmation, to be filed and kept in the office of the City Secretary:

“I, _____, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of _____, of the City of Hondo, State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and Laws of the United States and of this State and the Charter and ordinances of this City; and I furthermore solemnly swear (or affirm), that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money, or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be. (So Help Me God.)”
(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 9; Resolution 354-20 adopted 11/9/2020)

**ARTICLE VI
INITIATIVE, REFERENDUM AND RECALL**

§ 6.01. Power of Initiative.

The people of the City reserve the power to direct legislation by initiative and, in the exercise of such power, may propose any ordinance not in conflict with this Charter or State law, except an ordinance ~~appropriation~~ ~~appropriating~~ money or authorizing the levy of taxes, an ordinance amending an ordinance ~~appropriating~~ ~~appropriation~~ money or levying taxes, or an ordinance repealing an ordinance appropriating money or levying taxes. Any initiated ordinance may be submitted by a petition signed by registered voters of the City equal in number to at least twelve and one-half (12.5%) percent of the number of registered voters residing in the City at the time of the last regular City election.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 10; Resolution 354-20 adopted 11/9/2020)

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§ 6.02. Power of Referendum.

The people of the City reserve the power to approve or reject at the polls any legislation enacted by the City Council, which is subject to the initiative process under this Chapter. Within thirty (30) days after the final adoption or publication, whichever date is later, of any ordinance which is subject to referendum, a notice must be filed with the City Secretary that a petition will be filed. A petition signed by registered voters of the City equal in number to at least twelve and one-half (12.5%) percent of the number of registered voters residing in the City at the time of the last regular City election, may be filed with the City Secretary requesting that any such ordinance be either repealed or submitted to a vote of the people. When such a petition has been certified as sufficient by the City Secretary, the ordinance so specified in the petition shall not go into effect, or further action shall be suspended if it shall have gone into effect, until and unless it is approved by the voters as herein provided.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 11; Resolution 354-20 adopted 11/9/2020)

§ 6.03. Form of Petition for Initiative and Referendum.

All petition papers circulated for the purpose of an initiative or referendum shall be uniform in size and style. Initiative petition papers shall contain the full text of the proposed ordinance. The signatures to initiative and referendum petitions need not all be appended to one paper, but to each separate paper there shall be attached a statement of the circulator that he personally circulated the foregoing paper, that all the signatures appended thereto were made in his presence and that he believes them to be the genuine signatures of the persons whose names they purport to be. Each signer of any such petition shall sign his name in ink, shall indicate after his name his place of residence by street, street number and zip code, shall indicate his voter registration certificate number and shall record the date of signature, but no signatures to such petition shall remain effective or be counted which were placed thereon more than forty-five (45) days prior to the filing of such petition or petitions with the person performing the duties of City Secretary. (Resolution 354-20 adopted 11/9/2020)

§ 6.04. Filing, Examination and Certification of Petitions.

All papers comprising a petition for initiative or referendum shall be assembled and filed with the City Secretary as one instrument. Within thirty (30) days after the petition is filed, the City Secretary shall determine whether each paper of the petition has a proper statement of the circulator and whether the petition has been signed by a sufficient number of qualified electors and shall hold any petition paper

entirely invalid which does not have attached thereto the statement signed by the circulator thereof. The City Secretary shall certify the result of this examination to the City Council at the next regular meeting after completing review. If the City Secretary shall certify that the petition is insufficient, the certificate shall specify the particulars in which it is defective and shall at once notify in writing the person filing the petition of this finding. A petition may be amended at any time within ten (10) days after a notice of insufficiency has been sent by the City Secretary, by filing a supplementary petition. In such event, the same procedures shall then be followed by the City Secretary and City Council as in the case of the original petition for the same purpose.

(Resolution 354-20 adopted 11/9/2020)

§ 6.05. Council Consideration and Submission to Voters.

When the City Council receives an authorized initiative petition, certified by the City Secretary to be sufficient, the City Council shall either (a) pass the initiated ordinance without amendment within twenty (20) days after the date of the certification to the City Council; or (b) submit the initiated ordinance without amendment to a vote of the qualified voters of the City at a regular or special election to be held on a uniform election date of the State of Texas, but not less than sixty-two (62) days from the date that the City Secretary certifies the submission to the City Council.

When the City Council receives an authorized referendum petition, certified by the City Secretary to be sufficient, the City Council shall reconsider the referred ordinance. If, upon such reconsideration, such ordinance is not repealed, it shall be submitted to the voters of the City at a regular or special election to be held on a uniform election date of the State of Texas, but not less than sixty-two (62) days from the date the City Secretary certifies the submission to the City Council.

Special elections on initiated or referred ordinances shall not be held more frequently than once each six (6) months, and no ordinance on the same subject as an initiated ordinance which has been defeated at any election may be initiated by the voters within two (2) years from the date of such election.

(Resolution 354-20 adopted 11/9/2020)

§ 6.06. Ballot Form and Results of Election.

Ordinances submitted to the electors in accordance with the initiative and referendum provisions of this Charter shall be submitted by ballot title, which shall contain a clear, concise statement, without argument, of the substance of such ordinance. The ballot used shall have below the ballot ~~title~~ the following proposition, one above the other in the order indicated: "FOR THE ORDINANCE" and "AGAINST THE ORDINANCE". Any number of ordinances may be voted on at the same election and may be submitted on the same ballot.

If a majority of electors voting on a proposed initiated ordinance shall vote in favor thereof, it shall thereupon become an ordinance of the City. A referred ordinance which is not approved by a majority of the electors voting thereon shall thereupon be deemed repealed. If conflicting ordinances are approved by the electors at the same election, the one receiving the greatest number of affirmative votes shall prevail to the extent of such conflict.

(Resolution 354-20 adopted 11/9/2020)

§ 6.07. Power of Recall.

The people of the City reserve the power to recall the Mayor or any other member of the City Council and may exercise such power by filing with the City Secretary a petition, signed by qualified voters of the City equal in number to at least twelve and one-half percent (12.5%) of the number of registered voters

residing in the City at the time of the last regular municipal election of the City demanding the removal of the Mayor or other members of the City Council.

The petition shall be signed and verified in the manner required for an initiative petition, shall contain a general statement of the grounds upon which the removal is sought, and one of the signers of each petition paper shall make an affidavit that the statements made therein are true. A separate petition shall be required for each individual intended to be recalled.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 14; Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 12; Resolution 354-20 adopted 11/9/2020)

§ 6.08. Recall Election.

All papers comprising a recall petition shall be assembled and filed with the City Secretary. Within thirty (30) days after the petition is filed, the City Secretary shall determine its sufficiency and, if found to be sufficient, shall certify this fact to the City Council at its next regular meeting. If a recall petition is found to be insufficient, it may be amended within ten (10) days after notice of such insufficiency by the City Secretary, by filing a supplementary petition. In that event, the same procedures shall then be followed by the City Secretary and the City Council as in the case of an original petition. The finding of insufficiency of a recall petition shall not prejudice the filing of a new petition for the same purpose.

The City Council Member whose removal is sought by a recall petition may, within five (5) days after such petition has been certified and presented to the City Council, request in writing that a public hearing be held to permit him to present facts pertinent to the charges specified in the petition. In this event, the City Council shall order such public hearing to be held not less than five (5) days nor more ~~than~~ fifteen (15) days after receiving such request for a public hearing.

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If the City Council Member whose removal is sought does not resign, the City Council shall order a recall election and fix a date for such election, the date of which shall not be less than sixty-two (62) days from the date the petition was submitted to the City Council or from the date of the public hearing if one was held, whichever is later, or at the earliest date thereafter permitted by the Texas Election Code.
(Resolution 354-20 adopted 11/9/2020)

§ 6.09. Recall Ballot.

Ballots used in recall elections shall read as follows: "SHALL (name of person) BE REMOVED FROM THE CITY COUNCIL BY RECALL?" Below such question there shall be printed the following as to each person named:

"FOR THE REMOVAL OF (name of person)"

"AGAINST THE REMOVAL OF (name of person)"

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 14; Resolution 354-20 adopted 11/9/ 2020)

§ 6.10. Results of a Recall Election.

If a majority of the votes cast at a recall election is against removal of a Council Member named on the ballot, that member shall continue in office. If a majority of the votes cast at such election are for the removal of the City Council Member named on the ballot, the City Council shall immediately declare the office vacant and such vacancy shall be filled in accordance with the provision of this Charter. Individuals

removed from office by recall are prohibited from being a candidate in any City election for a period of ~~threetwo (32)~~ years and thirty (30) days from the date of their recall.
(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 15; Resolution 354-20 adopted 11/9/ 2020)

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§ 6.11. Limitations on Recall.

No recall petition shall be filed against the Mayor or any other Council Member within six (6) months after he first takes office, or within six (6) months after an election for his recall, nor within six (6) months of the end of his term.
(Resolution 354-20 adopted 11/9/2020)

§ 6.12. Failure of the City Council to Call an Election–Initiative, Referendum, or Recall.

If all of the requirements of this Charter have been met and the City Council fails or refuses to receive the initiative, referendum or recall petition, or order such initiative, referendum, or recall election, or discharge any other duties imposed on the City Council by the provisions of this Charter with reference to such initiative, referendum, or recall, then the State District Judge of Medina County Texas, shall discharge any of such duties herein provided to be discharged by the person performing the duties of City Secretary or by the City Council.
(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 16; Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 13; Resolution 354-20 adopted 11/9/2020)

**ARTICLE VII
FINANCIAL PROCEDURES****§ 7.01. Fiscal Year.**

The fiscal year of the City shall begin on the first day of October and end on the last day of September on the next succeeding year. Such fiscal year shall also constitute the budget and accounting year.
(Resolution 354-20 adopted 11/9/2020)

§ 7.02. Submission of Budget and Budget Measure.

On or before August 15th of the fiscal year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year and an accompanying budget message. The proposed budget submitted to Council for review will be an itemized budget in accordance with state law.
(Resolution 354-20 adopted 11/9/2020)

§ 7.03. Budget Message.

The City Manager's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures and revenues together with the reasons for such changes, summarize the City's debt position and include such other material as the City Manager deems desirable.
(Resolution 354-20 adopted 11/9/2020)

§ 7.04. Budget a Public Record.

In accordance with state law, the proposed budget and all supporting schedules shall be filed with the person performing the duties of City Secretary when submitted to the City Council and shall be open to the public inspection by anyone interested. A notice of availability shall be published in the official newspaper within ten (10) days of the budget being presented to City Council.
(Resolution 354-20 adopted 11/9/2020)

§ 7.05. Public Hearing on Budget.

At the City Council meeting when the budget is submitted, the City Council shall name the date and place of a public hearing and shall have published in the official newspaper of the City, the time and place, which will be not less than the ten (10) days nor more than thirty (30) days after the date of notice. At this hearing, interested citizens may express their opinions concerning items of expenditures, giving their reasons for wishing to increase or decrease any items of expense. Such public hearing shall be held at a separate City Council meeting that takes place prior to the meeting at which the budget is adopted.
(Resolution 354-20 adopted 11/9/2020)

§ 7.06. Proceeding on Adoption of Budget.

After public hearing, the City Council shall analyze the budget, making any additions or deletions which they feel appropriate, and shall, at least ten (10) days prior to the beginning of the next fiscal year, adopt the budget by the affirmative vote of a majority of the City Council. Should the City Council take no final action on or prior to such day, the current budget shall be in force on a month-to-month basis until a new budget is adopted, and new budget must be approved within thirty (30) days of the start of the new fiscal year.
(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 17; Resolution 354-20 adopted 11/9/

Commented [MM9]: Proposed Change. Commission may want to consider including a time frame in-between the public hearing and the meeting in which the council adopts the budget.

2020)

§ 7.07. Budget, Appropriation and Amount to be Raised by Taxation.

On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the City Council shall constitute the official appropriations as proposed by expenditures for the current year and shall constitute the basis of official levy of the property tax as the amount of tax to be assessed and collected for the corresponding tax year. Estimated expenditures will in no case exceed proposed revenue plus cash on hand. Unused appropriations may be transferred back to general funds.
(Resolution 354-20 adopted 11/9/2020)

§ 7.08. Amending the Budget.

Under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the City Council may, by the affirmative vote of a majority of the City Council, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be by ordinance and shall become an attachment to the original budget.
(Resolution 354-20 adopted 11/9/2020)

§ 7.09. Certification; Copies Made Available.

A copy of the budget, as finally adopted, shall be filed with the person performing the duties of City Secretary and such other places required by state law or as the City Council shall designate. The final budget shall be printed or otherwise reproduced and sufficient copies shall be made available for the use of all offices, agencies, and for the use of interested persons and civic organizations. A notice of availability shall be published in the official newspaper within ten (10) days of the budget being approved by the City Council.
(Resolution 354-20 adopted 11/9/2020)

§ 7.10. Capital Program.

The City Manager shall submit a five (5) year capital program as an attachment to the annual budget. The program as submitted shall include:

- (1) A clear general summary of its contents;
- (2) A list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years succeeding the budget year, with appropriate supporting information as to the necessity for such improvements;
- (3) Cost estimates, method of financing and recommended time schedules for each improvement and
- (4) The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

The above information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition.

(Resolution 354-20 adopted 11/9/2020)

§ 7.11. Defect Shall Not Invalidate the Tax Levy.

Errors ~~oref~~ defects in the form or preparation of the budget or the failure to perform any procedural requirements shall not nullify the tax levy or the tax rate.
(Resolution 354-20 adopted 11/9/2020)

Commented [MM10]: Change in Verbiage.

§ 7.12. Lapse of Appropriations.

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned. The purpose of any such appropriation with the exception of a bond fund, shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Any funds not expended, disbursed or encumbered shall be deemed excess funds.
(Resolution 354-20 adopted 11/9/2020)

§ 7.13. Bonds and Other Evidences of Indebtedness.

The City shall have the right and power to borrow money on the credit of the City and to issue general obligation bonds and other evidences of indebtedness for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas or the Charter and to issue refunding bonds to refund outstanding bonds and other evidences of indebtedness of the City previously issued by whatever method it may deem to be in the public interest. All such bonds shall be issued in conformity with the laws of the State of Texas.

The City shall further have the power to borrow money for the purpose of constructing, acquiring, improving, extending or repairing of public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the Constitution and laws of the State of Texas, and to issue revenue bonds to evidence the obligations created thereby. Such bonds shall be a charge upon and payable from the properties, or interest therein pledged, or the income therefrom, or both. The holders of the revenue bonds of the City shall not have the right to demand payment thereof out of monies raised or to be raised by taxation. All such bonds shall be issued in conformity with the laws of the State of Texas. The City shall have the power to borrow money for public improvements in any other manner provided by law, including certificates of obligation as authorized by the Texas Local Government Code. All bonds and evidences of indebtedness of the City having been approved by the Attorney General and registered by the Comptroller of Public Accounts shall thereafter be incontestable in any court or other forum for any reason, and shall be valid and binding obligations of the City in accordance with their terms for all purposes.
(Resolution 354-20 adopted 11/9/2020)

§ 7.14. Emergency Funding.

In any budget year, the City Council may in accordance with state law, by affirmative vote of a majority of the Council Members, authorize the borrowing of money. Notes may be issued which are repayable not later than the end of the current fiscal year.
(Resolution 354-20 adopted 11/9/2020)

§ 7.15. Purchasing.

- (1) The City Council may, by ordinance, give the City Manager general authority to contract for expenditure without further approval of the City Council for all budgeted items not exceeding limits set by the City Council within the ordinance.

- (2) All contracts for expenditures involving more than the limits must be expressly approved in advance by the City Council. All contracts or purchases involving more than the limits set by the City Council shall be awarded by the City Council in accordance with state law.
 - (3) Emergency contracts, as authorized by law and this Charter, may be negotiated by the City Council or City Manager, if given authority by the City Council, without competitive bidding and in accordance with state law. Such emergency shall be declared by (I) the City Manager and approved by the City Council, or (II) the City Council.
- (Resolution 354-20 adopted 11/9/2020)

§ 7.16. Administration of Budget.

- (1) No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made, unless the City Manager, or the City Manager's designee, first certifies that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds therefor are or will be available to cover the claim or meet the obligation when it becomes due and payable.
 - (2) Any authorization of payment or incurring of obligation in violation of the provisions of this Charter shall be void and any payment so made illegal. Such action shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such payment or obligation, and the officer shall also be liable to The City for any amount so paid.
 - (3) This prohibition shall not be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds, time warrants, certificates of indebtedness or certificates of obligation or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, providing that such action is made or approved by ordinance.
 - (4) The City Manager shall submit to the City Council each quarter a report covering the revenues and expenditures of the City in such form as requested by the City Council.
- (Resolution 354-20 adopted 11/9/2020)

§ 7.17. Depository.

All monies received by any person, department or agency of the City for or in connection with the affairs of the City shall be deposited promptly in the City depository or depositories. The City depositories shall be designated by the City Council in accordance with such regulations and subject to the requirements as to security for deposits and interest thereon as may be established by ordinance and state law. Procedures for withdrawal of money or the disbursement of funds from the City depositories shall be prescribed by ordinance.

(Resolution 354-20 adopted 11/9/2020)

§ 7.18. Independent Audits.

At the close of each fiscal year and in accordance with state law, and at such other times as may be deemed necessary, the City Council shall call for an independent audit to be made of all accounts of the City by a certified public accountant. No more than five (5) consecutive annual audits shall be completed by the same firm. The certified public accountant selected shall have no personal interest, directly or indirectly in the financial affairs of the City or any of its officers. The report of audit, with the auditor's recommendations, will be made to the City Council. Upon completion of the audit the summary shall be

published immediately in the official newspaper of the City and copies of the audit placed on file in the office of the person performing the duties of City Secretary, as public record.
(Resolution 354-20 adopted 11/9/2020)

§ 7.19. Tax Administration.

- (1) The City Council may establish a Department of Taxation to assess and collect taxes. If the Council establishes such a Department, the Director of which shall be the City Tax Assessor and Collector shall be appointed by the City Council. The Tax Assessor and Collector shall provide a bond with such sureties and in such amount as the City Council may require. The City shall pay the premiums on such bond. The City Council may provide for such services by contract.
- (2) The City Council shall have the power, and is hereby authorized, to levy, assess, and collect annual taxes not to exceed the maximum limit set by the Constitution and laws of the State of Texas, as they now exist or as they may be amended, on each one hundred dollars (\$100.00) assessed valuation of all property having a location within the corporate limits of the City and not exempt from taxation by the Constitution and laws of the State of Texas.
- (3) All taxes due the City shall be payable at the office of the City Assessor and Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which completion and approval shall be not later than October 1st. Taxes shall be paid before February 1st of each year succeeding the year for which the taxes are levied. All such taxes not paid prior to such date shall be deemed delinquent and shall be subject to such penalty and interest as may be provided by law.
- (4) Failure to levy and assess taxes through omission in preparation of the approved tax rolls shall not relieve the person, firm or corporation so omitted from the obligation to pay such current or past due taxes shown to be payable by recheck of the rolls and receipts for the years in question, unless otherwise provided by law.

(Resolution 354-20 adopted 11/9/2020)

§ 7.20. Tax Liens, Liabilities and Suits.

- (1) All property having its location in the City on January 1st of each year shall stand charged with a lien in favor of the City from said date for the taxes due thereon. The lien provided hereby shall be superior to all other liens except other tax liens, regardless of when such other liens were created. All persons purchasing any of said property on or after January 1st in any year shall take the property subject to the lien herein provided. In addition to the lien herein provided on January 1st on any year, the owner of property subject to taxation by the City shall be personally liable for the taxes due thereon for such year.
- (2) The City shall have the power to sue for and recover personal judgment for taxes without foreclosure, or to foreclose its lien or liens, or to recover both personal judgment and foreclosure. In such suit where it appears that the description of any property in the City assessment rolls is insufficient to identify such property, the City shall have the right to plead a good description of the property to be assessed, to prove the same, and to have its judgment foreclosing the tax lien and/or for personal judgment against the owner for such taxes as such ownership and property appears on the certified tax roll.

(Resolution 354-20 adopted 11/9/2020)

ARTICLE VIII
BOARDS AND COMMISSIONS

§ 8.01. Authority, Composition and Procedures.

- (1) The City Council shall create, establish or appoint, as may be required by the laws of the State of Texas or this Charter, or deemed desirable by the City Council, such boards, commissions and committees as it deems necessary to carry out the functions and obligations of the City. The City Council shall, by ordinance or resolution, prescribe the purpose, composition, function, duties, accountability and tenure of each board, commission and committee where such are not prescribed by law or this Charter. Members of such boards, commissions, and committees shall serve staggered terms of three (3) years for no more than three (3) consecutive terms except as otherwise provided by this Charter or state law.
- (2) Individuals who are qualified voters and residents of the City, with no more than one member from the City's Extraterritorial Jurisdiction (ETJ), may be appointed by the City Council, if allowed by state law, to serve on one (1) or more boards, commissions or committees, if allowed by state law. Where not prohibited by state law, and in addition to appointing individuals who are qualified voters and residents of the City, the City Council may appoint one individual who resides in the City's Extraterritorial Jurisdiction (ETJ) to serve on each board, commission, or committee; however, no more than one member of any single board, commission, or committee may reside in the ETJ. Such appointees shall serve at the pleasure of the City Council and may be removed at the discretion of the City Council. Except as otherwise provided in this Charter members of any such board, commission or committee shall serve without compensation but may be reimbursed for actual expenses as approved by the City Council.
- (3) All boards, commissions or committees of the City shall keep and maintain minutes of any proceedings held and shall submit them to the City Secretary to provide a copy to the City Council following the meeting at which they are approved.
- (4) Unless authorized by state law, no officer or employee of the City nor any person who holds a compensated appointive position with the City shall be appointed to any board, commission or committee created or established by this Charter other than in an advisory capacity.
- (5) Unless specified otherwise by a previous ordinance, any member of a board, commission or committee who is absent from three (3) consecutive regular meetings, or twenty-five percent (25%) of regularly scheduled meetings during the twelve month (12 month) period immediately preceding and including the absence in question, without explanation acceptable to a majority of the other members, shall forfeit his/her position on the board, commission or committee.

(Resolution 354-20 adopted 11/9/2020)

Commented [MM11]: 3 year terms

Commented [MM12]: Shall or may - Does the commission want to mandated three year terms or provide the option of three year terms.

Commented [MM13]: Proposed Amendment.
Commission to confirm change at up coming meeting.

Commented [MM14]: There was a question as to whether nonresidents and/or non residents business owners can serve on city boards, commissions, and committees. State law generally does not prohibit nonresidents from serving on municipal boards or commissions unless a specific state law or ordinance requires residency. For example, state law establishes two-year terms for members of Boards of Adjustment but does not mandate residency. However, some boards—such as certain types of economic development corporations or civil service commissions—do have residency requirements set by state law. In most other cases, the authority to establish qualifications, including residency, is left to individual cities through their charter or local ordinances. When nonresidents serve on city boards, it may raise considerations such as representation, accountability, and potential conflicts of interest. There may also be questions about how well nonresidents can reflect community perspectives or how their involvement is perceived by the public. These factors are often evaluated by cities when determining eligibility criteria for board or commission service.

**ARTICLE IX
PLANNING AND ZONING COMMISSION**

§ 9.01. Organization.

- (1) There is hereby established a Planning and Zoning Commission (the "Commission") which shall consist of at least seven (7) members who shall be appointed by the City Council to staggered terms of ~~three~~ **(32)** years and shall be governed in accordance with the zoning ordinance which is in effect at the time of the adoption of this Charter. The Commission members shall be qualified City voters and residents of the City. Any vacancy occurring during the unexpired term of a member shall be filled by the City Council for the remainder of the unexpired term. Each January, the Commission shall elect from its members a Chairman, Vice Chairman, and Secretary to serve for one (1) year. Members of the Commission may be removed, without cause, by an affirmative vote of a majority of the City Council.
- (2) The Commission shall keep minutes of its proceedings which shall be of public record. Minutes will be recorded by the Commission Secretary. The Commission shall receive such compensation as is determined by the City Council and may be reimbursed for actual expenses as approved by the City Council.

(Ordinance 911-03-09 adopted 5/4/09; Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 18, 19; Resolution 354-20 adopted 11/9/2020)

§ 9.02. Duties and Powers.

- (1) The Commission shall be responsible to and act as an advisory board to the City Council. The Commission shall:
 - (A) Review all current and proposed ordinances and amendments pertaining to planning and zoning and make recommendations to the City Council for action to be taken;
 - (B) Make proposals to the City Council to amend, extend and add to the Comprehensive Master Plan of the City;
 - (C) If requested by the City Council, a monthly report shall be made in person by a member of the Commission to the City Council;
 - (D) Review master plans, subdivision plats, annexation, and zoning requests and make recommendations to the City Council for final adoption of same;
 - (E) Review and make recommendations to the City Council regarding Land Use Assumptions as required; and
 - (F) Perform such other functions as may be duly delegated by the City Council.
- (2) The Commission shall have full power to:
 - (A) Exercise the authority of the Commission as provided by state law, this Charter and City ordinances;
 - (B) Administer rules and recommendations pertaining to subdivisions and to platting in territories within the City limits and its extraterritorial jurisdiction; and
 - (C) Make reports and recommendations relating to the Comprehensive Master Plan and

Commented [MM15]: Proposed Amendment to reflect three year term.

development of the City.

- (3) A vote of Four (4) Council Members is required to overrule a recommendation of the Commission that a proposed zoning amendment, supplement or change, or change to a regulation or boundary be denied. Upon the election of an individual to City Council Place 6 but before the election of an individual to City Council Place 7, a vote of Five (5) Council Members is required to overrule a recommendation of the Commission that a proposed zoning amendment, supplement or change, or change to a regulation or boundary be denied. Upon the election of an individual to City Council Place 7, a vote of Six (6) Council Members is required to overrule a recommendation of the Commission that a proposed zoning amendment, supplement or change, or change to a regulation or boundary be denied.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 14; Resolution 354-20 adopted 11/9/2020)

§ 9.03. Procedures.

- (1) The Planning and Zoning Commission procedures shall be governed by the provisions of the City Zoning Ordinance and Texas State Law.
- (2) Should any person on the Commission have a conflict of interest, pursuant to any state laws and/or City ordinances regulating conflicts of interest of municipal officers, with an agenda item then before the Commission, he/she shall openly declare same before discussion proceeds, and he/she is thereby prohibited from discussing the item or voting on the question, and is not considered as present and voting for the purposes of the tally.
- (3) Should any person on the Commission choose to abstain from voting on any question before the Commission, where no conflict of interest exists, the person's vote shall be recorded as an abstention vote in the official minutes of the meeting.

(Resolution 354-20 adopted 11/9/2020)

§ 9.04. The Comprehensive Master Plan: Procedure and Legal Effect.

- (1) The existing Comprehensive Master Plan contains recommendations for the growth, development and beautification of the City and its extraterritorial jurisdiction. The Comprehensive Master Plan shall be reviewed every five (5) years. Additions to and amendments of the Comprehensive Master Plan shall be by ordinance or resolution in accordance with Texas State Law.
- (2) Following the adoption by the City Council of the Comprehensive Master Plan, and any revisions thereto, it shall serve as a guide to all future City Council action concerning land use and development regulations and expenditures for capital improvements. Any proposal which deviates from the Comprehensive Master Plan shall not be authorized until and unless the location and extent thereof shall have been submitted to and approved by the Commission. In case of denial, the Commission shall communicate its reasons to the City Council, which shall have the power to overrule such denial with a vote of a majority of the full Council membership, and upon such overruling, the City Council or the appropriate office, department or agency shall have authority to proceed.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 15; Resolution 354-20 adopted 11/9/2020)

Commented [MM16]: Proposed Amendment.

**ARTICLE IX-A
BOARD OF ADJUSTMENT**

§ 9A.01. Organization.

There is hereby established a Board of Adjustment to be composed of no fewer than five (5) regular members who shall be qualified electors of the City. Alternate members may be appointed by the City Council.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 16; Resolution 354-20 adopted 11/9/2020)

§ 9A.02. Procedure.

The Board shall elect a chairman from among its members to preside at meetings. Four (4) members of the Board shall constitute a quorum for the conduct of business. However, 75% of the membership of the board must hear, and a concurring vote of 75% of the membership is necessary to:

- (1) reverse an order, requirement, decision, or determination of an administrative official;
- (2) decide in favor of an applicant on a matter on which the board is required to pass under a zoning ordinance; or
- (3) authorize a variation from the terms of a zoning ordinance.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 16; Resolution 354-20 adopted 11/9/2020)

§ 9A.03. Duties and Powers.

The Board of Adjustment shall have the powers and duties as indicated in this section, and by Section 211.008, Texas Local Government Code, as now or hereafter amended.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 16; Resolution 354-20 adopted 11/9/2020)

§ 9A.04. Appeal from Decision of Board.

Any person aggrieved by any decision of the Board of Adjustment, or any officer, department or other board or commission of the City, may appeal the decision or action of the Board of Adjustments by filing a petition for same in a court of competent jurisdiction, setting forth that such decision is illegal in whole or in part, and specifying the grounds for the alleged illegality. Such petition shall be filed with the court within ten (10) days from the day the Board renders its decision, and not thereafter. The official day of Board decision shall be the day that the minutes, of the meeting in which the Board considered the appeal, are filed with the City Secretary. The time period set forth herein shall be deemed jurisdictional.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 16; Resolution 354-20 adopted 11/9/2020)

Commented [MM17]: State law provides terms of two year for members of the BOA.

ARTICLE X
UTILITY AND PUBLIC SERVICE FRANCHISES AND LICENSES

§ 10.01. Authority.

- (1) The ownership, right of control and use of streets, highways, alleys, parks, public places, rights-of-way and all other real property of the City is hereby declared to be inalienable to the City. No entity or individual shall have the right to occupy such public property without the express permission of and under an express written agreement with the City concerning such occupancy. Utilities and/or public utilities shall only be granted the right to occupancy under the terms of a franchise agreement with the City. All grants, removals, extensions or amendments of public utility franchises on, under or beneath such public places shall be the right of the Council. The City may, by ordinance, sell, lease, transfer or otherwise alter its control and use of such public properties, in accordance with the provisions of this Charter.
- (2) The City shall have the power to buy, own, sell, construct, lease, maintain, operate and regulate public services and utilities and to manufacture, distribute and sell the output of such services and utility operations. The City shall not supply any utilities service outside the City limits, except by a written contract. The City shall have such regulatory and other power as may now or hereafter be granted under the Constitution and laws of the State of Texas.

(Resolution 354-20 adopted 11/9/2020)

§ 10.02. Ordinance Granting Franchise.

No franchise shall be granted for a term of more than twenty (20) years from the date of the grant, renewal or extension of any franchise.

(Resolution 354-20 adopted 11/9/2020)

§ 10.03. Transfer of Franchise.

No public service or utility franchise is transferable, except with the approval of the City Council. However, the franchisee may pledge franchise assets as security for a valid debt or mortgage.

(Resolution 354-20 adopted 11/9/2020)

§ 10.04. Franchise Value Not to be Allowed.

Franchises granted by the City are of no value in fixing rates and charges for public services or utilities within the City and in determining just compensation to be paid by the City for property which the City may acquire by condemnation or otherwise.

(Resolution 354-20 adopted 11/9/2020)

§ 10.05. Right of Regulation.

In granting, amending, renewing and extending public service and utility franchises, the City reserves unto itself all the usual and customary rights, including, but not limited to, the following rights:

- (1) To repeal the franchise by ordinance for failure to begin construction or operation within the time prescribed, or for failure to comply with terms of the franchise;
- (2) To require all extensions of service within the City limits to become part of the aggregate property of the service and operate subject to all obligations and reserved rights contained in this Charter. Any

such extension is considered part of the original grant and terminable at the same time and under the same conditions as the original grant;

- (3) To require expansion and extension of facilities and services and to require maintenance of existing facilities to provide adequate service at the highest level of efficiency;
- (4) To require reasonable standards of service and quality of product and prevent rate discrimination;
- (5) To impose reasonable regulations and restrictions to insure the safety and welfare of the public;
- (6) To examine and audit accounts and records and to request annual reports on local operations of the public service or utility;
- (7) To require the franchisee to restore, at franchisee's expense, all public or private property to a condition as good as or better than before disturbed by the franchisee for construction, repair or removal;
- (8) To require the franchisee to furnish to the City, from time to time within a reasonable time following request of the City, at franchisee's expense a general map outlining current location, character, size, length, depth, height and terminal of all facilities over and under property within the City and its extraterritorial jurisdiction;
- (9) To require compensation, rent or franchise fees to be paid to the City as may be permitted by the laws of the State of Texas; and

- (10) Any other authority to regulate utilities and franchises in accordance with the laws of the State of Texas.

(Resolution 354-20 adopted 11/9/2020)

§ 10.06. Regulation of Rates.

- (1) The City Council has the power to fix and regulate the rates, tariffs, and charges of all utilities and public services, consistent with state statutes.
- (2) If not satisfied with the sufficiency of evidence, the City Council may hire rate consultants, auditors and attorneys to investigate and, if necessary, litigate requests for rate changes, the expense of which shall be reimbursed to the City by the franchisee.

(Resolution 354-20 adopted 11/9/2020)

§ 10.07. Licenses.

The City shall have the power to license, levy and collect fees in order to license any lawful business, occupation or calling subject to control pursuant to the police powers of the State of Texas and/or for any other purpose not contrary to the Constitution and laws of the State of Texas.

(Resolution 354-20 adopted 11/9/2020)

ARTICLE XI GENERAL PROVISIONS

§ 11.01. Severability.

~~If any section or part of this Charter is held invalid by a court of competent jurisdiction, such holding shall not invalidate or impair the validity, force or effect of any other section or part of this Charter. If any section or provision of this Charter is found and held to be invalid by a court of competent jurisdiction, such determination shall not affect the validity, force, or effect of the remaining sections or provisions of this Charter.~~

(Resolution 354-20 adopted 11/9/2020)

Commented [MM18]: Proposed Amendment. The meaning remains the same is reworded for easier understanding as requested by the Commission.

§ 11.02. Wording Interpretation.

The gender of the wording throughout this Charter shall always be interpreted to mean either sex. All singular words shall include the plural and all plural words shall include the singular. All references to the state law or laws of the State of Texas, however expressed in this Charter, shall mean “as presently enacted or as may be amended or superseded.” The use of the word “City” in this Charter shall mean the City of Hondo, Texas, and the use of the word “Charter” shall mean this Home Rule Charter. The term “qualified voter” shall mean a resident of the City who is duly registered to vote in City elections.

(Resolution 354-20 adopted 11/9/2020)

§ 11.03. Amendment of Charter.

- (1) Amendments to this Charter may be framed and submitted to the qualified voters of the City in the manner provided by the Constitution and the laws of the State of Texas; but, the Charter may not be amended more often than once every two (2) years, as provided by the Texas Constitution.
- (2) A petition to amend the Charter in accordance with Section 9.004, Texas Local Government Code, must comply with the requirements and provisions of Section 6.03 relating to petitions for initiative, referendum and recall.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 17; Resolution 354-20 adopted 11/9/2020)

§ 11.04. Charter Review Commission.

- (1) ~~Within the first two (2) years after the adoption of this Charter the Council shall may appoint a Charter Review Commission in accordance with this Section every fifth (5th) year following the date on which the Charter was initially amended. If Council does not appoint a Charter Commission, on the fifth year after initial adoption of the Charter and every five (5) years thereafter, the Council shall appoint a Charter Review Commission.~~ Except as otherwise provided in this Charter, each appointment of the Charter Review Commission shall be a registered voter of the City prior to the appointment, for at least twelve (12) months preceding the appointment. Commission members shall serve without compensation and shall not be employed by or hold any other position in the City government, in addition to any other requirements prescribed by the Council, members shall maintain the qualification established by this section while in office. No member of the commission shall remain in this position after being elected or appointed to a City office.

Commented [MM19]: Proposed Amendment. Commission wanted to reword this provisions to remove language reflecting the review following the initial adoption of the charter and to simply reflect the charter shall be reviewed every 5 years.

- (2) The Charter Review Commission shall consist of at least fifteen (15) citizens of the City who shall:
 - (A) Inquire into the operation of the City government under the Charter and determine whether any provisions require revision. To this end, public hearings may be held. The Commission may compel the attendance of any officer or employee of the City and require submission of any City records; and

- (B) Propose any recommendations it deems desirable to insure compliance with the Charter of the City government.
- (3) The City Council shall receive and have published in the official newspaper of the City a comprehensive summary of the report presented by the Charter Review Commission, shall consider any recommendations made, and may order any amendments suggested to be submitted to the voters of the City in the manner provided by state law.
- (4) The term of office of the Charter Review Commission shall be for not more than six (6) months, at the end of which time a report shall be presented to the City Council and all records of proceedings of the Charter Review Commission shall be filed with the City Secretary and become a public record. (Ordinance 912-03-09 adopted 5/4/09; Resolution 354-20 adopted 11/9/2020)

ARTICLE XII LEGAL PROVISIONS

§ 12.01. Annexation - Extensions of Boundaries.

The boundaries of the City may be enlarged and extended by the annexation of additional territory, irrespective of size and configuration, by the methods hereinafter set forth:

- (1) The City Council shall have the power by ordinance to fix the boundaries of the City of Hondo. Without limiting the previous sentence, this power includes the ability to annex and to disannex territory, when permitted, to the extent, in the manner, and subject to any restrictions or limitations, provided by the constitution and laws of the State of Texas.
- (2) The extraterritorial jurisdiction boundaries may be extended by the Council as provided by state law. (Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 20; Resolution 354-20 adopted 11/9/2020)

§ 12.02. Disannexation.

The City Council may disannex territory within the City's corporate limits in accordance with the procedures set forth in this Charter, provided they do not conflict with the procedural requirements of state law. Whenever in the opinion of the City Council, there exists within the corporate limits of the City a territory not suitable or necessary for City purposes the City Council may disannex said territory as part of the City by ordinance after a public hearing on the issue; however, any territory so disannexed shall be liable for its pro rata share of any debts incurred while it was a part of the city, and the city shall continue to levy and collect taxes on the property within said territory until indebtedness has been discharged. (Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 21; Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 19; Resolution 354-20 adopted 11/9/2020)

Commented [MM20]: Proposed Amendment. Reference to State law.

"A home-rule municipality may disannex an area in the municipality according to rules as may be provided by the charter of the municipality and not inconsistent with the procedural rules prescribed by this chapter." [Tex. Loc. Gov't Code § 43.142](#)

§ 12.03. Assignment, Execution and Garnishment.

- (1) Property, real and personal, belonging to the City shall not be liable to be sold or appropriated under any writ of execution or cost bill. Funds belonging to the City in the hands of any person, firm or corporation, shall not be liable to garnishment, attachment or sequestration; nor shall the City be liable to garnishment, attachment or sequestration; nor shall the City be liable to garnishment on account of any debt it may owe or funds or property it may have on hand owing to any person. Neither the City nor any of its officers or agents shall be required to answer any such writ of garnishment on any account whatsoever.
- (2) The City shall not be obligated to recognize any assignment of wages or funds by its employees, agents or contractors, except as provided by the laws of this State or the United States of America. (Resolution 354-20 adopted 11/9/2020)

§ 12.04. Security and Bond.

It shall not be necessary in any action, suit or proceeding in which the City is a party for any bond, undertaking or security to be demanded or executed by or on behalf of the City. All such actions shall be conducted in the same manner as if such bond, undertaking or security had been given as required by law. (Resolution 354-20 adopted 11/9/2020)

§ 12.05. Notice of Claim.

The City shall not be held liable on account of any claim for the death of any person or injuries to any

person or damage to any property unless the person making such complaint or claiming such damages shall, within ninety (90) days after the time at which it is claimed such damages were inflicted upon such person or property, file with the City a written statement, under oath, stating the nature and character of such damages or injuries, the extent of the same, the place where same happened, the circumstances under which same happened and the condition causing same, with a detailed statement of each item of damages and the amount thereof, giving a list of any witnesses known by affiant to have seen the accident.

(Resolution 354-20 adopted 11/9/2020)

§ 12.06. Power to Settle Tax Claims.

The City Council shall have the power to settle suits by the City to recover delinquent taxes.

(Resolution 354-20 adopted 11/9/2020)

§ 12.07. Service of Process Against the City.

All legal process against the City shall be served upon either the Mayor, City Manager or City Secretary. (Resolution 354-20 adopted 11/9/2020)

§ 12.08. Judicial Notice.

This Charter shall be deemed a public act, may be read in evidence without pleading or proof, and judicial notice shall be taken thereof in all courts and places.

(Resolution 354-20 adopted 11/9/2020)

§ 12.09. Pending Matters.

All rights, claims, actions, orders, contracts and legal or administrative proceedings shall continue, except as modified pursuant to the provisions of this Charter, and, in each case, shall be maintained, carried on or dealt with by the City department, office or agency appropriate under this Charter.

(Resolution 354-20 adopted 11/9/2020)

§ 12.10. Property Not Exempt From Special Assessments.

No property of any kind, by whomsoever owned or held or by whatsoever institution, agency, political subdivision or organization, owned or held, whether in trust or by non-profit organization, or corporation, or by foundation, or otherwise, (except property of the City), shall be exempt in any way from any of the special taxes, charges, levies and assessments, authorized or permitted by this Charter, for local improvements, for the public welfare in accordance with Texas State Law.

(Resolution 354-20 adopted 11/9/2020)

§ 12.11. City Council May Require Bonds.

In addition to any provisions contained herein, the City Council may require any City official, department director, or City employee, before entering upon his/her duties, to execute a good and sufficient bond with a surety company doing business in the State of Texas and approved by the City Council. The City shall pay the premium of such bond.

(Resolution 354-20 adopted 11/9/2020)

§ 12.12. Disaster Clause.

In case of disaster when a legal quorum of the elected City Council cannot otherwise be assembled due to

multiple deaths or injuries, the surviving persons of the City Council, or highest surviving City official, if no elected official remains, must, within twenty-four (24) hours of such disaster, request the City Manager and the County Judge of Medina County to appoint a commission to act during the emergency and call a City election within thirty (30) days of such disaster, or as provided in the Texas Election Code, for election of a required quorum, if for good reasons it is known a quorum of the present City Council will never again meet. (Resolution 354-20 adopted 11/9/2020)

§ 12.13. Construction of Charter.

This Charter is a general grant of powers and is not to be interpreted as limiting in any way. (Resolution 354-20 adopted 11/9/2020)

§ 12.14. Regulation of Alcohol.

The sale of liquor is prohibited in all residential sections or areas of the City, as designated by any zoning ordinance or Comprehensive Master Plan of the City. The City Council may enact any and all other regulations regarding the sale, consumption, distribution, etc. of alcoholic beverages, as permitted by law. (Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 22; Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 20; Resolution 354-20 adopted 11/9/2020)

**ARTICLE XIII
TRANSITIONAL PROVISIONS**

§ 13.01. Effective Date.

If this Charter is approved by a majority of the qualified voters, it shall become the Charter of the City of Hondo on the date the Council entered an order in the records of the City declaring that the Charter is adopted, as prescribed by state law.

(Resolution 354-20 adopted 11/9/2020)

§ 13.02. Continuation of Elective/Appointive Offices.

Upon adoption of this Charter, the present persons filling elective offices on the City Council will continue to fill those offices for the terms for which they were elected. Persons who, on the date this Charter is adopted, are filling appointive positions with the City which are retained under this Charter, may continue to fill those positions for the term for which they were appointed, unless removed by the City Council or by other means provided in this Charter.

(Resolution 354-20 adopted 11/9/2020)

§ 13.03. Continuation of Operation.

All City ordinances, rules and regulations in force at the time of adoption of this Charter and not in conflict with it shall remain in force until altered, amended or repealed by the Council. All rights of the City under existing franchises and contracts are preserved in full force and effect. Any ordinances, rules or regulations inconsistent with this Charter are repealed as of the date of adoption of the Charter.

(Resolution 354-20 adopted 11/9/2020)

§ 13.04. Officers and Employees.

Except as specifically provided, nothing in this Charter shall affect or impair the rights or privileges of persons who are City officers or employees at the time of its adoption. Upon adoption of this Charter, the persons presently serving as the City Administrator shall be deemed to be the City Manager, subject to the provisions of this Charter.

(Resolution 354-20 adopted 11/9/2020)

**ARTICLE XIV
CODE OF ETHICS AND NEPOTISM**

§ 14.01. Code of Ethics.

The City Council shall adopt a Code of Ethics governing the City Council and all City employees which shall include but not be limited to, the following: wrongful influence, wrongful interference, employees' political activities, penalties, conflict of interest, acceptance of gifts, conduct of members and confidential information.

The City Council shall comply with all state laws regarding conflict of interest. The City Council shall adopt a Code of Ethics within 180 days of the effective date of this Charter. The City Council shall review the Code of Ethics every five (5) years.

(Ordinance 933-08-10, adopted at election of 11/2/10, measure no. 23; Resolution 354-20 adopted 11/9/ 2020)

§ 14.02. Nepotism.

All members of the City Council, and all officers and employees of the City, shall be subject to and shall comply with the provisions of general state law regarding nepotism, including but not limited to Chapter 573 of the Texas Government Code. The City Council shall provide, by ordinance, regulations and procedures for the implementation and enforcement of said Chapter.

~~In addition, no person related within the first degree by affinity or consanguinity to the Mayor or any Council Member or the City Manager shall be employed by or contracted with for the City. This shall not apply to any person employed by the City prior to the person related in the above degree filing to run for elective office or being nominated for an appointment.~~ Nothing in this Section shall prohibit the Council from adopting a more restrictive ordinance.

(Ordinance 1073-09-15, adopted at election of 11/3/15, measure no. 21; Resolution 354-20 adopted 11/9/ 2020)

Commented [MM21]: Proposed Amendment.



City Council Communication

Title: DISCUSS AND CONSIDER ACTION ON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH HOLISUS LLC (DBA HOLISTIC UTILITY SOLUTIONS) FOR A FEASIBILITY STUDY ON A SOLAR AND/OR BATTERY ENERGY STORAGE SYSTEM. (JOHN NARON, CITY MANAGER)

Date: June 9, 2025

From: John Naron, City Manager

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. DOCS1-#350981-v5-Development_Services_Agreement_-_DRAFT_v4 SOLAR

STAFF CONTACTS:



DEVELOPMENT FEASIBILITY STUDY SERVICES AGREEMENT

This Development Feasibility Study Services Agreement (this “Agreement”) is made and entered into as of [Date] (the “Effective Date”), by and between Holisus LLC (d.b.a. “**Holistic Utility Solutions**”) a Texas LLC (“Developer”), and **City of Hondo** a Texas municipality (“Customer”). Developer and Customer are each referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Developer is experienced in the design, engineering, site diligence, and financing of renewable energy projects;

WHEREAS, Customer is a Texas municipality in possession of approximately 500 acres of land located on the north side of the South Texas Regional Airport at Hondo (“Property”) and Customer is interested in leasing the Property to a third-party for use of a solar and/or battery energy storage system;

WHEREAS, Customer desires to engage Developer to perform a feasibility analysis and deliver completed renewable energy projects located on the Property including an approximately 10 MWac solar project (“Small Project”) and a 100MW or greater solar project (“Large Project”). Small Project and Large Project are each referred to individually as a “Project” and collectively as the “Projects.” The Projects are more fully described herein; and

WHEREAS, Developer desires to provide such services on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DESCRIPTION OF PROJECTS

1.1. Small Project. An approximately 10MW AC solar photovoltaic energy generating system (potentially paired with energy storage) with Hondo Electric as the offtaker of 100% power generated by the Project. Project shall be sited on an approximately thirty (30) to sixty (60) acre portion of the Property.

1.2. Large Project. An approximately 100MW AC solar photovoltaic energy generating system (potentially paired with energy storage) sited on an approximately two hundred (200) to three hundred (300) acre portion of the Property.

2. SCOPE OF SERVICES

2.1. Development Services. Developer shall perform or cause to be performed the design, engineering, site diligence, acquisition of best-in-class construction and operations companies to build and operate the Small Project and/or Large Project, with such companies to enter into separate agreements with Customer on terms acceptable to Customer, and financing



services (collectively, the “Services”) necessary for the development of the Project(s) as described in **Exhibit A** attached hereto. Developer may engage qualified third-party consultants, contractors, or other professionals to perform some or all of the Services, including, without limitation, engineering services. Developer shall remain responsible for the work product, management and coordination of all such subcontracted Services.

2.2. Amendments to Services. As the development process progresses, additional site diligence or other services may be required to achieve Project financing. To the extent that the Developer is required to perform additional diligence in order to achieve the financing of a Project, the Developer shall notify the Customer within ten (10) business days per Section 6.4. An agreed amendment to the Services with no additional cost to Customer shall not constitute an amendment to this Agreement.

2.3. Site Control and Access. Contemporaneous with this Agreement, Customer and Developer will enter into a Right of Entry Agreement (“ROE”), substantially in the form included in Exhibit B. The ROE will grant Developer the right to access the site for purposes of performing the Services on behalf of the Customer. This includes but is not limited to, site control for the purposes of interconnection applications and site access, with Customer permission, for on-site diligence as described in Exhibit A.

2.4. Standard of Performance. Developer shall perform the Services in a professional and workmanlike manner in accordance with industry standards and applicable laws.

3. PAYMENTS

3.1. Payments. If a Project is viable as defined in Section 3.1.1 and Section 3.1.2, but Customer chooses not to proceed with approval of a Power Purchase Agreement (“PPA”) and a land lease for the Small Project and/or land lease for the Large Project, Customer shall pay Developer for development costs up to a maximum of \$100,000 per Project.

3.1.1. Small Project Viability

- (i) Final interconnection approval by ERCOT;
- (ii) The Project is objectively proven to Customer’s satisfaction to be financially viable with a PPA agreement between Customer and the construction and operations companies to provide Customer electricity at a total hourly cost at or below then existing CPS Energy rates on an ongoing basis, with an annual escalator of no more than 2%;
- (iii) Developer provides Customer with best-in-class construction and operations companies to construct and maintain the Small Project, and such companies enter into binding separate agreements with Customer to construct, maintain and operate such Small Project under terms acceptable to Customer; and
- (iv) FAA, CPS, and other approvals received as needed.

3.1.2. Large Project Viability



- (i) Final interconnection approval by ERCOT;
- (ii) FAA and other approvals as needed;
- (iii) Developer provides Customer with best-in-class construction and operations companies to construct and maintain the Large Project, and such companies enter into binding separate agreements with Customer to construct, maintain and operate such Large Project under terms acceptable to Customer; and
- (iv) Total net payments from Developer to Customer are greater than \$200k/yr.

3.2. Invoices and Payment Terms. Developer shall issue an invoice for development cost per the terms described and Customer shall pay invoice within thirty (30) days of receipt.

4. REPRESENTATIONS AND WARRANTIES

4.1. Developer Representations and Warranties. Developer represents and warrants that:

- (a) Organization and Authority: Developer is duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation and the State of Texas and has the full corporate power and authority to enter into and perform this Agreement.
- (b) Compliance with Laws: Developer shall comply with all applicable federal, state, and local laws, regulations, and ordinances in performing the Services.
- (c) Intellectual Property: The Services provided and all materials developed by Developer do not and will not infringe upon the intellectual property rights of any third party. Developer will defend, indemnify and hold harmless Customer for all damages and costs, including reasonable attorney's fees and costs, arising from any and all intellectual property rights claims arising from this Agreement.
- (d) No Conflicts: The execution, delivery, and performance of this Agreement do not and will not violate or conflict with any agreement, order, judgment, or instrument to which Developer is bound.
- (e) Insurance: Developer maintains sufficient insurance coverage, including general liability, professional liability, and worker's compensation insurance, to protect against risks associated with the performance of the Services.
- (f) Experience and Capability: Developer has the necessary experience, knowledge, personnel, and resources to perform the Services in a competent and professional manner.
- (g) Permits and Approvals: Developer shall obtain and maintain all necessary permits, approvals, and consents required for the performance of the Services and the implementation of the Project unless otherwise provided in subsection 3.2(e) below.



4.2 Customer Representations and Warranties. Customer represents and warrants that:

- (a) Organization and Authority: Customer is duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation and has the full corporate power and authority to enter into and perform this Agreement.
- (b) Project Information: All information, documents, and materials required to be provided by Customer to Developer are accurate, complete, and sufficient for Developer to perform the Services.
- (c) Access and Cooperation: Customer shall provide Developer with necessary access to the Project site and timely cooperation, including responding to inquiries and requests for approvals or additional information.
- (d) No Conflicts: The execution, delivery, and performance of this Agreement do not and will not violate or conflict with any agreement, order, judgment, or instrument to which Customer is bound.
- (e) Permits and Approvals: Customer shall obtain and maintain only those necessary permits, approvals, and consents required for the performance of the Services and the implementation of the Project for which Developer is not legally authorized to obtain or maintain.

5. TERM AND TERMINATION

5.1. Term. This Agreement shall commence on the Effective Date and continue until completion of the Services, unless terminated earlier in accordance with this Section.

5.2. Termination for Convenience. Either Party may terminate this Agreement for convenience upon providing thirty (30) days' prior written notice to the other Party.

5.2.1. Breakage Fee: In the event of termination for convenience by Customer, Customer shall pay Developer a Breakage Fee to reimburse all costs, expenses, and fees incurred by Developer in connection with the Services performed up to the effective date of termination, including, but not limited to, third-party costs, subcontractor fees, and any other non-cancelable commitments.

5.2.2 Calculation of Costs: Upon notice of Customer termination for convenience, Developer shall provide Customer with a detailed invoice itemizing the reimbursable costs incurred to date. Customer shall remit payment within thirty (30) days of receiving the invoice.

5.2.3 Delivery of Work Product: Upon Customer termination for convenience, Developer shall promptly deliver to Customer all work product, documentation, reports, and other materials prepared as part of the Services up to the effective date of termination, provided that Customer has satisfied its payment obligations under this Section. In the event Customer terminates this Agreement and Developer delivers the work product after receiving full payment, Customer shall have a non-exclusive, non-transferable, limited license to use such Work Product solely for the purpose of developing the Project. Customer shall not use the Work Product for any other project



or purpose, nor share, transfer, assign, or license the Work Product to any third party without Developer's prior written consent with such consent not to be unreasonably withheld, delayed or conditioned.

5.2.4 Termination for Convenience by Developer. In the event of termination for convenience by Developer, Developer shall pay Customer a Breakage Fee to reimburse all costs, expenses, and fees incurred by Customer in connection with this Agreement up to the effective date of termination, including, but not limited to, Customer staff time, third-party costs, legal fees, subcontractor fees, and any other non-cancelable commitments. Upon notice to Customer of termination for convenience by Developer, Customer shall provide Developer with an invoice describing the reimbursable costs incurred to date. Developer shall remit payment of the invoiced amount within thirty (30) days of receiving the invoice.

5.3 Termination for Cause. Either Party may terminate this Agreement immediately upon written notice if the other Party materially breaches this Agreement and fails to cure such breach within thirty (30) days after receiving written notice thereof.

5.4 Termination due to Lack of Project Viability. In the event: (a) a required governmental approval (i.e., ERCOT, TxDOT/FAA, etc.) is not granted; (b) Developer, in Developer's sole discretion, determines one or more aspects of either Project is not viable within the first year of the Term or until the results of the interconnection study are received plus 45 days, whichever comes later; or (c) one or more aspects of either Project is not viable based on Sections 3.1.1 or 3.1.2, then this Agreement shall be deemed terminated automatically without penalty or payment of Breakage Fee by either party.

5.5 Effect of Termination. In addition to the rights and obligations described in this Section 4, upon termination, Developer shall cease performing the Services and provide Customer with all work completed to date. Customer shall pay Developer for all Services performed up to the termination date.

6. INDEMNIFICATION

6.1. Developer Hold Harmless. To the fullest extent permitted by law, Developer shall hold harmless Customer and its officers, directors, employees, agents, and affiliates (collectively, the "Customer Indemnified Parties") from and against any and all claims, liabilities, damages, losses, fines, penalties, costs, and expenses (including reasonable attorneys' fees) to the extent arising out of or resulting from:

- (a) Developer's material breach of any representation, warranty, or obligation under this Agreement;
- (b) Developer's gross negligence, or willful misconduct in performing the Services under this Agreement; and
- (c) Any infringement or alleged infringement of intellectual property rights caused by Developer's work product or materials.

6.2 Customer Hold Harmless. To the fullest extent permitted by law, Customer shall hold harmless Developer and its officers, directors, employees, agents, and affiliates (collectively, the



“Developer Indemnified Parties”) from and against any and all claims, liabilities, damages, losses, fines, penalties, costs, and expenses (including reasonable attorneys’ fees) to the extent arising out of or resulting from:

- (a) Customer’s material breach of any representation, warranty, or obligation under this Agreement;
- (b) Customer’s gross negligence or willful misconduct in connection with the Project; and
- (c) Any claims by third parties arising from the Project except to the extent such claims result from Developer’s breach or negligence.

6.3 Indemnification Procedures.

6.3.1 Notice: A Party seeking indemnification (the “Indemnified Party”) shall promptly notify the other Party (the “Indemnifying Party”) in writing of any claim or demand that may give rise to a right to indemnification under this Agreement.

6.3.2 Control of Defense: The Indemnifying Party shall have the right to control the defense and settlement of any such claim, provided that it does so in good faith and without prejudice to the Indemnified Party.

6.3.3 Cooperation: The Indemnified Party shall cooperate fully in the defense of any claim, at the Indemnifying Party’s expense, but shall retain the right to participate in the defense with counsel of its choosing at its own expense.

7 MISCELLANEOUS

7.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws principles.

7.3 Entire Agreement. This Agreement, including all exhibits, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral.

7.4 Amendments. This Agreement may not be amended or modified except in writing signed by both Parties except as described in Section 2.2.

7.5 Notices. All notices, requests, consents, approvals, or other communications (collectively, “Notices”) required or permitted under this Agreement shall be in writing and delivered by:

- (a) personal delivery;
- (b) nationally recognized overnight courier service;
- (c) certified or registered mail, postage prepaid, return receipt requested; or
- (d) electronic mail with confirmation of receipt.

7.5.1 Address for Notices. Notices shall be sent to the following addresses or such other address as either Party may designate in writing:



For Developer:

Holistic Utility Solutions

Attention: Ira Nicodemus

129 S. Main St. Suite 260

Grapevine, TX 76051

Email: ira@HolisticUS.com

For Customer:

City of Hondo

Attention: City Manager

1600 Avenue M

Hondo, TX 78861

7.5.2 Effective Date of Notices. Notices shall be deemed given:

- (a) on the date of delivery if delivered personally;
- (b) on the next business day if sent via overnight courier;
- (c) three (3) business days after being mailed via certified or registered mail; or
- (d) on the date of receipt if sent via email.

7.6 Assignment. Developer may assign this Agreement pursuant to a merger or acquisition of or by Developer in which the assigned entity is fully capable of performing under this Agreement without exception, without the prior written consent of Customer. Otherwise, either Party may assign this Agreement only with the prior written consent of the other Party, with such consent not to be unreasonably withheld, delayed or conditioned.

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

[Signature Page Follows]



IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

City of Hondo

Holisus LLC (d.b.a. “Holistic Utility Solutions”

By: _____
Name: _____
Title: _____

By: _____
Name: Ira Nicodemus
Title: President



Exhibit A: Description of Services

1. Overview of Services

Developer agrees to perform the development services, described in this Exhibit, as deemed necessary to progress the Projects from conception to financing readiness.

2. Scope of Work

- **Design and Engineering**

- Conduct preliminary and detailed engineering for the Projects.
- Develop technical designs, layouts, and specifications for the renewable energy system, including:
 - Electrical system design.
 - Structural and civil engineering analysis.
 - Equipment specifications and recommendations.
- Coordinate with relevant stakeholders, including equipment vendors, permitting authorities, and contractors.

- **Site Diligence**

- Perform site assessments, including:
 - Environmental impact studies and assessments.
 - Geotechnical and soil studies.
 - Hydrological studies, if applicable.
 - Land use analysis and zoning compliance.
- Secure necessary access agreements, easements, or rights-of-way for the Project site.
- Evaluate grid interconnection options and perform interconnection feasibility studies.

- **Permitting and Approvals**

- Identify and obtain all necessary permits, licenses, and regulatory approvals required for the Project, including ERCOT requirements, TxDOT/FAA, environmental permits, building permits, and utility approvals.
- Act as liaison with permitting authorities, grid operators, regulatory bodies, and utility companies to expedite approval processes.

- **Financial Modeling and Structuring**

- Apply for potential grants that may benefit the Projects and Customer



- Develop detailed financial models for the Project, including projected costs, revenues, and return on investment.
- Identify and evaluate financing options, including debt, equity, grants, and tax incentives.
- Prepare and present materials to potential financiers and investors, including feasibility studies, technical reports, and pro forma financials.
- Coordinate due diligence efforts with financial institutions and investors.
- **Project Management and Coordination**
 - Deliver construction and operations companies to Customer who will then enter into separate agreements with Customer on terms acceptable to Customer.
 - Develop and maintain a Project timeline and budget.
 - Coordinate with third-party contractors, consultants, and vendors to ensure timely delivery of work.
 - Provide regular progress reports to Customer, including updates on milestones, issues, and risks.
- **Additional Services**
 - Provide guidance and support on procurement strategies for major equipment.
 - Assist in negotiating key contracts, including EPC (Engineering, Procurement, and Construction) agreements, if applicable.
 - Ensure land management and site remediation plans are in place for proposed lease/operating agreements

3. Timeline

Developer's Target Schedule set forth in Exhibit B. Target Schedule is approximate and may vary from actual.

4. Exclusions

The Services exclude:

- Construction or installation activities.
- Operation and maintenance services.
- Any other work not expressly described herein or mutually agreed upon in writing by the Parties.



Exhibit B: Target Schedule

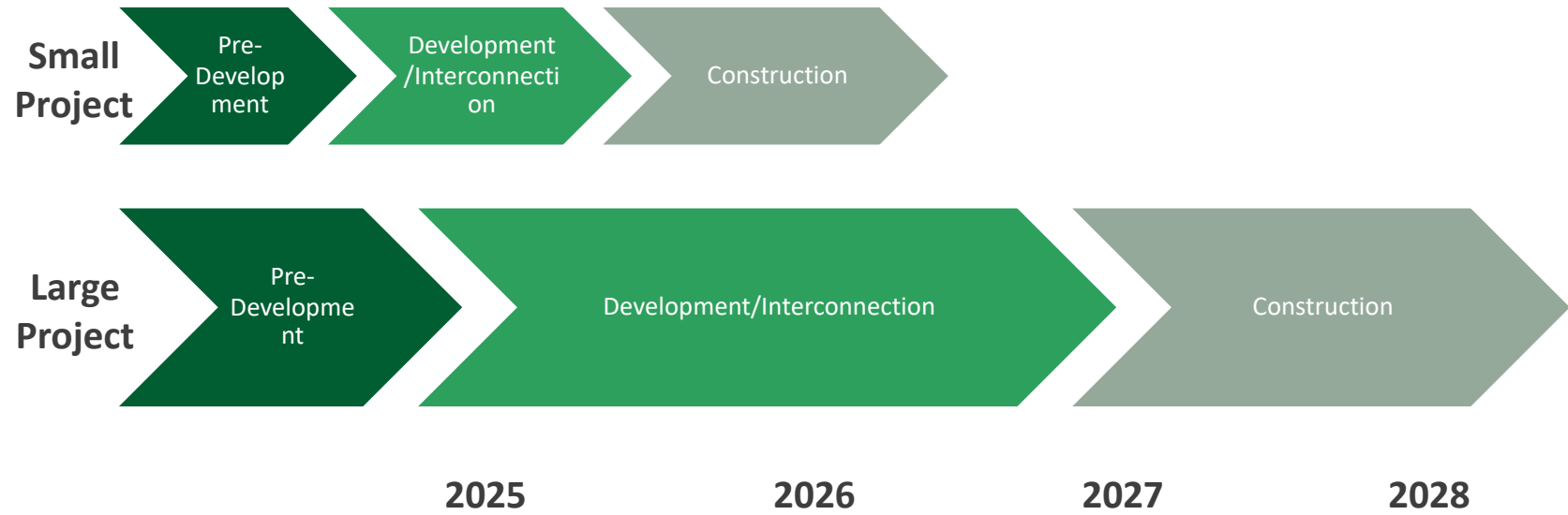




Exhibit B: Right of Entry License Agreement

This RIGHT OF ENTRY LICENSE (this “**License**”) is entered into as of the ____ day of _____, 2025, (the “**Effective Date**”) between CITY OF HONDO, a Texas municipal corporation and political subdivision of the State of Texas (the “**City**”), and HOLISUS LLC (d.b.a. “Holistic Utility Solutions”) a Texas LLC (“**Developer**”).

W I T N E S S E T H:

WHEREAS, the City owns a tract an approximately 500-acre tract located at South Texas Regional Airport at Hondo and depicted on the site sketch attached hereto as Attachment 1 (the “**Property**”); and

WHEREAS, contemporaneous with this Licenses, City and Developer have entered into a Development Feasibility Study Services Agreement (the “**DSA**”) to conduct a technical feasibility assessment for potential development of a solar facility on the site; and

WHEREAS, the City has agreed to provide Developer limited access upon the Property subject to the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained herein, the parties agree as follows:

1. Purpose. Developer, its agents or contractors, may enter the Property during the time period following the Effective Date until _____, 202____, or earlier termination by the City or Developer. Developer's use of the Property is limited to perform the Services as described in the DSA, Exhibit A (collectively, the “**Authorized Activities**”).
 - a. The Authorized Activities also include the right to erect temporary gates and fencing and to install temporary street or asphalt ramping needed for access to the Property; provided however, that Developer will obtain TxDOT/FAA written approval prior to installing such temporary improvements.
 - b. Developer agrees to remove such temporary ramps, gates, and fencing at the end of this License. Developer agrees to restore the Property to its previous condition as nearly as practicable to as good condition as existed at the time of



commencement of this Agreement upon the completion of the Authorized Activities. Developer will fill any excavated areas and restore the surface of the soil to the same elevation as prior to commencement of the Authorized Activities.

- c. Developer, its contractor and subcontractors, will comply with all governmental laws, ordinances and regulations including but not limited to the Emergency Planning Community Right to Know Act (42 U.S.C. §11001) regarding any hazardous materials stored on the Property and will promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in, upon or connected with the Property, all at Developer's sole expense. Developer and/or its contractor(s) will not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Property, nor take any other action that would constitute a nuisance or would disturb, unreasonably interfere with or endanger City or any other lessees or licensees anywhere on the Property.

2. Assumption of Risk. The City and its officers, directors, employees and consultants do not know the exact type of conditions that exist upon the License Area, and they specifically do not make any warranty or representation of any type, kind or character, whatsoever, as to conditions existing or that may hereafter exist upon the Property, or any improvements thereto. Developer, its employees, agents, and contractors enter upon the Property at its own risk, and specifically accept the Property in the then existing conditions thereof, and unconditionally release the City and its officers, directors, employees, managers and consultants against and for all liabilities, costs, expenses, claims and damages for which City and its officers, directors, employees, managers and consultants might otherwise become liable by reason of any accidents, or injuries to or death of any persons, including Developer, or damage to property, or both, in any manner arising or resulting from, caused by, connected with or related to the presence of any such person or property upon such land and premises, regardless of how, where, or when such injury, death or damage occurs even if caused by the negligence of the City and its officers, directors, employees, managers, consultants, agents, servants or employees, or due to conditions on or defects in the premises.

3. Insurance:

3.1 Liability Insurance: Before commencing use of the Property for the Authorized Activities, Developer shall require all third-party contractors with whom Developer engages to enter onto the work site or on the Property (the "Contractor") to submit to City certificates evidencing that insurance of the types and the amounts specified below, and require its contractor to maintain such insurance at all times during which Developer or its Contractor, agents, officers, or employees shall be present at the work site or on the Property. All such policies shall be written on an occurrence basis and not on a claims-made basis.

(a) Worker's Compensation and Employer's Liability: Statutory Worker's Compensation coverage for the state of Texas, and Employers Liability Insurance with minimum limits of liability of \$500,000.00. The Worker's Compensation policy shall be endorsed



to waive any rights of subrogation which the insurance company may acquire, by reason of the payment of any claim, against the City and its Affiliates (as defined in Section 3.1(d)), and their respective officers, directors, employees, agents and assigns.

(b) Public Liability: Commercial General Liability Insurance written on a standard liability policy form but without exclusionary endorsements which may delete coverage for products/completed operations, personal and advertising injury, blanket contractual, fire legal liability or medical payments. Minimum limits shall be \$1,000,000 per occurrence bodily injury liability and property damage liability combined and \$1,000,000 in the aggregate. The public liability policy shall be endorsed to waive any rights of subrogation against City, its affiliates and their respective officers, directors, employees, agents, and assigns.

(c) Automobile Liability: Comprehensive Automobile Liability Insurance insuring all owned, non-owned and hired automobiles, with minimum limits of liability of \$500,000 per occurrence for bodily injury and property damage combined. Such policy shall be endorsed to waive any rights of subrogation against City, its Affiliates (as defined in Section 3.1(d)) and their respective officers, directors, employees, agents and assigns.

(d) Additional Insured: The policies and endorsements required under 3.1(b) and (c) above shall be endorsed to name as additional insureds the City and its Affiliates, and their respective officers, directors, employees, agents and assigns. Said policies shall be endorsed to provide that the coverages provided in said policy or policies shall be primary and shall be non-contributory to any other insurance carried by City or its Affiliates. The term "*Affiliate*" as used herein shall mean any corporation, company, agency, department or other entity which, directly or indirectly, controls, or is controlled by or is under common control with City.

3.2 General:

(a) All such certificates shall provide that said insurance will not be canceled during the term of this License without 30 days prior written notice to the City. Should Developer and/or Contractor at any time neglect, refuse to provide, or cancel the insurance required herein, the City shall have the right to terminate this License immediately.

(b) No provision in this License with regard to indemnity or hold harmless shall in any way reduce or change the insurance coverages required herein, and no provision herein with regard to insurance shall reduce or change the indemnity or hold harmless obligations in this License.

(c) The above provisions with respect to Contractor providing insurance are solely for the benefit of Developer and City, and its Affiliates. Third parties shall have no rights under or by reason of such provisions.



4. Indemnification. DEVELOPER AGREES TO AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS (COLLECTIVELY “INDEMNIFY”) CITY, AND ITS REPRESENTATIVES, PARTNERS, MEMBERS, DIRECTORS, OFFICERS, CONSULTANTS, AGENTS, EMPLOYEES, AND INVITEES OR LICENSEES, (COLLECTIVELY THE “INDEMNIFIED PARTIES” OR INDIVIDUALLY AN “INDEMNIFIED PARTY”) FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, DEMANDS, INJURIES, JUDGEMENTS, CAUSES OF ACTION, SUITS, AND LIABILITY OF EVERY KIND, INCLUDING BUT NOT LIMITED TO ALL EXPENSES OF LITIGATION, COURT COSTS AND ATTORNEY’S FEES (COLLECTIVELY “CLAIMS”), ACTUALLY OR ALLEGEDLY OCCASIONED BY, CONTRIBUTED TO OR ARISING OUT OF, IN WHOLE OR IN PART, DEVELOPER’S USE OF THE PROPERTY OR PERFORMANCE UNDER THIS LICENSE AGREEMENT OR THE DSA, INCLUDING BUT NOT LIMITED TO CLAIMS DUE TO NEGLIGENCE, GROSS NEGLIGENCE, BREACH OF WARRANTY, BREACH OF CONTRACT, VIOLATION OF ANY STATUTE, STRICT LIABILITY, RULE OR REGULATION OR OTHER ACT OR OMISSION BY CITY, ITS EMPLOYEES, AGENTS OR ANY CONTRACTOR OR SUBCONTRACTOR OF ANY TIER, OR THEIR RESPECTIVE AGENTS OR EMPLOYEES, OR ANY OTHER PARTY FOR WHOSE ACTS CITY MAY BE LIABLE. **DEVELOPER’S OBLIGATION TO INDEMNIFY SHALL APPLY EVEN IF SUCH CLAIMS ARE ACTUALLY OR ALLEGEDLY CAUSED IN WHOLE OR IN PART BY ACTS, OMISSIONS, OR NEGLIGENCE OF AN INDEMNIFIED PARTY, EVEN IF SUCH NEGLIGENCE OR OTHER ACTS OR OMISSIONS ARE ACTIVE OR PASSIVE, DIRECT OR INDIRECT, SOLE, JOINT OR CONCURRENT. THIS INDEMNITY AGREEMENT IS INTENDED TO INDEMNIFY THE AFOREMENTIONED INDEMNIFIED PARTIES FROM THE CONSEQUENCES OF THEIR OWN NEGLIGENCE, AS PROVIDED ABOVE.**

If requested to do so by Indemnatee, Developer will assume, without expense to the Indemnified Party, the defense of any such claims or actions and will reimburse Indemnified Party for all expenses (including without limitation court costs and attorney's fees) incurred in investigating, handling and defending against any such claim or action.

5. Damages. Developer shall cause its Contractor to repair any damage to the Property arising out of or contributed to by Developer's and all Third-Party Contractor’s operations. Developer shall cause its Contractor to repair any sidewalks, driveways, and fencing temporarily removed or damaged during the exercise of Developer’s rights granted herein. Developer shall pay the City for any damages to timber, crops, fences, livestock or other property of the City, or its tenants, successors or assigns, resulting from Developer's use of the Property under this Agreement.

6. Operations. Developer shall cause its Contractor to conduct the Authorized Activities in a good and workmanlike manner to minimize damage to the Property. Developer shall require that its Contractor will not allow debris to accumulate in a dangerous or



unsightly manner upon the Property and shall remove all debris attributable to Contractor upon completion of the Contractor's activities.

7. Use by City. Nothing contained herein shall be construed as to limit in any way the right of the City, its successors, tenants, or assigns to use of the Property.

8. Compliance with Law. Developer, its Contractor, and all of their respective officials, employees, agents and representatives shall comply with all applicable federal, state and local laws and regulations, including applicable environmental laws and regulations. Developer and its Contractor must also comply with all safety standards of any agency of the State where the property is located and of the United States. Developer shall not conduct any operations under this License requiring dredging, filling or local navigation without the City's prior written consent, which City may grant or withhold in its sole and absolute discretion.

EXECUTED on the date(s) indicated below and **EFFECTIVE** as of the date indicated in the first paragraph above.

City:
CITY OF HONDO

By: _____ Date: _____
John Naron, city manager

Address:
City of Hondo
1600 Avenue M
Hondo, Texas 78861

Developer:
HOLISUS LLC (d.b.a. "Holistic Utility Solutions"), a Texas LLC

By: _____ Date: _____



Ira Nicodemus, President

Address:

Holistic Utility Solutions
129 S. Main St, Suite 260
Grapevine, TX 76051



Attachment 1: Description of Site



City Council Communication

Title: Fine Free Proposal

Date: June 9, 2025 **From:** Elsie Purcell

BACKGROUND INFORMATION:

In recent years, multiple studies have been done on the effects of library fines on library use, library circulation, and those impacted by library fines. These studies show that patrons limit, reduce, or simply stop using the library because of shame related to the fines and those limits and reductions in turn reduce the library's circulation of materials. Lastly, fines have more impacts on those whom libraries exist to serve: children and those who have fewer resources and more need for service. If further information is needed on this, I can provide copies of a research paper by a Giddings Public Library staff member as well as numerous articles about other libraries who have gone fine free.

The Library Advisory Board reviewed the attached presentation and recommends Hondo Public Library go fine-free also.

FINANCIAL IMPACT:

Removing fines for overdue materials other than equipment would have minimal impact on the City budget (and the library budget) since the costs associated with the fines and their collection actually exceed the fines collected.

STAFF RECOMMENDATION:

The Library Advisory Board and the Library Director, Elsie Purcell, recommend that Hondo Public Library become a fine-free library, with the exception of Wi-Fi hotspots and laptops and with the exception of "lost" and materials damaged beyond normal wear and tear.

MOTION:

I move that we accept the Library Advisory Board Recommendation and become a fine-free library, with the exception of Wi-Fi hotspots and laptops and with the exception of "lost" and materials damaged beyond normal wear and tear.

ATTACHMENTS:

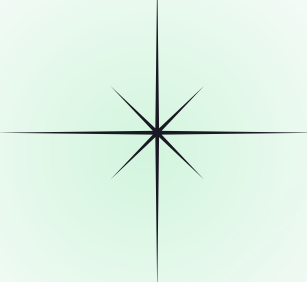
PowerPoint presentation

STAFF CONTACT(S):

Elsie Purcell, Library Director
epurcell@hondo-tx.org

FINE Free Proposal Hondo Public Library

**Elsie Purcell
Library Director
June 9, 2025**



Introduction



The proposed action is to remove overdue fines from books and media while retaining overdue fines for MiFi hotspots, laptops, and lost/damaged items.

Doing so will reduce financial barriers for patrons and improve accessibility while also reducing costs to library.



Impact of overdue fines on disadvantaged groups

- Libraries across the country have determined that overdue fines do not increase items being returned and are creating unequitable access to library materials.
 - Overdue fines most often impact children's accounts and they are blocked from library use because of the tough decisions made by their parents
 - Additionally, many of the less advantaged members of the community may have to make a choice between paying a fine and purchasing either food or medicine.
- 



Impact of overdue fines on disadvantaged groups

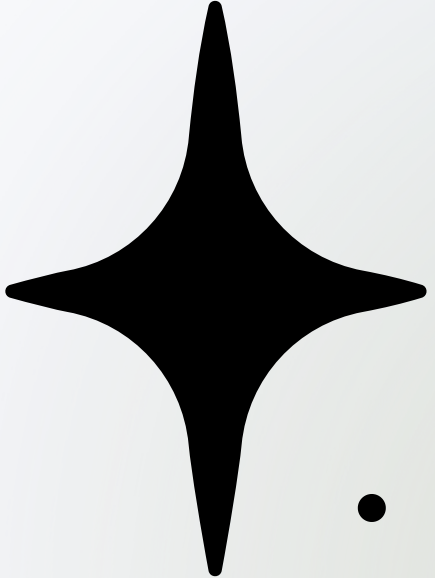
According to a Urban Libraries Council report, “Public library fines create a barrier to access for the very people libraries aim to serve.”

Overdue fines discourage people from using the library either due to shame or to worrying about being judged.

“The library's mission is to provide access for all,” – Dallas Public Library



FINANCIAL INEFFICIENCY OF OVERDUE FINES



- Overdue fines have associated administrative costs: staff time, supplies, postage, and payment processing in addition to the negative public interactions.
- The cost of collecting fines often exceeds the revenue generated.

HPL data on fines

YEAR	FINES COLLECTED	COST - STAFF TIME @ MINIMUM WAGE, POSTAGE, OFFICE SUPPLIES
2021-2022	1257.60	1690.93
2022-2023	1488.41	1696.15
2023-2024	1525.91	1703.98

Other Fine Free Libraries

Texas systems & large libraries

Texas small libraries

National

Chicago, IL
Denver, CO
Cleveland, OH
Phoenix, AZ

Austin
Houston
Dallas
San Antonio

Seguin
New Braunfels
Georgetown
Pflugerville

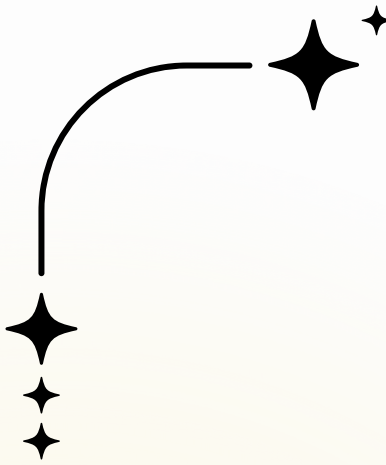
BENEFITS

- Encourages library use, particularly among children
- Improves community relationships and reduces negative experiences at the library
- Many libraries report increased returns after going fine-free which allows items to get back into circulation more quickly
- Reduces costs
- Frees up staff time to focus on more productive tasks – programming, ordering and processing new items, and patron assistance.



Library Advisory Board recommendation

The Library Advisory Board of the Hondo Public Library advises that the City Council approve for the library to go fine-free for overdue books and materials and to retain overdue fees for the more costly materials such as WiFi hotspots and laptops. The recommendation is to also retain fees for “lost” – non-returned items and for materials damaged beyond normal wear and tear.



Library Advisory Board

Tara Mumme

Jeanette Lunstrum

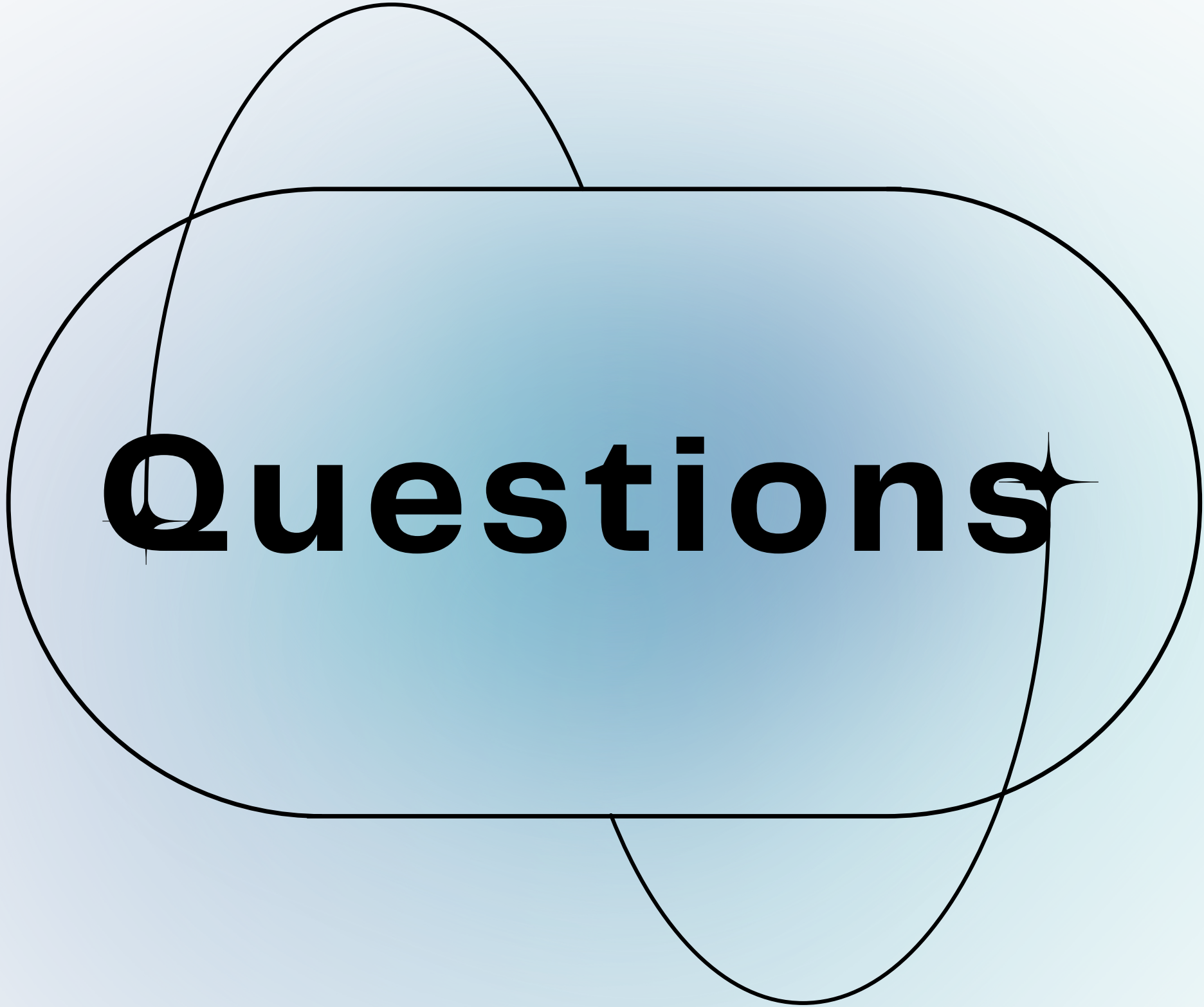
Kara Mumme

Leah Bowser

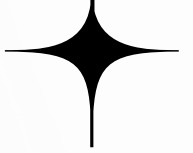
Sarah Barnet

Mike Beard

Tony Ortiz



Questions



Thank You

Presented by
Elsie Purcell





City Council Communication

Title: DISCUSS AND CONSIDER ACTION ON INCREASING CURRENT MEALS ON WHEELS CONTRIBUTION FROM THE CITY. (JOSE "PORKY" YTUARTE, MAYOR PRO TEM)

Date: June 9, 2025

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: DISCUSS AND CONSIDER ACTION ON AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH NUECES RIVER AUTHORITY FOR A SHORT-TERM OPTION FOR POTABLE WATER RESERVATION AND DIVERSION. (JOHN NARON, CITY MANAGER)

Date: June 9, 2025

From: John Naron, City Manager

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. NRA Hondo Contract_ Desal Option

STAFF CONTACTS:

**SHORT-TERM OPTION FOR POTABLE WATER RESERVATION AND
DIVERSION CONTRACT**

THIS SHORT-TERM OPTION FOR POTABLE WATER RESERVATION AND DIVERSION CONTRACT (“**Option Contract**”) is made and entered into pursuant to Texas Special Districts Local Laws Code, Chapter 8511 (collectively the “**NRA Act**”) by and between the NUECES RIVER AUTHORITY (“**NRA**”), a conservation and reclamation district created pursuant to Article 16, Section 59 of the Texas Constitution, and _____ (“**Customer**”). In this Option Contract, NRA and Customer are sometimes individually referred to as a “**Party**” and collectively referred to as the “**Parties**.” The effective date (“**Effective Date**”) of this Option Contract shall be the date it is last signed by a Party.

RECITALS

WHEREAS, pursuant to the NRA Act, a purpose of NRA is the conservation and development of the State of Texas’ (the “**State’s**”) natural resources inside the Nueces River Basin, including the control, storage, preservation, and distribution of the State’s water for municipal and industrial uses;

WHEREAS, NRA intends to enter into a formal agreement with the Port of Corpus Christi Authority (the “**Port**”) whereby the Port will lease property and permit use of the necessary regulatory permits to NRA to enable NRA to construct, own, and operate a seawater desalination plant on Harbor Island to enhance water supply and water resource security in the region;

WHEREAS, by virtue of its agreement with the Port, NRA will have license to certain water rights held by the Port authorizing NRA to divert seawater for desalination;

WHEREAS, Customer desires eventually—at a time subsequent to this Option Contract—to contract with NRA for the reservation and/or purchase and diversion of potable water resulting from NRA’s intake and treatment of seawater at its Harbor Island desalination plant;

WHEREAS, Customer desires to first acquire an option to contract with NRA for the future reservation and/or purchase and diversion of up to [REDACTED] acre-feet per year of potable water for Customer’s future municipal or industrial use.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, NRA grants Customer a one-year option, which may be extended subject to the terms and conditions of this Option Contract, to contract for up to [REDACTED] acre-feet per year of potable water resulting from NRA’s intake and treatment of seawater at its Harbor Island desalination plant for Customer’s future municipal or industrial use, and Customer agrees to pay NRA a one-time Option Fee for such right, upon terms and conditions hereinafter set forth, to-wit:

ARTICLE 1.

1.1 Customer specifically acknowledges that this Option Contract does not grant the Customer any right or option to purchase any portion of any certificate of adjudication or other water right owned by NRA or the Port now or into the future or to reserve and/or divert any water subject to the same and does not provide any right or option to purchase capacity in the desalination plant or any future conveyance infrastructure. Rather, this Option Contract involves only the option to contract with NRA for reservation and purchase of potable water supply. Terms and conditions relating to the reservation and/or purchase and diversion of potable water, including but not limited to transportation

at Customer's sole cost and expense, will be negotiated in a separate water supply agreement.

1.2 Customer specifically acknowledges that NRA and/or the Port reserve the right to seek amendment by the applicable regulatory authority to any certificate of adjudication or other water right held by NRA and/or the Port as deemed necessary by NRA and/or the Port.

1.3 Customer specifically acknowledges that the future availability and timing of potable water for reservation and/or purchase and diversion from the Harbor Island desalination plant is not guaranteed and is wholly dependent upon factors outside of NRA's dominion and control, including but not limited to regulatory permitting, entry of agreements with the Port, and the timely and competent performance of third-party contracted work.

1.4 By entering into this Option Contract, Customer warrants that it has exercised its due diligence in determining the viability and legality of obtaining future water service from NRA from the proposed Harbor Island desalination plant, including, but not limited to due diligence in determining whether Customer is located in the CCN of any other entity obligated to provide water service. Customer agrees, warrants, and represents that if it has determined that there are CCN, or any other obstacles to the receipt of water from NRA, it is solely Customer's responsibility to address and remove such obstacles.

1.5 NRA hereby grants Customer an option to contract for the reservation and/or purchase and diversion of up to [REDACTED] acre-feet per year (the "**Option Quantity**") of potable water resulting from NRA's intake and treatment of seawater at its Harbor Island desalination plant for Customer's municipal or industrial use for a period of one (1) year commencing on the Effective Date, and terminating one (1) year from the

Effective Date (the “**Term**”) unless this Contract is terminated or renewed on or before such date pursuant to the terms herein.

1.6 The Parties agree that the Option Quantity shall represent the amount of potable water Customer shall be entitled to subsequently contract with NRA to reserve and/or purchase and divert from the Harbor Island Desalination plant if Customer exercises the option authorized herein, and that the Option Quantity stated herein may be increased but may not be decreased in any subsequent renewal or extension of this Option Contract without mutual agreement of both parties.

1.7 The Parties agree that one of the following must occur on or before the end of the Term stated herein:

(1) This Option Contract may be renewed and extended for an additional one-year term upon the express written agreement of the Parties and conditioned upon the payment of an additional Option Fee, as defined in Article 2, at the then-prevailing rate at the time of the renewal; or

(2) Customer may exercise its option by entering into a water supply contract with NRA that identifies reservation and/or diversion quantities at such rates as may be adopted in future.

The parties agree that if neither of the events described above occur on or before the end of the Term stated herein, this Option Contract shall automatically terminate as of the next day immediately following the end of the Term.

ARTICLE 2.

2.1 For the right to preserve the option to subsequently reserve and/or purchase and divert up to [REDACTED] acre-feet per year potable water as provided by this Option Contract, Customer unconditionally agrees to pay NRA the sum of \$ [REDACTED] per acre-foot, or the total sum of \$ [REDACTED] (the “**Option Fee**”), to preserve Customer’s option. The total sum will be paid to NRA on or before [REDACTED]. The one-time Option Fee paid

by Customer shall be non-refundable when made and shall not apply against the purchase price of any water purchased by Customer in the future.

2.2 Customer specifically acknowledges that payments made pursuant to the terms of this Option Contract are for the purpose of securing Customer's option for future reservation and/or purchase and diversion of potable water from the Harbor Island desalination plant, and NRA has the right to use such payments or portions thereof to finance the Harbor Island desalination plant project, at the sole discretion of NRA.

ARTICLE 3.

3.1 The execution of this Option Contract has been duly authorized by NRA and Customer pursuant to proper notices and procedures and each Party warrants and represents to the other that it is duly authorized to execute this Option Contract upon the terms set forth herein.

3.2 This Option Contract may not be assigned by Customer without NRA's agreement to same in writing.

3.3 The Parties agree that this Option Contract shall not be construed in favor or against either Party on the basis that the Party did or did not draft this Contract.

3.4 This Option Contract shall be for the sole and exclusive benefit of the Parties hereto and shall not be construed to confer any rights upon any third party.

3.5 No modifications to or rescission of this Option Contract may be made except by a written document signed by NRA's and Customer's authorized representatives.

3.6 This Option Contract is by and between NRA and Customer and is not intended, and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association as between NRA and Customer nor between Customer and any officer, employee, contractor, or representative of NRA. No joint

employment is intended or created by this Option Contract for any purpose. Customer agrees to so inform its employees, agents, contractors, and subcontractors who are involved in the implementation of or construction under this Option Contract.

3.7 Any notice, request or other communication under this Option Contract shall be given in writing and shall be deemed to have been given by either party to the other party at the addresses shown below upon any of the following dates:

- (a) The date of notice by electronic mail, which is confirmed promptly in writing;
- (b) Three business days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;
- (c) The date of actual receipt thereof by such other party if not given pursuant to (a) or (b) above.

The address for notice for each of the Parties shall be as follows:

Nueces River Authority
539 South Highway 83
Uvalde, Texas 78801

Customer
[Address]

or the latest address specified by such other Party in writing.

3.8 In the event that any clause or provision of this Option Contract shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions of this Option Contract.

3.9 Venue for any disputes arising out of this Contract shall be in Uvalde County, Texas.

3.10 Each signatory to this Contract agrees, warrants, and represents that such person is authorized by the Party associated with such signature to execute this Contract

SIGNED IN DUPLICATE ORIGINALS this _____ day of _____, 2025.

NRA

By: _____

Name: John J. Byrum II

Title: Executive Director

ATTEST:

Eric Burnett
President, Board of Directors

(SEAL)

CUSTOMER

By: _____

Name: _____

Title: _____

ATTEST:

[Name
Title]