



REGULAR CITY COUNCIL MEETING

August 25, 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 August 25, 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.

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.

6. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 462-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, AUTHORIZING THE APPROVAL OF A WATER TANK MAINTENANCE AGREEMENT BETWEEN THE CITY OF HONDO AND UTILITY SERVICE CO., INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT; AND PROVIDING AN EFFECTIVE DATE. (JOHN NARON, CITY MANAGER)**

OTHER BUSINESS

7. **PUBLIC HEARING ON THE PROPOSED PROPERTY TAX RATE FOR 2025-2026 FISCAL YEAR. (CHRIS HILL, CHIEF FINANCE OFFICER & JOHN NARON, CITY MANAGER)**
 - A. OPEN PUBLIC HEARING.
 - B. STAFF PRESENTATION.
 - C. PUBLIC COMMENTS. (LIMITED TO 3 MINUTES PER PERSON)
 - D. ADJOURN PUBLIC HEARING.
8. **DISCUSS AND CONSIDER ACTION ON ORDINANCE NO. 1305-08-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF HONDO, TEXAS FOR FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026; APPROPRIATING MONEY TO THE SINKING FUND TO PAY PRINCIPAL AND INTEREST DUE ON THE CITY'S INDEBTEDNESS; AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF HONDO FOR THE 2025-2026 FISCAL YEAR AND SETTING AN EFFECTIVE DATE. (CHRIS HILL, CHIEF FINANCE OFFICER AND JOHN NARON, CITY MANAGER)**
9. **DISCUSS AND CONSIDER ACTION ON ORDINANCE NO. 1306-08-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, SETTING THE AD VALOREM TAX RATE OF \$0.4800 CENTS PER \$100.00 VALUATION FOR THE MAINTENANCE AND OPERATIONS AND DEBT SERVICE OF THE MUNICIPAL GOVERNMENT OF THE CITY OF HONDO FOR THE 2025-2026 FISCAL YEAR; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID. (CHRIS HILL, CHIEF FINANCE OFFICER AND JOHN NARON, CITY MANAGER)**
10. **DISCUSS AND CONSIDER ACTION ON RESOLUTION NO. 465-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS RATIFYING THE PROPERTY TAX RATE INCREASE REFLECTED IN THE CITY'S ADOPTED FISCAL YEAR 2025-2026 BUDGET, WHICH IS A BUDGET THAT WILL REQUIRE RAISING MORE REVENUE FROM PROPERTY TAXES THAN IN THE PREVIOUS YEAR; AND PROVIDING AN EFFECTIVE DATE. (CHRIS HILL, CHIEF FINANCE OFFICER AND JOHN NARON, CITY MANAGER)**
11. **DISCUSS AND CONSIDER ACTION ON ORDINANCE NO. 1307-08-25 OF THE CITY OF HONDO, TEXAS AMENDING APPENDIX A, "FEE SCHEDULE" OF THE CODE OF ORDINANCES OF THE CITY OF HONDO BY AMENDING PERTINENT SECTIONS TO REFLECT CURRENT FEES, INCREASED FEES, DELETED FEES, AND NEW FEES; PROVIDING A REPEALER CLAUSE; PROVIDING FOR SEVERABILITY AND SETTING AN EFFECTIVE DATE.**

(CHRIS HILL, CHIEF FINANCE OFFICER AND JOHN NARON, CITY MANAGER)

12. **DISCUSS AND CONSIDER ACTION ON RENEWING A FACILITY LEASE AGREEMENT WITH SOUTHWEST FAMILY LIFE CENTERS, INC. (JOHN NARON, CITY MANAGER)**
13. **DISCUSS AND CONSIDER ACTION ON THE PURCHASE OF A TRACTOR FOR THE PARKS DEPARTMENT FROM THE GENERAL FUND. (LEN MCVAY, PARKS DIRECTOR & JOHN NARON, CITY MANAGER)**

EXECUTIVE SESSION

14. **EXECUTIVE SESSION**
The City Council of the City of Hondo may convene in Executive Session in accordance with the Texas Open Meetings Act, Texas Government Code: Section 551.071(1) (A) and (2) (Consultations with Attorney) and 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);Section 551.086 (Meeting concerning municipally owned utility-competitive matters);

A. PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.071 (CONSULTATION WITH ATTORNEY) AND 551.074 (PERSONNEL MATTERS): DISCUSSION AND POSSIBLE ACTION REGARDING THE CITY MANAGER'S EMPLOYMENT CONTRACT.
15. **DISCUSS AND CONSIDER APPROPRIATE ACTION ON ITEMS RESULTING FROM EXECUTIVE SESSION.**
16. **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 August 22, 2025 at 5:00 p.m.

ATTEST:

/s/ Rebekah Dolphus

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: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 462-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, AUTHORIZING THE APPROVAL OF A WATER TANK MAINTENANCE AGREEMENT BETWEEN THE CITY OF HONDO AND UTILITY SERVICE CO., INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT; AND PROVIDING AN EFFECTIVE DATE. (JOHN NARON, CITY MANAGER)

Date: August 25, 2025 **From:** John Naron, City Manager

INFORMATION:

This is the same agenda item from the August 11, 2025 meeting, but it has Agreements attached to Resolution.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. 462-25 DOCS1-#352771-v1-RESO_Water_Tank_Maintance_Agreement_
2. CITY OF HONDO TX MSA FINAL 07.17.25
3. CITY OF HONDO TX - DOWNTOWN ELEVATED TANK - 250KG ELEV - SOW5 MP CONTRACT 07.17.25
4. CITY OF HONDO TX - DOWNTOWN GST TANK - 500KG GST - SOW2 MP CONTRACT 07.17.25
5. CITY OF HONDO TX - GOLF COURSE TANK - 600KG ELEV - SOW4 MP CONTRACT 07.17.25
6. CITY OF HONDO TX - PRISON TANK - 300KG ELEV - SOW1 MP CONTRACT 07.17.25
7. CITY OF HONDO TX - WEST SIDE TANK - 500KG ELEV - SOW3 MP CONTRACT 07.17.25
8. USG BUYBOARD EMAIL
9. USG Buy Board Vendors
10. BUYBOARD CONTRACT LIST
11. Utility Service Co. Inc. Vendor Contact Info Summary

STAFF CONTACTS:

RESOLUTION NO. 462-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, AUTHORIZING THE APPROVAL OF A WATER TANK MAINTENANCE AGREEMENT BETWEEN THE CITY OF HONDO AND UTILITY SERVICE CO., INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Hondo (the “City”) is a member of the BuyBoard cooperative purchasing program, which allows municipalities to procure goods and services through competitively solicited contracts, in accordance with state procurement laws; and

WHEREAS, the City has identified a need for professional water tank maintenance services to ensure the continued safety, integrity, and performance of its water infrastructure; and

WHEREAS, Utility Service Co., Inc. has submitted a proposal for such services under an active BuyBoard contract (BuyBoard Contract Number 761-25), which was procured through a competitive bidding process consistent with Texas law; and

WHEREAS, the pricing and terms of the proposed Water Tank Maintenance Agreement have been reviewed and found to be in the best interest of the City; and

WHEREAS, the Water Tank Maintenance Agreement is structured as a master agreement under which the City may issue individual task orders, in the form of written Scopes of Work, to authorize specific services on an as-needed basis on individual water tanks, with each task order constituting a separate contract governed by the general terms and conditions of the agreement; and

WHEREAS, the City Council finds that entering into the agreement under BuyBoard meets applicable purchasing and procurement requirements and serves the public purpose of preserving critical public infrastructure;

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

SECTION 1. INCORPORATION OF RECITALS. That the above recitals are true and correct and are adopted as the findings of the City Council.

SECTION 2. APPROVAL AND AUTHORIZATION. The City Council hereby approves the Water Tank Maintenance Agreement between the City of Hondo and Utility Service Co., Inc., substantially in the form presented, and as incorporated herein by reference and authorizes City Manager to execute the Agreement and any necessary related documents on behalf of the City of Hondo, and to take all other actions necessary to carry out the intent of this Resolution.

SECTION 4. OPEN MEETINGS. That it is hereby officially found and determined that the meeting at which this Resolution s passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

SECTION 5. PUBLIC PURPOSE. The City Council declares that the Resolution is in the public interest and is necessary for the good government, peace, and order of the municipality.

Section 6. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 11th day of August, 2025.

By: _____
JOHN MCANELLY, MAYOR

ATTEST:

REBEKAH DOLPHUS, CITY SECRETARY

WATER TANK MAINTENANCE AGREEMENT

1. Parties. THIS WATER TANK MAINTENANCE CONTRACT (the “**Contract**” and/or “**Agreement**”) is entered into on the Effective Date (as defined below) and in Medina County, Texas, by and between the **City of Hondo** (hereinafter called “**City**” and/or “**Owner**”), a political subdivision of the State of Texas located at 1600 Avenue M, Hondo, TX 78861, acting by and through its City Manager, and Utility Service Co., Inc., whose business address is 535 General Courtney Hodges Boulevard, Post Office Box 1350, Perry, Georgia 31069 (hereinafter called “**Contractor**”). The Owner and the Contractor shall be individually referred to herein as “a Party” or collectively referred to herein as “the Parties”

2. Recitals.

a. The City is a member of the BuyBoard cooperative purchasing program which allows municipalities to obtain goods or services through vendors under contract awarded through solicited competitive bids

b. The City obtained cost proposals for water tank maintenance services through the BuyBoard cooperative purchasing program.

c. City desires to engage Contractor as an independent contractor to render certain services related to water tank maintenance.

d. The pricing for the services provided under this Water Tank Maintenance Agreement was procured through BuyBoard cooperative purchasing program.

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

A. Basic Terms:

1. **Scope of Work.** Contractor shall complete the services and provide the deliverable as specified or indicated in each attached Scope of Work (“SOW”) to be attached hereto and incorporated herein by reference. The form of the SOW is attached hereto as Exhibit A. Each SOW shall be subject to the general terms and conditions (the “Terms and Conditions”) set forth in this Agreement. Each time Owner engages Contractor to perform Services, a new SOW shall be prepared specifying the scope of Services specific to that engagement. Unless otherwise indicated in any given SOW, Contractor shall be responsible for furnishing all labor, materials and tools to perform the Services. Each new SOW represents a separate contract between Contractor and Owner that incorporates the Terms and Conditions and is governed by this Agreement. All changes to any SOW may only be made by a written amendment to such SOW and signed by an authorized representative of each Party. Owner may terminate a SOW in accordance with the terms of each SOW. In the event there is a conflict between any term of an SOW and this Agreement, the term(s) of this Agreement shall control.

2. **Term and Termination.** The effective date of this Agreement shall be _____, 2025 (“Effective Date”). The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect for one year (“Term”). This Agreement will automatically renew for successive one-year terms (“Renewal Terms”) unless terminated as set forth in this Agreement. The term of a SOW shall begin on the commencement date provided in that SOW and continue in effect for the agreed term provided in that SOW. Either party may terminate this Agreement, and any issued SOW, for convenience with thirty (30) days prior written notice of termination. In the event of termination by either party, Contractor shall be paid for work performed through the date of termination.

3. **Fees.** For all Services performed, Owner shall pay Contractor in accordance with the terms of each SOW. The fees paid in accordance with each SOW shall constitute the full and complete compensation to Contractor for the Services performed pursuant to the SOW. Unless otherwise expressly set forth in any given SOW, Contractor shall be responsible for expenses it incurs in connection with its provision of the Services. Owner is a state sales and use tax exempt political subdivision of the State of Texas. All records supporting payment shall be kept in the offices of Contractor for a period of not less than three (3) years and shall be made available to Owner for inspection, audit or copying upon reasonable request.

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

5. **Insurance.** The Contractor shall procure and maintain, at its sole cost and expense for the Term of this Contract, Worker’s Compensation and Employer’s Liability Insurance to cover all of its own personnel engaged in performing services for the City under this Contract. Contractor also agrees to maintain Commercial General Liability, Business Automobile Liability, and Umbrella Liability Insurance covering claims against Contractor for damages resulting from bodily injury, death or property damages from accidents arising in the course of Work performed under this Contract.

a. The Contractor’s insurance shall list the City of Hondo, its members of city council, elected and appointed officers, employees, agents, and volunteers as additional insureds on all required insurance policies. Contractor shall add the City as an additional insured on all required insurance policies, except worker’s compensation, employer’s liability and errors and omissions insurance. The Commercial General Liability Policy and Umbrella Liability Policy shall be of an “occurrence” type policy. The Required Limits of Insurance are attached in **Exhibit “C.”**

b. Contractor shall furnish City with an Insurance Certificate on the date this Contract is executed and accepted by City, which confirms that all above required insurance policies are in full force and effect. The Certificates of Insurance evidencing the required insurance policies are or will be attached in **Exhibit “D.”**

c. Any damage to public or private property caused or discovered by Contractor shall be reported immediately to the City Manager or City Manager's designee. The Contractor shall exercise every necessary precaution for the safety of the Work and the protection of any and all persons and/or property located adjacent to the Work. The Contractor shall be responsible for any property damage caused by the use of vehicles or other equipment while engaged in this Contract. The Contractor will be responsible for any damages due to negligence or carelessness on the part of the vendor or Contractor's representative.

6. **Indemnity.** The Contractor shall indemnify, defend, and hold harmless Owner the Owner and its members of city council, elected and appointed officers, employees, agents, and volunteers from and against any claims, actions, and suits resulting from and to the extent of the negligent conduct caused by the Contractor, its contractors, subcontractors, agents, and employees which arise out of the Services performed under this Contract and any issued SOW. The Contractor's obligations hereunder shall be subject to Owner's written notification to the Contractor adequately describing any third-party claim(s) resulting from the Contractor's performance hereunder.

7. **Limitation of Liability.**

A. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, ANY LIABILITY ON THE PART OF THE CONTRACTOR FOR MATTERS RELATED TO OR ARISING FROM CYBER SECURITY (A) SHALL BE LIMITED TO CLAIMS RELATING TO THE HARDWARE AND SOFTWARE WITHIN THE DIRECT CONTROL OF THE CONTRACTOR THAT IS THE DIRECT AND PROXIMATE CAUSE OF ANY LOSSES OR DAMAGE, AND (B) SHALL BE LIMITED TO ONLY THOSE CLAIMS OR PORTIONS OF CLAIMS THAT ARE COVERED BY INSURANCE REQUIRED TO BE MAINTAINED PURSUANT TO THE TERMS OF THIS AGREEMENT OR ANY SOW.

8. **Force Majeure.** If either Party is prevented from performing any of its duties or obligations hereunder (other than duties or obligations with respect to payment) in a timely manner by reason or act of God or force majeure such as fire; war; earthquake; strike; lock-out; labor dispute; flood; public disaster; pandemic or epidemic event (to include but not limited to COVID-19); interruptions or delays in reasonably available means of transportation; acts of any government or its agencies or officers, or any order, regulation, or ruling thereof, including tariffs; equipment or technical malfunctions or failures; power failures or interruptions; supply chain disruptions; or any other reason beyond its reasonable control, such condition shall be deemed to be a valid excuse for delay of performance or for nonperformance

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

To City: City of Hondo Attn: City Manager 1600 Avenue M, Hondo, TX 78861	To Contractor: Utility Service Co., Inc. Attn: Customer Service P.O. Box 1350 Perry, GA 31069
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10. EACH OF THE PARTIES HERETO SPECIFICALLY AGREES THAT IT HAS A DUTY TO READ THIS CONTRACT, AND ALL OTHER CONTRACT DOCUMENTS AND AGREES THAT IT IS CHARGED WITH NOTICE AND KNOWLEDGE OF THE TERMS OF THIS CONTRACT AND ALL CONTRACT DOCUMENTS; THAT IT HAS IN FACT READ THIS CONTRACT AND ALL CONTRACT DOCUMENTS AND IS FULLY INFORMED AND HAS FULL NOTICE AND KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS CONTRACT; THAT IT HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL OF ITS CHOICE PRECEDING ITS EXECUTION OF THIS CONTRACT AND HAS RECEIVED OR VOLUNTARILY CHOSEN NOT TO RECEIVE THE ADVICE OF ITS ATTORNEY IN ENTERING INTO THIS CONTRACT; AND THAT IT RECOGNIZES THAT CERTAIN TERMS OF THIS CONTRACT AND THE CONTRACT DOCUMENTS RESULT IN ONE PARTY ASSUMING THE LIABILITY INHERENT IN SOME ASPECTS OF THE TRANSACTION AND RELIEVING THE OTHER PARTY OF ITS RESPONSIBILITY FOR SUCH LIABILITY. EACH PARTY HERETO AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE VALIDITY OR ENFORCEMENT OF ANY EXCULPATORY PROVISION OF THIS CONTRACT ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISION OR THAT THE PROVISION IS NOT “CONSPICUOUS.”

B. General Conditions.

The General Terms and Conditions attached to this Contract as **Exhibit “B”** are incorporated herein for all purposes.

[Signatures on following page]

EXECUTED on the date(s) indicated below and to be **EFFECTIVE** on the _____ day of _____, 2025 (the “Effective Date”).

CITY:

CITY OF HONDO

By: _____

Printed Name: _____

Title: _____

Date: _____

CONTRACTOR:

UTILITY SERVICE CO., INC.

By:  _____

Printed Name: Jonathan Cato

Title: Chief Operating Officer

Date: July 21, 2025

**EXHIBIT “A”
SCOPE OF WORK TEMPLATE**

**SCOPE OF WORK NO. XX
TO THE WATER TANK MAINTENANCE CONTRACT BETWEEN
UTILITY SERVICE CO., INC.
AND
[INSERT CUSTOMER NAME, STATE ABBREVIATION]**

WATER TANK MAINTENANCE – [INSERT ASSET SIZE – INSERT ASSET NAME]

1. EFFECTIVE DATE. THE EFFECTIVE DATE (HEREINAFTER, “EFFECTIVE DATE”) FOR THIS SCOPE OF WORK NO. XX (“SOWXX”) SHALL BE THE DATE OF THE LAST PARTY’S SIGNATURE AFFIXED TO THIS SOWXX.

2. TERM AND TERMINATION. THIS SOWXX SHALL COMMENCE ON THE EFFECTIVE DATE AND SHALL CONTINUE IN FULL FORCE AND EFFECT FOR ONE YEAR. THIS SOWXX WILL AUTOMATICALLY RENEW FOR SUCCESSIVE ONE-YEAR TERMS UNLESS TERMINATED AS DEFINED HEREIN. FOR PURPOSES OF THIS SOWXX, “CONTRACT YEAR” SHALL MEAN THE 12-MONTH PERIOD WHICH COMMENCES ON THE FIRST DAY OF THE MONTH WHEN THE SOWXX IS EXECUTED BY THE OWNER AND EACH SUCCESSIVE 12-MONTH PERIOD THEREAFTER (HEREINAFTER, “CONTRACT YEAR” OR COLLECTIVELY, “CONTRACT YEARS”). Either party may terminate this SOW, and any issued SOW, for convenience with thirty (30) days prior written notice of termination. In the event of termination by either party, Contractor shall be paid for work performed through the date of termination.

The City is engaging the Contractor to provide the professional services needed to maintain its [Size] gallon [Tank Name] (hereinafter, “the Tank”). The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent maintenance activities thereafter. Upfront Renovation and maintenance activities are collectively referred to as “the Services” in this Contract, and include the following:

- i. The Tank shall receive an Upfront Renovation, which will include: [redacted] **prior to the end of Contract Year [insert year]**. For purposes of this Contract, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the Contract is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
- ii. Annually, the Contractor will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Contractor will provide a written inspection report to the Owner following each inspection.
- iii. Biennially, after the Tank is drained by the Owner, the Contractor will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After

- a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Contractor is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
- iv. The Contractor shall provide the engineering and inspection services needed to maintain and repair the Tank during the term of this Contract. The repairs include: the Tank's expansion joints, water level indicators, sway rod adjustments, vent screens, manhole covers/gaskets, and the Tank's other steel parts not otherwise excluded hereinafter.
 - v. The Contractor will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting of the Tank is to be determined by the thickness of the existing liner and its protective condition. Only materials approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting of the Tank is to be determined by the appearance and protective condition of the existing paint. At the time that the exterior requires repainting, the Contractor agrees to paint the Tank with a coating that is the same color as the existing coating and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date, defined in the signature block hereinafter.
 - vi. The Contractor will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the Contract. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner. Copies of keys to such lock(s) shall be provided to the Owner.
 - vii. In the event of an emergency involving the Tank, the Owner shall provide written notice of such emergency to the Contractor via its email hotline at the following address: customerservice@usgwater.com. The Contractor will provide emergency services for the Tank, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the Tank Site.
 - viii. When the Tank is taken out of service, the Contractor will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
 - ix. Unless expressly excluded herein, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance of the Contract.

3. Consideration. For the performance of the Services required by this Contract, the City shall pay the Contractor an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the Contract. The first ----- (---) Annual Fees shall be \$----- per Contract Year. The Annual Fee for Contract Year [---] shall be \$-----. Each Contract Year thereafter, the Annual Fee shall

be adjusted to reflect the current cost of service as agreed in writing by both the City and Contractor. The adjustment of the Annual Fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the City and are in addition to the stated costs and fees in this Contract.

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

5. **Payment Terms and Late Charges.**

The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner’s execution of this SOWXX.**

Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.

If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Contractor will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOWXX without notice. Any late fee will be 1.5% per month.

6. **Changes or Delays to Services.** For purposes of this Section, “Unreasonable Delay” shall mean the Owner’s delay in releasing the Asset or making the Asset available to the Contractor for the performance of any of the Services described herein for a period of twenty-four (24) months following the Contractor’s written request for release or access to the Asset. In the event of Unreasonable Delay, the Contractor reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Contractor in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Contractor can replace a Washout Inspection of the Asset with a visual inspection, remotely operated vehicle inspection (“ROV Inspection”), or unmanned aerial vehicle inspection (“UAV Inspection”) at the Contractor’s discretion, and such replacement does not constitute a modification of this SOWXX.

7. **Structure of Tank, Tank Site Conditions, and Modifications.**

In providing the Services, the Contractor accepts the Tank based upon its existing structure and components as of the Effective Date.

Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Contractor (prior to installation) and may warrant an increase in the Annual Fees.

8. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Contractor’s cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOWXX.

9. Environmental, Health, Safety, Labor, or Industry Requirements. The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOWXX, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOWXX upon written approval of the City Manager. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOWXX upon written approval of the City Manager. Said equitable adjustment of the Annual Fees in this SOWXX will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

10. Excluded Items. This SOWXX does NOT include the cost for and/or liability on the part of the Contractor for: (i) containment of the Tank during any periods within the term of SOWXX when the Contractor is not performing work on the Tank, as well as any issues related to containment that are not caused by the Contractor; (ii) disposal of any hazardous waste materials not generated as a result of the Contractor's work on the Tank; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground for which Contractor is not aware; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Contractor's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

11. Visual Inspection Disclaimer. This SOWXX is based upon a visual inspection of the Tank. The Owner and the Contractor hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Contractor, the Owner agrees and acknowledges that the Contractor shall not be responsible to repair the latent defects unless the Owner and the Contractor re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. Excessive Inflation. In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOWXX exceeds 12% in total, the Owner and the Contractor agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOWXX to compensate the Contractor for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. In the event that the ENR-CCI index is discontinued, the Owner and the Contractor will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes only, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Contractor agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOWXX is executed and effective as of the date last signed by the parties below.

OWNER

COMPANY

City of Hondo

Utility Service Co., Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT “B” GENERAL TERMS AND CONDITIONS

ARTICLE 1. SERVICES RENDERED UNDER AGREEMENT AND SOW

1.1 Contractor’s Standard of Care. Contractor shall provide its services under this Contract with the same degree of care, skill and diligence as is ordinarily provided by a contractor under similar circumstances for a similar project Contractor represents that it has the license, capability, experience, available personnel, equipment and means required to perform the services contemplated by this Agreement or any issued SOW., The services rendered under this Agreement or any issued SOW will be performed using personnel and equipment qualified and/or suitable to perform the work requested by the City. City retains the right to report to Contractor any unsatisfactory performance of Contractor personnel for appropriate corrective action. Contractor shall comply with applicable federal, state, and local laws in connection with any work performed hereunder.

ARTICLE 2. ADDITIONAL WORK AND ALTERATIONS

2.1 Additional Work. City may, from time to time, request changes in the Scope of Work of Contractor to be performed hereunder. Such changes, including any increase or decrease in the amount of Contractor’s compensation, or time for performance, which are mutually agreed upon by and between City and Contractor, shall be incorporated in written amendments to this Contract. Any subsequent contract amendments shall be executed by the City Manager or other authorized representative as designated by the City Manager or City Council.

2.2 Alteration. Any alterations, additions or deletions to the terms of this Contract, including the scope of work, shall be by amendment in writing executed by both City and Contractor.

2.3 Disputes. If there is a dispute between the Contractor and the City respecting any service provided or to be provided hereunder by the Contractor, including a dispute as to whether such service is additional to the Scope of Work included in this Contract, the Contractor agrees to continue providing on a timely basis all services to be provided by the Contractor hereunder, including any service as to which there is a dispute.

ARTICLE 3. INDEPENDENT CONTRACTOR AND SUBCONTRACTORS

3.1 Independent Contractor. It is understood and agreed by the parties that the Contractor is an independent contractor retained for the work rendered under this Agreement and any issued SOW. The City will not control the manner or the means of the Contractor’s performance, but shall be entitled to a work product as provided for by this Agreement or any issued SOW. The City will not be responsible for reporting or paying employment taxes or other similar levies that may be required by the United States Internal Revenue Service or other State or Federal agencies. This Contract does not create a joint venture.

3.2 Subcontractor. The term “subcontractor” shall mean and include only those hired by and having a direct contact with Contractor for performance of work on the Project. The City shall have no responsibility to any subcontractor employed by a Contractor for performance of work on the Project, and all subcontractors shall look exclusively to the Contractor for any payments due. The Contractor shall be fully responsible to the City for the acts and omissions of its subcontractors. Nothing contained herein shall create any contractual or employment relations between any subcontractor and the City.

ARTICLE 4. MISCELLANEOUS

4.1 Assignment of Contract. No assignment of any rights under or interests in this Agreement will be binding on another Party hereto without the written consent of the Party sought to be bound, and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

4.2 Successors and Assigns. The City and Contractor each binds itself, its partners, successors, permitted assigns, and its legal representatives to the other Party hereto, its partners, successors, permitted assigns, and its legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

4.4 Dispute Resolution. This Agreement and any disputes related to it shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict or choice of law principles. Contractor agrees and acknowledges that Contractor's obligations under this Agreement must be performed in whole or in part in Medina County, Texas, and venue of any and all legal proceedings between City and the Contractor shall lie in Medina County, Texas. If Contractor brings any claim against City and Contractor does not prevail with respect to such claim, Contractor shall be liable for all attorneys' fees and costs incurred by City as a result of such claim.

4.5 Independent Contractor. It is understood and agreed that the relationship of Contractor to City shall be that of an independent contractor. Nothing contained herein or inferable here from shall be deemed or construed to (1) make the Contractor the agent, servant, or employee of City, or (2) create any partnership, joint venture, or other association between City and Contractor. Contractor shall be solely responsible for all means, methods, techniques and safety measures utilized in performance of the Work.

4.6 Safety. Contractor agrees that it shall be solely responsible for the safety of its employees, and Contractor shall be solely responsible for the establishment and enforcement of all safety precautions, programs and practices in connection with the Work as necessary to protect all persons and property from injury, death, loss or damage arising out of or related to the Work, including but not limited to the erection and maintenance of barricades, installation of warning signage, and institution of other traffic and/or pedestrian control measures, and Contractor shall at all times comply with all health, safety and environmental federal, state and local laws, codes, regulations, ordinances and permits applicable to the Work, including but not limited to the Occupational Safety and Health Act of 1970 (OSHA) as amended and the regulations thereto, all requirements of the Texas Commission on Environmental Quality, and the Centers for Disease Control and Prevention (CDC).

4.7 Use of Premises. Contractor shall confine equipment, the storage of materials and equipment, and the operations of workers to the site where services rendered under this Agreement or any issued SOW are performed and land and areas identified in and permitted by the Contract Documents, and other land and areas permitted by laws and regulations, rights-of-way, permits and easements, and shall not unreasonably encumber the site of the where services rendered under this Agreement or any issued SOW are performed with construction equipment or other materials or equipment. During the progress of the services rendered under this Agreement or any issued SOW are performed Contractor shall keep the such areas free from any accumulations of waste materials, rubbish and other debris resulting from such services. Contractor shall provide such personnel, waste containers and/or equipment necessary to maintain an orderly, clean and safe work site. Contractor shall keep all streets, access streets, driveways, and areas of public access, walkways, and other designated areas clean and open at all times. Contractor shall remove all waste materials, rubbish and debris from and about the site of the where services rendered under this Agreement or any issued SOW are performed at the end of each work day. At the completion of the services rendered under this Agreement or any issued SOW are performed, Contractor shall also remove all tools, appliances, construction equipment and machinery, and surplus materials. Contractor shall leave the site where services rendered

under this Agreement or any issued SOW are performed clean, and restore to original condition all property not designated for alteration by this Agreement or any issued SOW. If the Contractor fails to clean up at the end of each work day or restore the site where services rendered under this Agreement or any issued SOW are performed at the completion of the Work, City may do so and the cost thereof will be charged against the Contractor and may be offset against any sum otherwise due Contractor.

4.8 Stop Work Notice. City may issue an immediate Stop Work Notice in the event the Contractor is observed performing its services rendered under this Agreement or any issued SOW in a manner that is in violation of federal, state and local laws, codes, regulations, ordinance and permits, or in a manner that is determined by City to be unsafe to either life or property. Upon notification, the Contractor shall cease all work until notified by City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by City as a result of the issuance of such Stop Work Notice.

4.9 City's Rights and Remedies. All rights and remedies of City under this Agreement or any issued SOW are cumulative and in addition to all other rights and remedies available to City at law or in equity.

4.10 No Waiver of Governmental Immunity. NOTHING IN THIS CONTRACT SHALL BE CONSTRUED TO WAIVE THE CITY'S GOVERNMENTAL IMMUNITY FROM LAWSUIT, WHICH IMMUNITY IS EXPRESSLY RETAINED TO THE EXTENT IT IS NOT CLEARLY AND UNAMBIGUOUSLY WAIVED BY STATE LAW.

4.11 Legal Compliance. Contractor shall comply with all federal, state and local laws, codes, regulations, ordinances and permits applicable to performance of the Work, including but not limited to all wage and employment laws, and the Immigration Reform and Control Act of 1986, as amended, and Contractor shall maintain and require that its subcontractors maintain any and all licenses required for performance of the Work. Contractor hereby agrees that the following terms, conditions, verifications, certifications, and representations apply to and are incorporated into this Agreement for all purposes:

- 4.11.1** With respect to providing Services hereunder, Contractor shall comply with any applicable Equal Employment Opportunity and/or Affirmative Action ordinances, rules, or regulations during the term of this Agreement.
- 4.11.2** Pursuant to Texas Local Government Code Chapter 176, Contractor shall submit a signed Texas Ethics Commission ("TEC") Conflict of Interest Questionnaire ("CIQ") at the time Contractor submits this signed Agreement to City of Karnes City. TEC Form CIQ and information related to same may be obtained from TEC website by visiting <https://www.ethics.state.tx.us/forms/conflict/>. If Contractor certifies that there are no Conflicts of Interest, Contractor shall indicate so by writing the name of Contractor's firm and "No Conflicts" on the TEC Form CIQ.
- 4.11.3** If Contractor is a privately held entity, then pursuant to Texas Government Code Section 2252.908 and the rules promulgated thereunder by the TEC, Contractor shall submit a completed and signed TEC Form 1295 with a certificate number assigned by the TEC to City at the time Contractor submits this signed Agreement to City. TEC Form 1295 and information related to same may be obtained from TEC website by visiting <https://www.ethics.state.tx.us/filinginfo/1295/>. Contractor agrees and acknowledges that this Agreement shall be of no force and effect unless and until Contractor has submitted said form to City, if and to the extent such form is required under Government Code § 2252.908 and the rules promulgated thereunder by the TEC.

- 4.11.4** As required by Chapter 2271, Texas Government Code, Contractor hereby verifies that Contractor, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. The term "boycott Israel" in this paragraph has the meaning assigned to such term in Section 808.001 of the Texas Government Code, as amended.
- 4.11.5** Pursuant to Chapter 2252, Texas Government Code, Contractor represents and certifies that, at the time of execution of this Agreement, neither Contractor, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is engaged in business with Iran, Sudan, or any terrorist organization, and is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.
- 4.11.6** As required by Chapter 2274, Texas Government Code, Contractor hereby verifies that Contractor, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. The term "boycott energy companies" in this paragraph has the meaning assigned to such term in Section 809.001 of the Texas Government Code, as amended.
- 4.11.7** As required by Chapter 2274, Texas Government Code, Contractor hereby verifies that Contractor, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The term "discriminate against a firearm entity or trade association" in this paragraph has the meaning assigned to such term in Section 224.001(3) of the Texas Government Code, as amended.
- 4.11.8** Pursuant to Chapter 2274, Texas Government Code, in the event that the Work includes direct or remote access to or control of critical infrastructure, Contractor represents and certifies that Contractor, including a wholly owned subsidiary, majority owned subsidiary, parent company, or affiliate of same, is not owned by or the majority of stock or other ownership interest of Contractor is not held or controlled by (i) individuals who are citizens of China, Iran, North Korea, Russia, or any country designated as a threat to critical infrastructure by the governor under Section 2274.0103 of the Texas Government Code ("Designated Country"), (ii) a company or entity, including a governmental entity, that is owned or controlled by citizens of or directly controlled by a Designated Country; or (iii) headquartered in a Designated Country. The term "critical infrastructure" in this paragraph has the meaning assigned to such term in Section 2274.0101 of the Texas Government Code, as amended.
- 4.11.9** To the extent any public funds are intended to be used for the construction of the Project, Chapter 2258 of the Texas Government Code ("Texas Prevailing Wage Law") shall apply. All persons employed in the performance of the Work under the Agreement, or any subcontracts hereunder, shall be paid not less than the general prevailing rates of per diem, holiday, and overtime wages prevailing in the locality for work of a similar character pursuant to Chapter 2258 of the Texas Government Code. The City has adopted the local prevailing and adopted wage rates derived

from the most current applicable federal prevailing wage rates for Karnes County, Texas, as published by the United States Department of Labor immediately prior to the execution of this Agreement, which is incorporated by reference herein for all purposes. Contractor and any subcontracts hereunder shall keep a record showing the name and occupation of each worker employed by the Contractor or subcontractor in the construction of the public work and the actual per diem wages paid to each worker pursuant to Section 2258.024. Such record shall be open at all reasonable hours to inspection by the officers and agents of the City. Failure to comply with this provision shall subject the Contractor to the penalties prescribed in the Texas Prevailing Wage Law, including those listed in Section 2258.058.

4.12 Warranty. Contractor shall provide a one (1) year warranty document. This warranty shall obligate the Contractor to provide all equipment, materials, workmanship, and labor at no charge during the Warranty period, and to correct any defect excluding any damage caused by misuse, abuse, vandalism, or acts of God.

4.13 Waiver. The failure on the part of either party herein at any time to require the performance by the other party, of any portion of this Contract, shall not be deemed a waiver of, or in any way affect that party's rights to enforce such provision, or any other provision. Any waiver by any party herein of any provision hereof, shall not be taken or held to be a waiver of any other provision hereof, or any other breach hereof.

4.14 Severability. The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract.

4.15 Removal, Transportation and Return of City's Property, Equipment or Parts. Contractor is responsible for any damages occurring to City property, equipment or parts while Contractor, or any subcontractor or third party acting on behalf of Contractor, is (i) working on City property, equipment or parts; or (ii) transporting City property, equipment or parts.

4.16 Certification. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Article 5:

4.16.1 "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the proposal process or in the Contract execution;

4.16.2 "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the proposal process or the execution of the Contract to the detriment of City, (b) to establish Proposal or Contract prices at artificial noncompetitive levels, or (c) to deprive City of the benefits of free and open competition;

4.16.3 "collusive practice" means a scheme or arrangement between two or more Proposers, with or without the knowledge of City, a purpose of which is to establish Proposal prices at artificial, non-competitive levels; and

4.16.4 "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the proposal process or affect the execution of the Contract.

ARTICLE 5. EXECUTION OF AGREEMENT

5.1 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Duplicate copies of duly executed and delivered counterparts of this Agreement shall be deemed to have the same full force and effect as originals and may be relied upon as such. Notwithstanding the foregoing, City and Contractor agree that this Agreement may be executed using electronic signatures only at the option and in the sole discretion of City, and, in such event, the provisions of the Uniform Electronic Transaction Act, Chapter 332, Texas Business and Commerce Code, as amended, and any applicable policies and procedures of City regarding electronic signatures shall apply. City reserves the right to require an original, hard copy executed Agreement. This Agreement is effective as of the date of signature by the City Council or their designee.

EXHIBIT “C” INSURANCE REQUIREMENTS

Throughout the term of this Agreement the Contractor must comply with the following:

I. Standard Insurance Policies Required:

- A.** Commercial General Liability
- B.** Business Automobile Liability
- C.** Workers’ Compensation

II. General Requirements Applicable to All Policies:

- A.** Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent
- B.** Certificates of Insurance and endorsements shall be furnished on the most current State of Texas Department of Insurance-approved forms to the City’s Representative at the time of execution of this Agreement; shall be attached to this Agreement as Exhibit “D”; and shall be approved by the City before Work begins
- C.** Contractor shall be responsible for all deductibles on any policies obtained in compliance with this Agreement. Deductibles shall be listed on the Certificate of Insurance and are acceptable on a per-occurrence basis only
- D.** The City will accept only Insurance Carriers licensed and authorized to do business in the State of Texas
- E.** The City will not accept “claims made” policies
- F.** Coverage shall not be suspended, canceled, non-renewed or reduced in limits of liability before thirty (30) days written notice has been given to the City.

III. Commercial General Liability

- A.** General Liability insurance shall be written by a carrier rated “A:VIII” or better under the current A. M. Best Key Rating Guide.
- B.** Policies shall contain an endorsement naming the City as Additional Insured and further providing “primary and non-contributory” language with regard to self-insurance or any insurance the City may have or obtain
- C.** Limits of liability must be equal to or greater than \$1,000,000 per occurrence for bodily injury and property damage, with an annual aggregate limit of \$2,000,000. Limits shall be endorsed to be per project.
- D.** No coverage shall be excluded from the standard policy without notification of individual exclusions being submitted for the City’s review and acceptance
- E.** The coverage shall include, but not be limited to the following: premises/operations with separate aggregate; independent contracts; products/completed operations; contractual liability (insuring the indemnity provided herein) Host Liquor Liability, and Personal & Advertising Liability.

IV. Business Automobile Liability

- A.** Business Automobile Liability insurance shall be written by a carrier rated “A:VIII” or better rating under the current A. M. Best Key Rating Guide.
- B.** Policies shall contain an endorsement naming the City as Additional Insured and further providing “primary and non-contributory” language with regard to self-insurance or any

- insurance the City may have or obtain
- C.** Combined Single Limit of Liability not less than \$1,000,000 per occurrence for bodily injury and property damage.
- D.** The Business Auto Policy must show Symbol 1 in the Covered Autos Portion of the liability section in Item 2 of the declarations page
- E.** The coverage shall include any autos, owned autos, leased or rented autos, non-owned autos, and hired autos.

V. Workers' Compensation Insurance

- A.** Workers compensation insurance shall include the following terms:
 - 1.** Contractor shall maintain statutory minimum Worker's Compensation as required by the laws of any jurisdiction in which Services are performed

**EXHIBIT “D”
CERTIFICATE OF INSURANCE**

[attach Contractor’s Certificate of Insurance here]

**SCOPE OF WORK NO. 5
TO THE WATER TANK MAINTENANCE CONTRACT BETWEEN
UTILITY SERVICE CO., INC.**

**AND
CITY OF HONDO, TX**

**WATER TANK MAINTENANCE – 250,000 GALLON ELEVATED –
DOWNTOWN ELEVATED TANK**

1. EFFECTIVE DATE. THE EFFECTIVE DATE (HEREINAFTER, “EFFECTIVE DATE”) FOR THIS SCOPE OF WORK NO. 5 (“SOW5”) SHALL BE THE DATE OF THE LAST PARTY’S SIGNATURE AFFIXED TO THIS SOW5.

2. TERM AND TERMINATION. THIS SOW5 SHALL COMMENCE ON THE EFFECTIVE DATE AND SHALL CONTINUE IN FULL FORCE AND EFFECT FOR ONE YEAR. THIS SOW5 WILL AUTOMATICALLY RENEW FOR SUCCESSIVE ONE-YEAR TERMS UNLESS TERMINATED AS DEFINED HEREIN. FOR PURPOSES OF THIS SOW5, “CONTRACT YEAR” SHALL MEAN THE 12-MONTH PERIOD WHICH COMMENCES ON THE FIRST DAY OF THE MONTH WHEN THE SOW5 IS EXECUTED BY THE OWNER AND EACH SUCCESSIVE 12-MONTH PERIOD THEREAFTER (HEREINAFTER, “CONTRACT YEAR” OR COLLECTIVELY, “CONTRACT YEARS”). Either party may terminate this SOW, and any issued SOW, for convenience with thirty (30) days prior written notice of termination. In the event of termination by either party, Contractor shall be paid for work performed through the date of termination.

The City is engaging the Contractor to provide the professional services needed to maintain its **250,000** Gallon Elevated – Downtown Elevated Tank (hereinafter, “the Tank”). The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent maintenance activities thereafter. Upfront Renovation and maintenance activities are collectively referred to as “the Services” in this Contract, and include the following:

- i. The Tank shall receive an Upfront Renovation, which will include: **an exterior pressure wash, repairs and mixer installation prior to the end of Contract Year 1**. For purposes of this Contract, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the Contract is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
- ii. Annually, the Contractor will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Contractor will provide a written inspection report to the Owner following each inspection.
- iii. Biennially, after the Tank is drained by the Owner, the Contractor will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the

Contractor is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.

- iv. The Contractor shall provide the engineering and inspection services needed to maintain and repair the Tank during the term of this Contract. The repairs include: the Tank's expansion joints, water level indicators, sway rod adjustments, vent screens, manhole covers/gaskets, and the Tank's other steel parts not otherwise excluded hereinafter.
- v. The Contractor will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting of the Tank is to be determined by the thickness of the existing liner and its protective condition. Only materials approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting of the Tank is to be determined by the appearance and protective condition of the existing paint. At the time that the exterior requires repainting, the Contractor agrees to paint the Tank with a coating that is the same color as the existing coating and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date, defined in the signature block hereinafter.
- vi. The Contractor will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the Contract. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner. Copies of keys to such lock(s) shall be provided to the Owner.
- vii. In the event of an emergency involving the Tank, the Owner shall provide written notice of such emergency to the Contractor via its email hotline at the following address: customerservice@usgwater.com. The Contractor will provide emergency services for the Tank, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the Tank Site.
- viii. When the Tank is taken out of service, the Contractor will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- ix. Unless expressly excluded herein, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance of the Contract.
- x. **Mixing System Installation and Service.**
 - a. The Company shall furnish and install an NSF active mixing system with control in the Tank.
 - b. Upon completion of installation, the Company will power up the Active Mixing system and complete electrical system check/IAR on Control Center to verify proper operation.

- c. The Company will inspect and service the active mixing system annually. The active mixing system will be thoroughly inspected to ensure that the active mixing system is in good working condition. The Company shall furnish technical and inspection services needed to maintain and repair the active mixing system during the term of this Contract.

Owners Responsibilities

- a. Owner will be required to provide power supply at the tank with a disconnect switch, and will be required to supply a certified electrician to make the final connection, as may be required, between the mixing system and the power supply
- b. Owner will be responsible for all trenching, conduit, and electrical connections outside the tank, unless otherwise specified by this agreement.
- c. The Owner shall be responsible for draining the tank if determined necessary by the Company due to operational problems with the mixing system.

3. Consideration. For the performance of the Services required by this Contract, the City shall pay the Contractor an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the Contract. The first **ten (10)** Annual Fees shall be **\$27,879.00** per Contract Year. The Annual Fee for Contract Year 11 shall be **\$25,777.00**. Each Contract Year thereafter, the Annual Fee shall be adjusted to reflect the current cost of service as agreed in writing by both the City and Contractor. The adjustment of the Annual Fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the City and are in addition to the stated costs and fees in this Contract.

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

5. Payment Terms and Late Charges.

The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW5.**

Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.

If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Contractor will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW5 without notice. Any late fee will be 1.5% per month.

6. **Changes or Delays to Services.** For purposes of this Section, **"Unreasonable Delay" shall mean the Owner's delay in releasing the Asset or making the Asset available to the Contractor for the performance of any of the Services described herein for a period of twenty-four (24) months following the Contractor's written request for release or access to the Asset.** In the event of Unreasonable Delay, the Contractor reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Contractor in good faith to determine the amount of its reasonable costs caused by such

Unreasonable Delay. Furthermore, the Owner hereby agrees that the Contractor can replace a Washout Inspection of the Asset with a visual inspection, remotely operated vehicle inspection (“ROV Inspection”), or unmanned aerial vehicle inspection (“UAV Inspection”) at the Contractor’s discretion, and such replacement does not constitute a modification of this SOW5.

7. Structure of Tank, Tank Site Conditions, and Modifications.

In providing the Services, the Contractor accepts the Tank based upon its existing structure and components as of the Effective Date.

Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Contractor (prior to installation) and may warrant an increase in the Annual Fees.

8. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Contractor’s cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW5.

9. Environmental, Health, Safety, Labor, or Industry Requirements. The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW5, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW5 upon written approval of the City Manager. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW5 upon written approval of the City Manager. Said equitable adjustment of the Annual Fees in this SOW5 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

10. Excluded Items. This SOW5 does NOT include the cost for and/or liability on the part of the Contractor for: (i) containment of the Tank during any periods within the term of SOW5 when the Contractor is not performing work on the Tank, as well as any issues related to containment that are not caused by the Contractor; (ii) disposal of any hazardous waste materials not generated as a result of the Contractor’s work on the Tank; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground for which Contractor is not aware; (vi) negligent acts of Owner’s employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner’s use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the

maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Contractor's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

11. Visual Inspection Disclaimer. This SOW5 is based upon a visual inspection of the Tank. The Owner and the Contractor hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Contractor, the Owner agrees and acknowledges that the Contractor shall not be responsible to repair the latent defects unless the Owner and the Contractor re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. Excessive Inflation. In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW5 exceeds 12% in total, the Owner and the Contractor agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW5 to compensate the Contractor for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index ("ENR-CCI")*. In the event that the ENR-CCI index is discontinued, the Owner and the Contractor will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes only, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Contractor agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW5 is executed and effective as of the date last signed by the parties below.

OWNER

City of Hondo

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____ 

Name: Jonathan Cato

Title: Chief Operating Officer

Date: July 21, 2025

**SCOPE OF WORK NO. 2
TO THE WATER TANK MAINTENANCE CONTRACT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF HONDO, TX**

WATER TANK MAINTENANCE – 500,000 GALLON GST – DOWNTOWN GST

1. EFFECTIVE DATE. THE EFFECTIVE DATE (HEREINAFTER, “EFFECTIVE DATE”) FOR THIS SCOPE OF WORK NO. 2 (“SOW2”) SHALL BE THE DATE OF THE LAST PARTY’S SIGNATURE AFFIXED TO THIS SOW2.

2. TERM AND TERMINATION. THIS SOW2 SHALL COMMENCE ON THE EFFECTIVE DATE AND SHALL CONTINUE IN FULL FORCE AND EFFECT FOR ONE YEAR. THIS SOW2 WILL AUTOMATICALLY RENEW FOR SUCCESSIVE ONE-YEAR TERMS UNLESS TERMINATED AS DEFINED HEREIN. FOR PURPOSES OF THIS SOW2, “CONTRACT YEAR” SHALL MEAN THE 12-MONTH PERIOD WHICH COMMENCES ON THE FIRST DAY OF THE MONTH WHEN THE SOW2 IS EXECUTED BY THE OWNER AND EACH SUCCESSIVE 12-MONTH PERIOD THEREAFTER (HEREINAFTER, “CONTRACT YEAR” OR COLLECTIVELY, “CONTRACT YEARS”). Either party may terminate this SOW, and any issued SOW, for convenience with thirty (30) days prior written notice of termination. In the event of termination by either party, Contractor shall be paid for work performed through the date of termination.

The City is engaging the Contractor to provide the professional services needed to maintain its **500,000 Gallon GST – Downtown GST** (hereinafter, “the Tank”). The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent maintenance activities thereafter. Upfront Renovation and maintenance activities are collectively referred to as “the Services” in this Contract, and include the following:

- i. The Tank shall receive an Upfront Renovation, which will include: **no Upfront Renovation**. For purposes of this Contract, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the Contract is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
- ii. Annually, the Contractor will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Contractor will provide a written inspection report to the Owner following each inspection.
- iii. Biennially, after the Tank is drained by the Owner, the Contractor will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Contractor is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.

- iv. The Contractor shall provide the engineering and inspection services needed to maintain and repair the Tank during the term of this Contract. The repairs include: the Tank's expansion joints, water level indicators, sway rod adjustments, vent screens, manhole covers/gaskets, and the Tank's other steel parts not otherwise excluded hereinafter.
- v. The Contractor will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting of the Tank is to be determined by the thickness of the existing liner and its protective condition. Only materials approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting of the Tank is to be determined by the appearance and protective condition of the existing paint. At the time that the exterior requires repainting, the Contractor agrees to paint the Tank with a coating that is the same color as the existing coating and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date, defined in the signature block hereinafter.
- vi. The Contractor will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the Contract. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner. Copies of keys to such lock(s) shall be provided to the Owner.
- vii. In the event of an emergency involving the Tank, the Owner shall provide written notice of such emergency to the Contractor via its email hotline at the following address: customerservice@usgwater.com. The Contractor will provide emergency services for the Tank, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the Tank Site.
- viii. When the Tank is taken out of service, the Contractor will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- ix. Unless expressly excluded herein, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance of the Contract.

3. Consideration. For the performance of the Services required by this Contract, the City shall pay the Contractor an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the Contract. The first (1) Annual Fees shall be **\$13,610.00** per Contract Year. Each Contract Year thereafter, the Annual Fee shall be adjusted to reflect the current cost of service as agreed in writing by both the City and Contractor. The adjustment of the Annual Fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the City and are in addition to the stated costs and fees in this Contract.

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

5. **Payment Terms and Late Charges.**

The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner’s execution of this SOW2.**

Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.

If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Contractor will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW2 without notice. Any late fee will be 1.5% per month.

6. **Changes or Delays to Services.** For purposes of this Section, “Unreasonable Delay” shall mean the Owner’s delay in releasing the Asset or making the Asset available to the Contractor for the performance of any of the Services described herein for a period of twenty-four (24) months following the Contractor’s written request for release or access to the Asset. In the event of Unreasonable Delay, the Contractor reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Contractor in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Contractor can replace a Washout Inspection of the Asset with a visual inspection, remotely operated vehicle inspection (“ROV Inspection”), or unmanned aerial vehicle inspection (“UAV Inspection”) at the Contractor’s discretion, and such replacement does not constitute a modification of this SOW2.

7. **Structure of Tank, Tank Site Conditions, and Modifications.**

In providing the Services, the Contractor accepts the Tank based upon its existing structure and components as of the Effective Date.

Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Contractor (prior to installation) and may warrant an increase in the Annual Fees.

8. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Contractor’s cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW2.

9. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW2, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW2 upon written approval of the City Manager. Furthermore,

modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW2 upon written approval of the City Manager. Said equitable adjustment of the Annual Fees in this SOW2 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

10. Excluded Items. This SOW2 does NOT include the cost for and/or liability on the part of the Contractor for: (i) containment of the Tank during any periods within the term of SOW2 when the Contractor is not performing work on the Tank, as well as any issues related to containment that are not caused by the Contractor; (ii) disposal of any hazardous waste materials not generated as a result of the Contractor's work on the Tank; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground for which Contractor is not aware; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Contractor's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

11. Visual Inspection Disclaimer. This SOW2 is based upon a visual inspection of the Tank. The Owner and the Contractor hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Contractor, the Owner agrees and acknowledges that the Contractor shall not be responsible to repair the latent defects unless the Owner and the Contractor re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. Excessive Inflation. In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW2 exceeds 12% in total, the Owner and the Contractor agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW2 to compensate the Contractor for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost*

Index ("ENR-CCI"). In the event that the ENR-CCI index is discontinued, the Owner and the Contractor will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes only, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Contractor agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW2 is executed and effective as of the date last signed by the parties below.

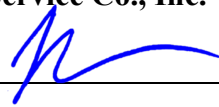
OWNER

COMPANY

City of Hondo

Utility Service Co., Inc.

By: _____

By: _____ 

Name: _____

Name: Jonathan Cato

Title: _____

Title: Chief Operating Officer

Date: _____

Date: July 21, 2025

**SCOPE OF WORK NO. 4
TO THE WATER TANK MAINTENANCE CONTRACT BETWEEN
UTILITY SERVICE CO., INC.**

**AND
CITY OF HONDO, TX**

**WATER TANK MAINTENANCE – 600,000 GALLON ELEVATED –
GOLF COURSE TANK**

1. EFFECTIVE DATE. THE EFFECTIVE DATE (HEREINAFTER, “EFFECTIVE DATE”) FOR THIS SCOPE OF WORK NO. 4 (“SOW4”) SHALL BE THE DATE OF THE LAST PARTY’S SIGNATURE AFFIXED TO THIS SOW4.

2. TERM AND TERMINATION. THIS SOW4 SHALL COMMENCE ON THE EFFECTIVE DATE AND SHALL CONTINUE IN FULL FORCE AND EFFECT FOR ONE YEAR. THIS SOW4 WILL AUTOMATICALLY RENEW FOR SUCCESSIVE ONE-YEAR TERMS UNLESS TERMINATED AS DEFINED HEREIN. FOR PURPOSES OF THIS SOW4, “CONTRACT YEAR” SHALL MEAN THE 12-MONTH PERIOD WHICH COMMENCES ON THE FIRST DAY OF THE MONTH WHEN THE SOW4 IS EXECUTED BY THE OWNER AND EACH SUCCESSIVE 12-MONTH PERIOD THEREAFTER (HEREINAFTER, “CONTRACT YEAR” OR COLLECTIVELY, “CONTRACT YEARS”). Either party may terminate this SOW, and any issued SOW, for convenience with thirty (30) days prior written notice of termination. In the event of termination by either party, Contractor shall be paid for work performed through the date of termination.

The City is engaging the Contractor to provide the professional services needed to maintain its **600,000** Gallon Elevated – Golf Course Tank (hereinafter, “the Tank”). The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent maintenance activities thereafter. Upfront Renovation and maintenance activities are collectively referred to as “the Services” in this Contract, and include the following:

- i. The Tank shall receive an Upfront Renovation, which will include: **an exterior renovation prior to the end of Contract Year 3. An interior renovation prior to the end of Contract Year 7.** For purposes of this Contract, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the Contract is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
- ii. Annually, the Contractor will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Contractor will provide a written inspection report to the Owner following each inspection.
- iii. Biennially, after the Tank is drained by the Owner, the Contractor will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the

- Contractor is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
- iv. The Contractor shall provide the engineering and inspection services needed to maintain and repair the Tank during the term of this Contract. The repairs include: the Tank's expansion joints, water level indicators, sway rod adjustments, vent screens, manhole covers/gaskets, and the Tank's other steel parts not otherwise excluded hereinafter.
 - v. The Contractor will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting of the Tank is to be determined by the thickness of the existing liner and its protective condition. Only materials approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting of the Tank is to be determined by the appearance and protective condition of the existing paint. At the time that the exterior requires repainting, the Contractor agrees to paint the Tank with a coating that is the same color as the existing coating and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date, defined in the signature block hereinafter.
 - vi. The Contractor will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the Contract. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner. Copies of keys to such lock(s) shall be provided to the Owner.
 - vii. In the event of an emergency involving the Tank, the Owner shall provide written notice of such emergency to the Contractor via its email hotline at the following address: customerservice@usgwater.com. The Contractor will provide emergency services for the Tank, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the Tank Site.
 - viii. When the Tank is taken out of service, the Contractor will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
 - ix. Unless expressly excluded herein, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance of the Contract.

3. Consideration. For the performance of the Services required by this Contract, the City shall pay the Contractor an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the Contract. The first **ten (10)** Annual Fees shall be **\$20,831.00** per Contract Year. The Annual Fee for Contract Year 11 shall be **\$15,156.00**. Each Contract Year thereafter, the Annual Fee shall be adjusted to reflect the current cost of service as agreed in writing by both the City and

Contractor. The adjustment of the Annual Fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the City and are in addition to the stated costs and fees in this Contract.

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

5. **Payment Terms and Late Charges.**

The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner’s execution of this SOW4.**

Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.

If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Contractor will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW4 without notice. Any late fee will be 1.5% per month.

6. **Changes or Delays to Services.** For purposes of this Section, “Unreasonable Delay” shall mean the Owner’s delay in releasing the Asset or making the Asset available to the Contractor for the performance of any of the Services described herein for a period of twenty-four (24) months following the Contractor’s written request for release or access to the Asset. In the event of Unreasonable Delay, the Contractor reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Contractor in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Contractor can replace a Washout Inspection of the Asset with a visual inspection, remotely operated vehicle inspection (“ROV Inspection”), or unmanned aerial vehicle inspection (“UAV Inspection”) at the Contractor’s discretion, and such replacement does not constitute a modification of this SOW4.

7. **Structure of Tank, Tank Site Conditions, and Modifications.**

In providing the Services, the Contractor accepts the Tank based upon its existing structure and components as of the Effective Date.

Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Contractor (prior to installation) and may warrant an increase in the Annual Fees.

8. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Contractor’s cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW4.

9. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any

environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW4, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW4 upon written approval of the City Manager. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW4 upon written approval of the City Manager. Said equitable adjustment of the Annual Fees in this SOW4 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

10. Excluded Items. This SOW4 does NOT include the cost for and/or liability on the part of the Contractor for: (i) containment of the Tank during any periods within the term of SOW4 when the Contractor is not performing work on the Tank, as well as any issues related to containment that are not caused by the Contractor; (ii) disposal of any hazardous waste materials not generated as a result of the Contractor's work on the Tank; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground for which Contractor is not aware; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Contractor's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

11. Visual Inspection Disclaimer. This SOW4 is based upon a visual inspection of the Tank. The Owner and the Contractor hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Contractor, the Owner agrees and acknowledges that the Contractor shall not be responsible to repair the latent defects unless the Owner and the Contractor re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. Excessive Inflation. In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this

SOW4 exceeds 12% in total, the Owner and the Contractor agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW4 to compensate the Contractor for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index* (“ENR-CCI”). In the event that the ENR-CCI index is discontinued, the Owner and the Contractor will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes only, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Contractor agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW4 is executed and effective as of the date last signed by the parties below.

OWNER

COMPANY

City of Hondo

Utility Service Co., Inc.

By: _____

By:  _____

Name: _____

Name: Jonathan Cato

Title: _____

Title: Chief Operating Officer

Date: _____

Date: July 21, 2025

**SCOPE OF WORK NO. 1
TO THE WATER TANK MAINTENANCE CONTRACT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF HONDO, TX**

WATER TANK MAINTENANCE – 300,000 GALLON ELEVATED – PRISON TANK

1. EFFECTIVE DATE. THE EFFECTIVE DATE (HEREINAFTER, “EFFECTIVE DATE”) FOR THIS SCOPE OF WORK NO. 1 (“SOW1”) SHALL BE THE DATE OF THE LAST PARTY’S SIGNATURE AFFIXED TO THIS SOW1.

2. TERM AND TERMINATION. THIS SOW1 SHALL COMMENCE ON THE EFFECTIVE DATE AND SHALL CONTINUE IN FULL FORCE AND EFFECT FOR ONE YEAR. THIS SOW1 WILL AUTOMATICALLY RENEW FOR SUCCESSIVE ONE-YEAR TERMS UNLESS TERMINATED AS DEFINED HEREIN. FOR PURPOSES OF THIS SOW1, “CONTRACT YEAR” SHALL MEAN THE 12-MONTH PERIOD WHICH COMMENCES ON THE FIRST DAY OF THE MONTH WHEN THE SOW1 IS EXECUTED BY THE OWNER AND EACH SUCCESSIVE 12-MONTH PERIOD THEREAFTER (HEREINAFTER, “CONTRACT YEAR” OR COLLECTIVELY, “CONTRACT YEARS”). Either party may terminate this SOW, and any issued SOW, for convenience with thirty (30) days prior written notice of termination. In the event of termination by either party, Contractor shall be paid for work performed through the date of termination.

The City is engaging the Contractor to provide the professional services needed to maintain its **300,000** Gallon Elevated – Prison Tank (hereinafter, “the Tank”). The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent maintenance activities thereafter. Upfront Renovation and maintenance activities are collectively referred to as “the Services” in this Contract, and include the following:

- i. The Tank shall receive an Upfront Renovation, which will include: **an exterior renovation, interior renovation, repairs and mixer installation prior to the end of Contract Year 1. Underground piping work is not included in this SOW1.** For purposes of this Contract, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the Contract is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
- ii. Annually, the Contractor will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Contractor will provide a written inspection report to the Owner following each inspection.
- iii. Biennially, after the Tank is drained by the Owner, the Contractor will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the

Contractor is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.

- iv. The Contractor shall provide the engineering and inspection services needed to maintain and repair the Tank during the term of this Contract. The repairs include: the Tank's expansion joints, water level indicators, sway rod adjustments, vent screens, manhole covers/gaskets, and the Tank's other steel parts not otherwise excluded hereinafter.
- v. The Contractor will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting of the Tank is to be determined by the thickness of the existing liner and its protective condition. Only materials approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting of the Tank is to be determined by the appearance and protective condition of the existing paint. At the time that the exterior requires repainting, the Contractor agrees to paint the Tank with a coating that is the same color as the existing coating and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date, defined in the signature block hereinafter.
- vi. The Contractor will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the Contract. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner. Copies of keys to such lock(s) shall be provided to the Owner.
- vii. In the event of an emergency involving the Tank, the Owner shall provide written notice of such emergency to the Contractor via its email hotline at the following address: customerservice@usgwater.com. The Contractor will provide emergency services for the Tank, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the Tank Site.
- viii. When the Tank is taken out of service, the Contractor will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- ix. Unless expressly excluded herein, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance of the Contract.
- x. **Mixing System Installation.**
 - a. The Company shall furnish and install an NSF active mixing system with control in the Tank.
 - b. Upon completion of installation, the Company will power up the Active Mixing system and complete electrical system check/IAR on Control Center to verify proper operation.

Owners Responsibilities

- a. Owner will be required to provide power supply at the tank with a disconnect switch, and will be required to supply a certified electrician to make the final connection, as may be required, between the mixing system and the power supply
- b. Owner will be responsible for all trenching, conduit, and electrical connections outside the tank, unless otherwise specified by this agreement.

3. Consideration. For the performance of the Services required by this Contract, the City shall pay the Contractor an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the Contract. The first **ten (10)** Annual Fees shall be **\$91,712.00** per Contract Year. The Annual Fee for Contract Year 11 shall be **\$31,979.00**. Each Contract Year thereafter, the Annual Fee shall be adjusted to reflect the current cost of service as agreed in writing by both the City and Contractor. The adjustment of the Annual Fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the City and are in addition to the stated costs and fees in this Contract.

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

5. Payment Terms and Late Charges.

The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW1.**

Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.

If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Contractor will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW1 without notice. Any late fee will be 1.5% per month.

6. **Changes or Delays to Services.** For purposes of this Section, **"Unreasonable Delay" shall mean the Owner's delay in releasing the Asset or making the Asset available to the Contractor for the performance of any of the Services described herein for a period of twenty-four (24) months following the Contractor's written request for release or access to the Asset.** In the event of Unreasonable Delay, the Contractor reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Contractor in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Contractor can replace a Washout Inspection of the Asset with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") at the Contractor's discretion, and such replacement does not constitute a modification of this SOW1.

7. Structure of Tank, Tank Site Conditions, and Modifications.

In providing the Services, the Contractor accepts the Tank based upon its existing structure and components as of the Effective Date.

Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Contractor (prior to installation) and may warrant an increase in the Annual Fees.

8. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Contractor's cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW1.

9. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW1, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW1 upon written approval of the City Manager. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW1 upon written approval of the City Manager. Said equitable adjustment of the Annual Fees in this SOW1 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

10. **Excluded Items.** This SOW1 does NOT include the cost for and/or liability on the part of the Contractor for: (i) containment of the Tank during any periods within the term of SOW1 when the Contractor is not performing work on the Tank, as well as any issues related to containment that are not caused by the Contractor, except that containment is included in the scope of work for the Upfront Renovation in Contract Year 1; (ii) disposal of any hazardous waste materials not generated as a result of the Contractor's work on the Tank; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground for which Contractor is not aware; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Contractor's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

11. Visual Inspection Disclaimer. This SOW1 is based upon a visual inspection of the Tank. The Owner and the Contractor hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Contractor, the Owner agrees and acknowledges that the Contractor shall not be responsible to repair the latent defects unless the Owner and the Contractor re-negotiate the Annual Fees. The definition of a “latent defect” shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. Excessive Inflation. In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW1 exceeds 12% in total, the Owner and the Contractor agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW1 to compensate the Contractor for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. In the event that the ENR-CCI index is discontinued, the Owner and the Contractor will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes only, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Contractor agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW1 is executed and effective as of the date last signed by the parties below.

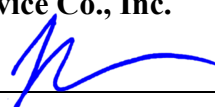
OWNER

COMPANY

City of Hondo

Utility Service Co., Inc.

By: _____

By: _____

Name: _____

Name: Jonathan Cato

Title: _____

Title: Chief Operating Officer

Date: _____

Date: July 21, 2025

**SCOPE OF WORK NO. 3
TO THE WATER TANK MAINTENANCE CONTRACT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF HONDO, TX**

WATER TANK MAINTENANCE – 500,000 GALLON ELEVATED – WEST SIDE TANK

1. EFFECTIVE DATE. THE EFFECTIVE DATE (HEREINAFTER, “EFFECTIVE DATE”) FOR THIS SCOPE OF WORK NO. 3 (“SOW3”) SHALL BE THE DATE OF THE LAST PARTY’S SIGNATURE AFFIXED TO THIS SOW3.

2. TERM AND TERMINATION. THIS SOW3 SHALL COMMENCE ON THE EFFECTIVE DATE AND SHALL CONTINUE IN FULL FORCE AND EFFECT FOR ONE YEAR. THIS SOW3 WILL AUTOMATICALLY RENEW FOR SUCCESSIVE ONE-YEAR TERMS UNLESS TERMINATED AS DEFINED HEREIN. FOR PURPOSES OF THIS SOW3, “CONTRACT YEAR” SHALL MEAN THE 12-MONTH PERIOD WHICH COMMENCES ON THE FIRST DAY OF THE MONTH WHEN THE SOW3 IS EXECUTED BY THE OWNER AND EACH SUCCESSIVE 12-MONTH PERIOD THEREAFTER (HEREINAFTER, “CONTRACT YEAR” OR COLLECTIVELY, “CONTRACT YEARS”). Either party may terminate this SOW, and any issued SOW, for convenience with thirty (30) days prior written notice of termination. In the event of termination by either party, Contractor shall be paid for work performed through the date of termination.

The City is engaging the Contractor to provide the professional services needed to maintain its **500,000** Gallon Elevated – West Side Tank (hereinafter, “the Tank”). The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent maintenance activities thereafter. Upfront Renovation and maintenance activities are collectively referred to as “the Services” in this Contract, and include the following:

- i. The Tank shall receive an Upfront Renovation, which will include: **a washout inspection, repairs and mixer installation prior to the end of Contract Year 1. An exterior renovation prior to the end of Contract Year 5. An interior renovation prior to the end of Contract Year 9.** For purposes of this Contract, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the Contract is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
- ii. Annually, the Contractor will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Contractor will provide a written inspection report to the Owner following each inspection.
- iii. Biennially, after the Tank is drained by the Owner, the Contractor will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the

Contractor is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.

- iv. The Contractor shall provide the engineering and inspection services needed to maintain and repair the Tank during the term of this Contract. The repairs include: the Tank's expansion joints, water level indicators, sway rod adjustments, vent screens, manhole covers/gaskets, and the Tank's other steel parts not otherwise excluded hereinafter.
- v. The Contractor will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting of the Tank is to be determined by the thickness of the existing liner and its protective condition. Only materials approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting of the Tank is to be determined by the appearance and protective condition of the existing paint. At the time that the exterior requires repainting, the Contractor agrees to paint the Tank with a coating that is the same color as the existing coating and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date, defined in the signature block hereinafter.
- vi. The Contractor will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the Contract. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner. Copies of keys to such lock(s) shall be provided to the Owner.
- vii. In the event of an emergency involving the Tank, the Owner shall provide written notice of such emergency to the Contractor via its email hotline at the following address: customerservice@usgwater.com. The Contractor will provide emergency services for the Tank, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the Tank Site.
- viii. When the Tank is taken out of service, the Contractor will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- ix. Unless expressly excluded herein, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance of the Contract.
- x. **Mixing System Installation**
 - a. The Company shall furnish and install an NSF active mixing system with control in the Tank.
 - b. Upon completion of installation, the Company will power up the Active Mixing system and complete electrical system check/IAR on Control Center to verify proper operation.

Owners Responsibilities

- a. Owner will be required to provide power supply at the tank with a disconnect switch, and will be required to supply a certified electrician to make the final connection, as may be required, between the mixing system and the power supply
- b. Owner will be responsible for all trenching, conduit, and electrical connections outside the tank, unless otherwise specified by this agreement.

3. Consideration. For the performance of the Services required by this Contract, the City shall pay the Contractor an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the Contract. The first **ten (10)** Annual Fees shall be **\$34,997.00** per Contract Year. The Annual Fee for Contract Year 11 shall be **\$28,341.00**. Each Contract Year thereafter, the Annual Fee shall be adjusted to reflect the current cost of service as agreed in writing by both the City and Contractor. The adjustment of the Annual Fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the City and are in addition to the stated costs and fees in this Contract.

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

5. Payment Terms and Late Charges.

The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW3.**

Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.

If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Contractor will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW3 without notice. Any late fee will be 1.5% per month.

6. **Changes or Delays to Services.** For purposes of this Section, **"Unreasonable Delay" shall mean the Owner's delay in releasing the Asset or making the Asset available to the Contractor for the performance of any of the Services described herein for a period of twenty-four (24) months following the Contractor's written request for release or access to the Asset.** In the event of Unreasonable Delay, the Contractor reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Contractor in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Contractor can replace a Washout Inspection of the Asset with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") at the Contractor's discretion, and such replacement does not constitute a modification of this SOW3.

7. Structure of Tank, Tank Site Conditions, and Modifications.

In providing the Services, the Contractor accepts the Tank based upon its existing structure and components as of the Effective Date.

Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Contractor (prior to installation) and may warrant an increase in the Annual Fees.

8. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Contractor's cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW3.

9. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW3, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW3 upon written approval of the City Manager. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW3 upon written approval of the City Manager. Said equitable adjustment of the Annual Fees in this SOW3 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

10. **Excluded Items.** This SOW3 does NOT include the cost for and/or liability on the part of the Contractor for: (i) containment of the Tank during any periods within the term of SOW3 when the Contractor is not performing work on the Tank, as well as any issues related to containment that are not caused by the Contractor; (ii) disposal of any hazardous waste materials not generated as a result of the Contractor's work on the Tank; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground for which Contractor is not aware; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Contractor's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

11. Visual Inspection Disclaimer. This SOW3 is based upon a visual inspection of the Tank. The Owner and the Contractor hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Contractor, the Owner agrees and acknowledges that the Contractor shall not be responsible to repair the latent defects unless the Owner and the Contractor re-negotiate the Annual Fees. The definition of a “latent defect” shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. Excessive Inflation. In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW3 exceeds 12% in total, the Owner and the Contractor agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW3 to compensate the Contractor for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. In the event that the ENR-CCI index is discontinued, the Owner and the Contractor will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes only, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Contractor agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW3 is executed and effective as of the date last signed by the parties below.

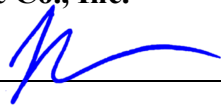
OWNER

COMPANY

City of Hondo

Utility Service Co., Inc.

By: _____

By: _____ 

Name: _____

Name: Jonathan Cato

Title: _____

Title: Chief Operating Officer

Date: _____

Date: July 21, 2025

From: Lupe Mireles <Lupe.Mireles@tasb.org>

Sent: Friday, August 1, 2025 3:20 PM

To: John Naron <jnaron@hondo-tx.org>; Gregg Smith <gregg.smith@usgwater.com>

Subject: RE: Quote

Good afternoon, John, I was just reviewing the MSA while speaking to Greg. The MSA, does disclose that this is being procured using the awarded BuyBoard contract. You should be good to proceed. Once you have all the signatures and get started with this project, please send me a copy of the signed agreement and we can record it for our records. At the top of the contract if you can write in BuyBoard contract 761-25. If the City attorney needs to speak with me, please share my contact information, and I will be happy to explain the process.

Lou Mireles

Regional Division Director

Business Services



Texas Association of School Boards

12007 Research Blvd. • Austin, TX 78759

210-218-3867 • 800-695-2919

lupe.mireles@tasb.org

tasb.org | Follow us on [Facebook](#) and [Twitter](#)



BuyBoard Current Vendors – Texas

Vendor	Address Line 1	City	State	ZIP	Effective	Expiration	Contract
URETEK USA, Inc.	PO Box 1929	Tomball	TX	77377	4/1/2024	3/31/2027	Cured in Place (CIPP) for Pipeline Rehabilitation (Thermo-Cured-Products) 730-24
USA RIMSA LLC (E)(I)(T)	102 E Travis St.	Laredo	TX	78040	12/1/2023	11/30/2026	HVAC Equipment, Supplies, and Installation of HVAC Equipment 720-23
USA Texas Homeland Security & Sound dba Texas Homeland Security & Sound(E)(I)(T)	7415 US HWY 62 UNIT 6	Lubbock	TX	79407	12/1/2024	11/30/2027	Fire and Security Systems and Monitoring Services 751-24
USAVETAMMO(M)(E)(I)(T)	2507 County Road 153	Georgetown	TX	78626	4/1/2023	3/31/2026	Public Safety and Firehouse Supplies and Equipment 698-23
uTheory(E)(I)(T)	225 Hollywood Street	Oberlin	OH	44074	11/1/2024	10/31/2027	Instructional Materials (Non-Adopted) for PK-12, Special Education, & Career and Technology 748-24
Utilitac Equipment and Upfitting(E)(I)(T)	6584 Ridgway Saint Marys Rd.	Ridgway	PA	15853	4/1/2023	3/31/2026	Public Safety and Firehouse Supplies and Equipment 698-23
Utility Associates, Inc.(E)(I)(T)	250 E. Ponce de Leon Ave., Suite 700	Decatur	GA	30030	10/1/2024	9/30/2027	Law Enforcement Body Cameras, Supplies and Equipment 743-24
Utility Service Co. Inc.(E)(I)(T)	P O Box 1350	Perry	GA	31069	4/1/2025	3/31/2028	Water Storage Tank Maintenance & Rehabilitation, Trenchless Pipe Repair Systems 761-25
UTJ Holdco Inc. dba Teaching Strategies, LLC(E)(I)(T)	800 M Street SE Suite 1010	Washington	DC	20003	11/1/2024	10/31/2027	Instructional Materials (Non-Adopted) for PK-12, Special Education, & Career and Technology 748-24
UTJ Holdco Inc. dba Teaching Strategies, LLC(E)(I)(T)	800 M Street SE Suite 1010	Washington	DC	20003	11/1/2024	10/31/2027	Instructional Technology Equipment and Related Services 749-24
Uvalco Supply(E)(I)(T)	2521 E Main St	Uvalde	TX	78801	6/1/2023	5/31/2026	Grounds Maintenance Equipment, Parts, and Supplies 706-23
V V Construction, LLC /dba/ Victory Tracks(E)(I)(T)	1313 Thistle LN.	Mansfield	TX	76063	6/1/2024	5/31/2027	Indoor and Outdoor Sports Surfaces, Repair and Renovation and Gym Floor Refinishing 737-24
Valley Keyboards(E)(I)(T)	900 Harvey	McAllen	TX	78501	9/1/2023	8/31/2026	Musical Instruments, Equipment, Supplies, and Repair 712-23
Valmont Industries, Inc.(E)(T)	15000 Valmont Plaza	Omaha	NE	68154	4/1/2023	3/31/2026	Traffic Signal Systems & Safety Barrier Products 695-23
Valmont Industries, Inc.(E)(T)	15000 Valmont Plaza	Omaha	NE	68154	9/1/2023	8/31/2026	Outdoor Street Lighting 711-23

(M) - MWBE (E) - EDGAR Received (D) - Designated Dealer (I) - No Israel Boycott (T) - No Foreign Terrorist Orgs

Contract List with Descriptions

Effective 7/1/2025

Contract Name	Contract Number	Effective Date	Expiration Date	Contract Description
Water and Wastewater Pumps and Motors	770-25	7/1/2025	6/30/2028	Full line of wholesale pump products; engineered pump products; residential/commercial grinder stations; repair parts; service/repair & installation
Water Storage Tank Maintenance and Rehabilitation and Trenchless Pipe Repair Systems	761-25	4/1/2025	3/31/2028	Services include water tank maintenance & cleaning; water mixers; filter; leak detection; security & intrusion; water well maintenance; valve & hydrant; water meter maintenance; water pipe patch repair & pipe cleaning; repair services & installation
Water Treatment Chemicals and Pipe Bursting Equipment	691-23	4/1/2023	3/31/2026	Municipal water & wastewater chemicals, supplies, equipment, hardware & software monitoring systems; HVAC treatment chemicals for chilled water, hot water, and cooling towers; repair parts; service/repair & installation.
Water Utility Meters and Monitoring Systems	717-23	12/1/2023	11/30/2026	Complete line of water utility meters and controllers, software management and electronic monitoring systems, automated water meter reading systems, leak and backflow detection services, and labor rate for installation and repair services.



Vendor Contract Information Summary

Vendor	Utility Service Co. Inc.
Contact	Cristyl Smith
Phone	4789870303
Email	bid@usgwater.com
Vendor Website	www.usgwater.com
TIN	58-1920989
Address Line 1	P O Box 1350
Vendor City	Perry
Vendor Zip	31069
Vendor State	GA
Vendor Country	USA
Delivery Days	10
Freight Terms	FOB Destination
Payment Terms	Net 30
Shipping Terms	Freight prepaid by vendor and added to invoice
Ship Via	Other
Designated Dealer	No
EDGAR Received	Yes
Service-disabled Veteran Owned	No
Minority Owned	No
Women Owned	No
National	No
No Foreign Terrorist Orgs	Yes
No Israel Boycott	Yes
MWBE	No
ESCs	All Texas Regions
States	Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming
Contract Name	Water Storage Tank Maintenance & Rehabilitation, Trenchless Pipe Repair Systems



Vendor Contract Information Summary

Contract No. 761-25

Effective 04/01/2025

Expiration 03/31/2028

Accepts RFQs Yes

Quote Reference Number Re: Buyboard



THIS IS GOD'S COUNTRY

City Council Communication

Title: PUBLIC HEARING ON THE PROPOSED PROPERTY TAX RATE FOR 2025-2026 FISCAL YEAR. (CHRIS HILL, CHIEF FINANCE OFFICER & JOHN NARON, CITY MANAGER)

- A. OPEN PUBLIC HEARING.**
- B. STAFF PRESENTATION.**
- C. PUBLIC COMMENTS. (LIMITED TO 3 MINUTES PER PERSON)**
- D. ADJOURN PUBLIC HEARING.**

Date: August 25, 2025 **From:** Chris Hill, Chief Finance Officer

INFORMATION:

The proposed tax rate of \$0.4800 per \$100 valuation keeps the tax rate the same as last year. This rate is between the No-New-Revenue Tax Rate of \$0.4677 per \$100 and the Voter-Approval Rate of \$0.5337 per \$100. This means only properties with appraisal changes will see a change in property values.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. 2025 CHO NOTICE OF PUBLIC HEARING

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

John Naron
City Manager
jnaron@hondo-tx.org

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.4800 per \$100 valuation has been proposed by the governing body of City of Hondo.

PROPOSED TAX RATE	\$0.4800 per \$100
NO-NEW-REVENUE TAX RATE	\$0.4677 per \$100
VOTER-APPROVAL TAX RATE	\$0.5337 per \$100

The no-new-revenue tax rate is the tax rate for the 2025 tax year that will raise the same amount of property tax revenue for City of Hondo from the same properties in both the 2024 tax year and the 2025 tax year.

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

The proposed tax rate is greater than the no-new-revenue tax rate. This means that City of Hondo is proposing to increase property taxes for the 2025 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON August 25, 2025 AT 6:00 pm AT HONDO CITY HALL 1600 AVE M, HONDO, TX 78861.

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

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

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

FOR the proposal:	BRETT WILLIAMS	JOE CLAIRE
	JOSE "PORKY" YTUARTE	RACHEL RAMIREZ
	MAKENNA LANGE	

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

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

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

The following table compares the taxes imposed on the average residence homestead by City of Hondo last year to the taxes proposed to be imposed on the average residence homestead by City of Hondo this year.

	2024	2025	Change
Total tax rate (per	\$0.4800	\$0.4800	increase of 0.0000 per

\$100 of value)			\$100, or 0.00%
Average homestead taxable value	\$179,528	\$191,955	increase of 6.92%
Tax on average homestead	\$861.73	\$921.38	increase of 59.65, or 6.92%
Total tax levy on all properties	\$2,431,575	\$2,524,612	increase of 93,037, or 3.83%

For assistance with tax calculations, please contact the tax assessor for City of Hondo at 830-426-3380 or , or visit WWW.HONDO-TX.ORG for more information.



City Council Communication

***Title:* DISCUSS AND CONSIDER ACTION ON ORDINANCE NO. 1305-08-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF HONDO, TEXAS FOR FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026; APPROPRIATING MONEY TO THE SINKING FUND TO PAY PRINCIPAL AND INTEREST DUE ON THE CITY'S INDEBTEDNESS; AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF HONDO FOR THE 2025-2026 FISCAL YEAR AND SETTING AN EFFECTIVE DATE. (CHRIS HILL, CHIEF FINANCE OFFICER AND JOHN NARON, CITY MANAGER)**

Date: August 25, 2025 ***From:*** Chris Hill, Chief Finance Officer

INFORMATION:

See Ordinance and Budget Exhibit attached.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

Staff recommends to approve the Fiscal 2025-2026 Budget.

MOTION:

Motion to approve Ordinance 1305-08-25 approving the budget for Fiscal Year 2025-2026.

ATTACHMENTS:

1. Ordinance Budget 2025-2026
2. ExhibitABudget

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

John Naron
City Manager
jnaron@hondo-tx.org

ORDINANCE NO. 1305-08-25

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF HONDO, TEXAS FOR FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026; APPROPRIATING MONEY TO THE SINKING FUND TO PAY PRINCIPAL AND INTEREST DUE ON THE CITY'S INDEBTEDNESS; AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF HONDO FOR THE 2025-2026 FISCAL YEAR AND SETTING AN EFFECTIVE DATE.

WHEREAS, the budget appended here as Exhibit "A", for the fiscal year beginning October 1, 2025 and ending September 30, 2026, was duly presented to the City Council by the City Manager in accordance with Section 7.02 of the City Charter; and

WHEREAS, a public hearing was ordered by the City Council and a public notice of said hearing was duly posted on the bulletin board for public notices and published in the Hondo Anvil Herald in accordance with applicable state law and Section 7.05 of the City Charter; and said hearing was held according to said notices;

WHEREAS, a public hearing was held on August 11, 2025, during said public hearing, all interested persons were given the opportunity to be heard for or against any item or amount of any item contained in said budget, after which said public hearing was closed; and

WHEREAS, the City Council, finds that all provisions pertaining to the adoption of the budget contained in the City Charter have been in all things complied with; and

WHEREAS, the City Council upon full consideration of the budget is of the opinion that the budget is in accordance with Article VII of the City Charter and hereinafter set forth is proper and should be approved and adopted;

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

SECTION 1. The preceding recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

SECTION 2. That the appropriation for the fiscal year beginning October 1, 2025 and ending September 30, 2026 for the support of the general government operations of The City of Hondo, Texas, be fixed and determined for said terms in accordance with the expenditures shown in the City's fiscal year 2025-2026, a copy of which is appended as Exhibit "A" and incorporated herein for all purposes.

SECTION 3.

This budget will raise more revenue from property taxes than last year's budget by an amount of \$93,037, which is a 3.83

percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$37,425.

SECTION 4. That the budget, as shown in words and figures in Exhibit “A”, is hereby approved in all aspects and adopted as the City’s budget for the fiscal year beginning October 1, 2025 and ending September 30, 2026.

SECTION 5. That there is hereby appropriated the amount shown in said budget necessary to provide for a sinking fund for the payment of the principal and interest and the retirement of bonded debt of said City.

SECTION 6: The City Council hereby authorizes the Mayor, and the City Manager to sign documents authorizing the payment of funds, and to expend public expenditures that have been expressly approved and appropriated in this budget.

SECTION 7: This ordinance shall take effect upon approval and adoption by City Council and shall be in full force at 12:00 a.m. on October 1, 2025.

Passed, approved and adopted this 25th day of August, 2025.

John McAnelly, Mayor

ATTEST:

Rebekah Dolphus, City Secretary

EXHIBIT A



City of Hondo FY 2025-2026 Proposed Budget Comparison

Fund Comparison between FY 2025 and FY 2026 Proposed

	FY 2025	FY 2026	Difference
Revenues			
General Fund	5,898,322	6,940,418	1,042,096
Electric Fund	10,414,301	10,340,279	(74,022)
Water Fund	6,491,895	6,499,075	7,180
Airport Fund	1,143,949	2,370,148	1,226,199
Bond Fund	823,808	890,393	66,585
Sanitation Fund	1,685,500	1,726,500	41,000
Court Technology/Court Security	4,250	4,250	-
Perpetual Care Fund	66,000	61,000	(5,000)
EDC Fund	897,703	844,700	(53,003)
STRTC Fund	121,855	109,583	(12,272)
Hotel/Motel Tax Fund	135,000	105,000	(30,000)
Water Resource Fund	30,000	30,000	-
Fair Hall & Livestock Fund	32,500	35,000	2,500
Total Revenues	\$ 27,745,084	\$ 29,956,346	\$ 2,211,262
			8%
Expenses			
General Fund	12,060,872	12,873,124	812,252
Electric Fund	7,273,924	7,203,607	(70,317)
Water Fund	3,329,287	3,002,338	(326,948)
Airport Fund	1,064,050	1,161,979	97,929
Bond Fund	2,550,604	2,477,264	(73,340)
Sanitation Fund	1,510,000	1,565,000	55,000
Court Technology/Court Security Fund	4,250	4,250	-
Perpetual Care Fund	21,000	21,000	-
EDC Fund	631,183	555,831	(75,353)
STRTC Fund	121,855	35,300	(86,555)
Hotel/Motel Tax Fund	87,500	63,000	(24,500)
Water Resource Fund	30,000	30,000	-
Fair Hall & Livestock Fund	49,775	47,712	(2,063)
Total Expenses	\$ 28,734,300	\$ 29,040,405	\$ 306,105
			1%
Other Sources (Uses) of Funds			
American Rescue Funds	600,000	-	(600,000)
Transfer In	-	-	-
2022 Tax Notes Remaining	390,000	-	(390,000)
TWDB Water Funds	-	-	-
2021 Tax Notes Remaining	-	-	-
Total Other Sources (Uses) of Funds	\$ 990,000	\$ -	\$ (990,000)
Surplus (Deficit) ***Airport has surplus	\$ 784	\$ 915,942	\$ 915,157



City Council Communication

Title: DISCUSS AND CONSIDER ACTION ON ORDINANCE NO. 1306-08-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, SETTING THE AD VALOREM TAX RATE OF \$0.4800 CENTS PER \$100.00 VALUATION FOR THE MAINTENANCE AND OPERATIONS AND DEBT SERVICE OF THE MUNICIPAL GOVERNMENT OF THE CITY OF HONDO FOR THE 2025-2026 FISCAL YEAR; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID. (CHRIS HILL, CHIEF FINANCE OFFICER AND JOHN NARON, CITY MANAGER)

Date: August 25, 2025 **From:** Chris Hill, Chief Finance Officer

INFORMATION:

The City Council hereby levies for the General Fund and Interest and Sinking Fund an ad valorem tax at the rate of \$0.4800 cents per \$100.00 valuation for the 2025-2026 Fiscal Year beginning on October 1, 2025 and ending on September 30, 2026 on all property, real, personal, mobile and mixed, within the limits of said City, not otherwise exempt by the Constitution or laws of the State of Texas and ordinances of the City.

1. \$0.3122 for each \$100.00 valuation of property for the maintenance and operations of the general government (General fund);
2. \$0.1678 for each \$100.00 valuation of property for the Interest and Sinking Fund.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

Staff recommends to approve proposed tax rate of \$0.48

MOTION:

Roll Call Vote. See Specific Language for Motion.

ATTACHMENTS:

1. Ordinance Tax Rate 2025-2026
2. ExhibitABudget
3. 1 TITLE & TAX Page to Budget 2025-2026
4. Motion for Approval of TAX RATE

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

John Naron
City Manager
jnaron@hondo-tx.org

ORDINANCE NO. 1306-08-25

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, SETTING THE AD VALOREM TAX RATE AT \$0.4800 CENTS PER \$100.00 VALUATION FOR THE MAINTENANCE AND OPERATIONS AND DEBT SERVICE OF THE MUNICIPAL GOVERNMENT OF THE CITY OF HONDO FOR THE 2025-2026 FISCAL YEAR; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; AND PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID.

WHEREAS, the appraisal roll of the City of Hondo, Texas for 2025 has been prepared and certified by the Medina County Appraisal District and submitted to the City showing the total appraised, assessed and taxable value of all property and the total taxable value of new property to the City; and

WHEREAS, following notice and public hearing in accordance with applicable state law and based upon said appraisal roll, the City Council has determined a tax rate to be levied for 2025 sufficient to provide the tax revenues required by the City.

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

SECTION 1. The preceding recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

SECTION 2. The City Council hereby levies for the General Fund and Interest and Sinking Fund an ad valorem tax at the rate of \$0.4800 cents per \$100.00 valuation for the 2025-2026 Fiscal Year beginning on October 1, 2025 and ending on September 30, 2026 on all property, real, personal, mobile and mixed, within the limits of said City, not otherwise exempt by the Constitution or laws of the State of Texas and ordinances of the City.

1. \$.3122 for each \$100.00 valuation of property for the maintenance and operations of the general government (General fund);
2. \$.1678 for each \$100.00 valuation of property for the Interest and Sinking Fund.

SECTION 3. In accordance with the provision and requirements of Section 26.05 of the Texas Tax Code as amended, the City Council hereby states:

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.00 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$2.30.

SECTION 4. That taxes levied under this Ordinance shall be apportioned for specific purposes as provided for in the City's 2025-2026 Budget appended as Exhibit "A" to this Ordinance.

SECTION 5. The taxes levied under this ordinance shall be due October 1, 2025 and if not paid on or before January 31, 2026, shall immediately become delinquent.

SECTION 6. All taxes shall become a lien upon the property against which assessed, and the Tax Assessor and Collector of Medina County is hereby authorized and empowered to enforce the collection of such taxes according to the Constitution and laws of the State of Texas and ordinances of the City of Hondo and shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for payment of said tax, penalty and interest, and the interest and penalty collected from such delinquent taxes shall be apportioned to the General Fund of the City of Hondo. All delinquent taxes shall bear interest from the date of delinquency at the rate prescribed by state law.

SECTION 7. That 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 pursuant to the City's Charter. Any future amendment, not adopted herein, shall be by ordinance and shall become an attachment to this original budget.

SECTION 8. Any prior ordinance of the City Council in conflict with the provisions contained in this Ordinance is hereby repealed and revoked.

SECTION 9. Should any part of this Ordinance be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

SECTION 10. This Ordinance shall take effect (2) days after it is signed by the Mayor or no later than October 1, 2025.

Passed and approved this 25th day of August, 2025.

John McAnelly, Mayor

ATTEST:

Rebekah Dolphus, City Secretary

EXHIBIT A



City of Hondo FY 2025-2026 Proposed Budget Comparison

Fund Comparison between FY 2025 and FY 2026 Proposed

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Court Technology/Court Security Fund	4,250	4,250	-
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EDC Fund	631,183	555,831	(75,353)
STRTC Fund	121,855	35,300	(86,555)
Hotel/Motel Tax Fund	87,500	63,000	(24,500)
Water Resource Fund	30,000	30,000	-
Fair Hall & Livestock Fund	49,775	47,712	(2,063)
Total Expenses	\$ 28,734,300	\$ 29,040,405	\$ 306,105
			1%
Other Sources (Uses) of Funds			
American Rescue Funds	600,000	-	(600,000)
Transfer In	-	-	-
2022 Tax Notes Remaining	390,000	-	(390,000)
TWDB Water Funds	-	-	-
2021 Tax Notes Remaining	-	-	-
Total Other Sources (Uses) of Funds	\$ 990,000	\$ -	\$ (990,000)
Surplus (Deficit) ***Airport has surplus	\$ 784	\$ 915,942	\$ 915,157

CITY OF HONDO, TEXAS

FISCAL YEAR 2025-2026

ANNUAL BUDGET

Mayor

John McAnelly

Council Members

Brett Williams, Place 1

Vacant, Place 2

Jose “Porky” Ytuarte, Place 3

Rachel Ramirez, Place 4

Makenna Lange, Place 5

City Manager

John Naron

This budget will raise more total revenue from property taxes than last year’s budget by an amount of \$93,037 which is a 3.83% increase, and of that amount the revenue to be raised from new property added to the tax roll this year is \$37,425 or 1.54%.

The members of the governing body voted on August 25, 2025 at a City Council meeting the adoption of the budget as follows:

Council Members FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

TAX RATE	ADOPTED FY 2024-25	PROPOSED FY 2025-26
Property Tax Rate	.4800	.4800
No New Revenue Tax Rate	.4199	.4677
No New Revenue M&O Tax Rate	.2751	.3099
Voter Approval Tax Rate	.4948	.5337
Debt Tax Rate	.1630	.1678

The total amount of Municipal debt obligated secured by property taxes for the City of Hondo is \$8,273,915.

The motion to adopt a tax rate that exceeds the no-new-revenue rate must be made precisely as follows:

“I move that the property tax rate be increased by the adoption of a tax rate of \$0.48 cents per \$100.00 valuation, which is effectively a 2.63 percent increase in the tax rate.”



City Council Communication

Title: DISCUSS AND CONSIDER ACTION ON RESOLUTION NO. 465-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS RATIFYING THE PROPERTY TAX RATE INCREASE REFLECTED IN THE CITY'S ADOPTED FISCAL YEAR 2025-2026 BUDGET, WHICH IS A BUDGET THAT WILL REQUIRE RAISING MORE REVENUE FROM PROPERTY TAXES THAN IN THE PREVIOUS YEAR; AND PROVIDING AN EFFECTIVE DATE. (CHRIS HILL, CHIEF FINANCE OFFICER AND JOHN NARON, CITY MANAGER)

Date: August 25, 2025 **From:** Chris Hill, Chief Finance Officer

INFORMATION:

Texas Local Government Code §102.007(c) requires that adoption of a budget that raises more property tax revenue than was generated the previous year requires a record vote of the City Council to ratify the property tax increase reflected in the budget in addition to and separate from the record votes to approve the ordinance adopting the annual budget and the ordinance adopting the tax rate for the current tax year.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

Ratify the property tax rate and increase reflected in the budget.

MOTION:

Roll Call Vote Required. Motion to approve Resolution 465-25 ratifying the property tax.

ATTACHMENTS:

1. Reso Ratifying Tax Increase Reflected in FY 2025-2026 Budget

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

John Naron
City Manager
jnaron@hondo-tx.org

RESOLUTION NO. 465-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE CITY'S ADOPTED FISCAL YEAR 2025-2026 BUDGET, WHICH IS A BUDGET THAT WILL REQUIRE RAISING MORE REVENUE FROM PROPERTY TAXES THAN IN THE PREVIOUS YEAR; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Texas Local Government Code §102.007(c) requires that adoption of a budget that raises more property tax revenue than was generated the previous year requires a record vote of the City Council to ratify the property tax increase reflected in the budget in addition to and separate from the record votes to approve the ordinance adopting the annual budget and the ordinance adopting the tax rate for the current tax year; and

WHEREAS, the City Council has adopted the 2025-2026 fiscal year budget, which will require raising more revenue from property taxes than last year's budget; and

WHEREAS, the City Council of the City of Hondo, Texas, desires to ratify the property tax increase reflected in the adopted 2025-2026 Fiscal Year Budget.

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

SECTION 1. The property tax increase reflected in the adopted 2025-2026 Fiscal Year Budget, which is a budget that will require raising more revenue from property taxes than the previous year, is hereby ratified.

SECTION 2. This Resolution shall take effect immediately from and after its passage, as the law and charter in such cases provides.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS RESOLUTION, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Mayor John McAnelly (only in event of tie)		
Brett Williams, Councilmember-Place 1		
Vacant, Councilmember – Place 2		
Jose Ytuarte, Councilmember – Place 3		
Rachel Ramirez, Councilmember –Place 4		
Makenna Lange, Councilmember – Place 5		

**WITH ____ VOTING “AYE” AND ____ VOTING “NAY”, THIS RESOLUTION
NO. 465-25 IS DULY PASSED BY THE CITY COUNCIL OF THE CITY OF
HONDO, TEXAS, ON THE 25TH DAY OF AUGUST 2025.**

ATTEST:

APPROVED:

Rebekah Dolphus, City Secretary

John McAnelly, Mayor



City Council Communication

***Title:* DISCUSS AND CONSIDER ACTION ON ORDINANCE NO. 1307-08-25 OF THE CITY OF HONDO, TEXAS AMENDING APPENDIX A, "FEE SCHEDULE" OF THE CODE OF ORDINANCES OF THE CITY OF HONDO BY AMENDING PERTINENT SECTIONS TO REFLECT CURRENT FEES, INCREASED FEES, DELETED FEES, AND NEW FEES; PROVIDING A REPEALER CLAUSE; PROVIDING FOR SEVERABILITY AND SETTING AN EFFECTIVE DATE. (CHRIS HILL, CHIEF FINANCE OFFICER AND JOHN NARON, CITY MANAGER)**

Date: August 25, 2025 ***From:*** Chris Hill, Chief Finance Officer

INFORMATION:

The Proposed Fee Schedule was reviewed and discussed as part of the budget workshops.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

Staff recommends to approve the New Fee Schedule.

MOTION:

Motion to approve Ordinance 1307-08-25 and Proposed Fee Schedule.

ATTACHMENTS:

1. Ordinance Fee Schedule 2025-2026
2. AppendixAFees

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

John Naron
City Manager
jnaron@hondo-tx.org

ORDINANCE NO. 1307-08-25

AN ORDINANCE OF THE CITY OF HONDO, TEXAS (CITY) AMENDING APPENDIX A, "FEE SCHEDULE" OF THE CODE OF ORDINANCES OF THE CITY OF HONDO BY AMENDING PERTINENT SECTIONS TO REFLECT CURRENT FEES, INCREASED FEES, DELETED FEES, AND NEW FEES; PROVIDING A REPEALER CLAUSE; PROVIDING FOR SEVERABILITY AND SETTING AN EFFECTIVE DATE.

WHEREAS, the City of Hondo adopted Ordinance 1106-09-16 on September 12, 2016, which established a comprehensive "Fee Schedule" which set forth the cost of all services provided to the citizens and businesses of the City; and

WHEREAS, the Fee Schedule attached as Appendix A to the City of Hondo Code of Ordinances sets forth the cost of all services provided to the citizens and businesses of the City of Hondo, Texas;

WHEREAS, the City of Hondo City Council considers it reasonable to amend said Fee Schedule periodically to reflect the cost of providing services; and

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS

SECTION 1. AUTHORIZATION. That the Fee Schedule for 2025-2026 attached hereto and made part of this Ordinance and to be set forth in the City of Hondo Code of Ordinances as Appendix A, is hereby adopted as presented with an effective date of October 1, 2025, and repealing all previous ordinances in conflict with this Ordinance. Any previous fee amount which this 2025-2026 Fee Schedule now amends is hereby expressly repealed if it conflicts with the newly established fee set forth by this Ordinance. In the case of a fee listed in another ordinance, but not included in the 2025-2026 Fee Schedule, the previous listed fee amount shall apply until amended. All other provisions of the ordinances of the City of Hondo, whether codified or uncoded, which are not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

SECTION 2. PUBLIC PURPOSE. The City declares the consolidation of its municipal fees and charges is in the public interest.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared void; and that in lieu of each clause or provision of this Ordinance that is invalid, illegal, or unenforceable there be added by the Mayor as necessary with the approval of the City Attorney as to form, and as a part of the Ordinance a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

SECTION 5. EFFECTIVE DATE. This ordinance shall take effect upon passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HONDO,
TEXAS, THIS 25th DAY OF AUGUST, 2025.**

John McAnelly, Mayor

ATTEST:

Rebekah Dolphus, City Secretary

**EXHIBIT “A.”
FEE SCHEDULE**



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
Appendix A

PROPOSED CHANGES
FY2025/2026

CURRENT ADOPTED
FY2024/2025

A1.001-GENERAL PROVISIONS		
COPY CHARGES		
Copies (8 1/2 x 11)		
Black & White	\$0.10 per page	\$0.25 per page
Color	\$1 per page	
Audio Copy on Flash Drive	\$10	
Audio Copy on Compact Disc	\$4	
Shapefile/Geodatabase file	\$3	
Personnel Charge (Large Requests that require 1hr+)	\$15 per hour	
NOTARY FEE		
Fee for legal/professional services at special meetings		\$10-First page; \$1 for each additional page
Online Processing Fee		\$200
		\$1.25
MISCELLANEOUS FEES		
Block Party Permit	\$25	
Carnival License	\$250	
Sexually Oriented Business License	\$500	
Burn Permit	\$25	
SOLICITOR/VENDOR PERMIT FEES		
30 Days	\$25	
60 Days	\$50	
180 Days	\$65	
One (1) Year	\$100	
Agent Fee	\$25 per agent	
Lost Permit	\$15 per permit	
A1.001-GENERAL PROVISIONS		
FILM PROJECT FEES		
Total or disruptive use (regular operating hours of a public building, park, right-of-way, or public area		\$500
Partial non-disruptive use of a public building, park, right-of-way, or public area		\$250



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
Appendix A

CURRENT ADOPTED
FY2024/2025

PROPOSED CHANGES
FY2025/2026

Total closure or obstruction of public street or right-of-way, including parking lots & on-street parking (for filming purposes)	\$50 per block	
Partial closure or obstruction of public street or right-of-way, including parking lots, & on-street parking (for filming purposes)	\$25 per block	
Use of City parking lots, parking areas, and City Streets (for the purpose of parking fill trailers, buses, catering trucks, and other large vehicles)	\$50 per block or lot	
Application processing fee	\$25	
LIQUOR LICENSE FEES		
General Class B Wholesaler's Permit (W)	\$150	
BEER LICENSES		
Branch Distributors License (BC)	\$38	
General Distributor's License (BB)	\$150	
Importer's License (BI)	\$10	
Local Distributor's License (BD)	\$38	
Beer Retailer Off Premise (BF) Annual	\$30	
Retail Beer on Premise (BE) Annual	\$75	
Retail Dealer's On Premise Late Hours License (BL)	\$125	
Retail Beer & Wine on premise (BG) Annual	\$88	
Retail Beer & Wine off premise (BQ) Annual	\$30	
Importer's Carrier License	\$10	
LIQUOR LICENSE		
Beverage Cartage License (PE)	\$10	
Carrier's Permit (C)	\$15	
Food and Beverage Certificate (FB)	\$50	
Mixed Beverage Permit (MB)	\$750	

CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
Appendix A

PROPOSED CHANGES
FY2025/2026

CURRENT ADOPTED
FY2024/2025

A1.001-GENERAL PROVISIONS		
Mixed Beverage Late Hours Permit (LB)	\$75	
Package Store (P) Annual	\$250	
Wine Only Package Store (Q) Annual	\$37.50	
Private Carrier's Permit (O)	\$15	
PRINT OUTS		
Black & White	\$0.10 per page	
Color	\$1 per page	
Photocopies	\$.10 Black & White/ \$1 Color (each page)	
A1.002 LIBRARY		
MEMBERSHIPS		
Hondo residents (paying Hondo property tax or utilities)	No cost	
Non-city Residents	\$15 per year per household	
Non-city Residents - Senior (over 55)	\$10 per year per household	
Active Military or Veteran	No cost	
PRINT OUTS/PHOTOCOPIES		
Black & White	\$0.10 per page	\$0.25 per page
Color	\$1 per page	
FINES		
Book/Auditbook fines	\$0.10 per day-Max \$5 per title	Zero
Video Fines	\$1 per day-Max. \$10 per title	Zero
Equipment Fines	\$5 per day-Max. \$35 per item.	
Lost or Damaged / Destroyed Book	Price of the book as entered into the catalog system + \$3 processing fee	
Damaged / Lost / Non-Returned Equipment	Full equipment cost per signed check-out agreement.	NEW Policy
SENIOR ACTIVITY CENTER RENTAL RATES PER ROOM		



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
Appendix A

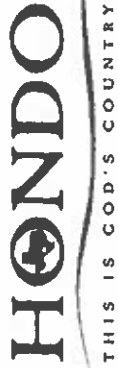
PROPOSED CHANGES

CURRENT ADOPTED

FY2025/2026

FY2024/2025

*Non-Profit Fee (must have 78861 zip code)	\$17.50 per hour	\$17.50 per hour (2 hour minimum)
Business/For-Profit Fee	\$35 per hour - 2 hour minimum	
Fee (City of Hondo/TML Municipalities/ Other Government Agencies)	Free of Charge	
Deposit (FOR ALL RENTALS)	\$100	add waived for gov agencies
MISCELLANEOUS FEES		
FAX (Outgoing only)	\$1 per page	
Replacement Card	\$1	\$2
Postage Fee for interlibrary loans not pickup up	\$3 per item	
Scans	\$0.10 per page	.25 per page
Lamination	\$1 per page	.50/ .75/1 per page depending on size
USB or Flash Drive	\$10	
One-User Headphones/ear buds	\$1.25	Remove
Vinyl for Silhouette Use - Small and Medium	\$1.00	
Vinyl for Silhouette Use - Large and X-Large	\$3.50	
Online Processing Fee	\$1.25	2.25%
Notary Fee	\$10 First/\$1 Each additional	\$0.10 per gram - determined based on computed weight of design
3D Printing Fee		
A1.003-PARKS		
PARK FEES		
CITY PARK #1		
Deposit	Deposit (Required by all rate groups) \$100	
Usage	Standard Rate \$100 per day	
Exempt rate (CoH, Medina Co., HISD)	No charge	
CITY PARK #2		
Deposit	Deposit (Required by all rate groups) \$50	
Usage	Standard Rate \$50 per day	
Exempt rate (CoH, Medina Co., HISD)	No charge	
LOADING DOCK		
Available to 78861 NON-PROFIT'S ONLY	\$50 deposit-returned if cleaned	



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
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PROPOSED CHANGES
FY2025/2026

CURRENT ADOPTED
FY2024/2025

COMMUNITY CENTER			
Deposit		\$100	
Standard Rate		\$35 per hour-2hr minimum	
Community Rate (Non-Profits & Approved Agencies)		\$20 per hour	
Exempt rate (CoH, Medina Co., HISD)		No charge - Deposit Required	
After Hours Key Pickup		\$50 must be paid at time of exchange	
Lost Key Fee		\$50 and/or forfeiture of deposit	
Cancellation Fees			
w/14 day notice		Rental Deposit Refund Only	
w/o 14 day notice		Rental Deposit and Rent Forfeited	
Non-Profits		Community Rate status above	
City, County & HISD		Exempt status above	
A1.004-RECREATION			
FAIR HALL			
Deposit		\$800	
Fair Hall Rental Fee		Monday-Thursday \$900, Friday-Sunday \$1,400	
Extra Dumpster		\$400	
Showbarn		\$400	
Projector		\$50	
Screen		\$50	
Extra Day Rental Fee		\$400	
East/West Field		\$300	
TA LOPEZ PAVILION			
TA LOPEZ BATHROOMS - BASEBALL FIELD		\$150 Deposit/\$100 Rental	
TA LOPEZ BASEBALL FIELD/LIGHTS		\$20/hr	
RICK TAYLOR RECREATION CENTER			
RESIDENT			
Daily Fee		\$4	



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
Appendix A

PROPOSED CHANGES
FY2025/2026

CURRENT ADOPTED
FY2024/2025

Memberships (Yearly)		
Youth (Ages 13-21)	\$20	
Adult (Ages 21 & Up)	\$52	
Family	\$65	
Senior/Military	\$48	
NON-RESIDENT		
Memberships (Yearly)		
Youth (Ages 13-21)	\$35	
Adult (Ages 21 & Up)	\$85	
Family	\$111	
Senior/Military	\$100	
A1.004-RECREATION		
RENTAL FEES		
GYMNASIUM		
Deposit	\$50 during open hours \$100 during closed hours	
Usage	\$35/hr. for half court	
FIELD RENTALS		
Deposit	\$300/field per day	
Usage	\$300/field per day	
Non-profit rate	\$200/field per day	
Parking Fees are not allowed on City Property	First offense - Warning Second Offense \$300 Fee	
	Third Offense Not allowed to rent city property for 1 year	
TOURNAMENTS		To be Negotiated by City Manager
PROGRAMS REGISTRATION FEES		
Flag Football	\$70 per player	
Girl's Volleyball	\$55 per player	
Basketball		
Peewee Division	\$45 Peewee Division per player	
JR/SR Division	\$60 JR/SR Division per player	



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
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PROPOSED CHANGES

FY2025/2026

CURRENT ADOPTED

FY2024/2025

Summer Rec Camp	\$125 per participant	
Aerobics Class	\$4 per participant	
Christmas Camp	\$25 per participant	
Day Off Camp	\$10 per participant	
League Admission Fee	\$2 adults	
	\$1 children (under 3 free)	
A1.004-RECREATION		
MISCELLANEOUS		
Replacement Card	\$5	
Lights (TA Lopez & Ave U Fields)	\$25 per hour	
SWIMMING POOL FEES		
Admission	\$3 non-swimmers/\$5 swimmers	
FITNESS PASSES	\$65 w/rec membership	
	2nd pass for \$20 (same address)	
	\$90 w/out rec membership	
	2nd pass for \$20 (same address)	
SEASON PASSES		
Youth (w/rec membership)	\$20	
Adult (w/rec membership)	\$40	
Family (w/rec membership) (2 adults & Up to 4 Dependents)	\$60	
Youth (w/out rec membership)	\$30	
Adult (w/out rec membership)	\$60	
Family (w/out rec membership) (2 adults & Up to 4 Dependents)	\$145	
Swim Lessons	per contract labor discretion	
Private Pool Party Deposit	\$60	
Private Pool Party Rental	\$180-3 hrs.	
	\$240-4 hrs.	
	\$25 for additional guard (50+ people) per party	



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
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PROPOSED CHANGES
FY2025/2026

CURRENT ADOPTED
FY2024/2025

A1.005-GOLF COURSE		
GREEN FEES		
Cart Fee	\$12	
Senior (60yrs+)		
WEEKDAYS	\$9 - 9 holes/\$15 - 18 holes	
WEEKENDS	\$12 - 9 hole/\$20 - 18 holes	
All Except Seniors		
WEEKDAYS	\$10 - 9 holes/\$18 - 18 holes	
WEEKENDS	\$14 - 9 holes/\$24 - 18 holes	
MEMBERSHIPS (Monthly)		
WALKING MEMBERSHIP		
Family Dues	\$75 monthly	
Single Dues	\$60 monthly	
Senior Dues	\$50 monthly	
PLAYER DEVELOPMENT PROGRAM (PDP)		
Unlimited range use, 20% off weekend green fees, 50% off after 1pm weekdays green fees	\$95 monthly	
PLAYERS CLUB CARD		
All Access Pass	\$195 monthly	
GOLF LESSONS	\$20 per hour	
BUCKET OF RANGE BALLS		
Medium Bucket (50 balls)	\$6	
Large Bucket (100 balls)	\$8	
Jumbo Bucket (140 balls)	\$10	
Online Processing Fee		
A1.006-POLICE DEPT		
FEES FOR COPIES OF REPORTS		
Accident	Based on Texas Law Code	
Call for Service	Based on Texas Law Code	



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
Appendix A

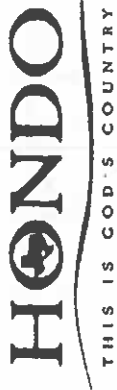
PROPOSED CHANGES

FY2025/2026

CURRENT ADOPTED

FY2024/2025

Arrest (w/ Identification ONLY)	Based on Texas Law Code	
Incident/Offense (Public Info. ONLY)	Based on Texas Law Code	
Finger Print Cards	Based on Texas Law Code	
ANIMAL REGISTRATION (Dogs & Cats)		
Spayed or Neutered (sterilized)	\$5	
or under 1 year old		
NOT Spayed or Neutered	\$7	
ANIMAL IMPOUNDMENT		
Dogs & Cats		
(each NOT Spayed or Neutered (sterilized))		
First Offense in 12month period	\$30	
Second Offense in 12month period	\$40	
Third Offense in 12month period	\$50	
Fourth Offense in 12month period	\$60	
Dogs & Cats (each Spayed or Neutered (sterilized))		
First Offense in 12month period	\$25	
Second Offense in 12month period	\$30	
Third Offense in 12month period	\$40	
Fourth Offense in 12month period	\$50	
HANDLING FEE	\$10 per day, or fraction there of	
Daily charge that an animal is at the shelter in addition to impoundment fees		
A1.006-POLICE DEPT		
PROOF OF CURRENT VACCINATION	\$22	
If proof is not provided for any animal over 3m of age		
an additional charge is applied		
QUARANTINE FEES		
Daily charge that an animal is at the shelter in addition to impoundment fees	\$12 per day, or fraction there of	
Owners of animals destroyed by the Animal Control Officer shall be assessed additional fees, as appropriate, in addition to the existing impound fees,		
per destroyed animal, when the animal is not suspected of rabies infection		



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
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PROPOSED CHANGES
FY2025/2026

CURRENT ADOPTED
FY2024/2025

Rabies Examination	\$50	
Euthanasia Fee	\$25	
ADOPTION FEE	\$30	
ANIMAL DISPOSAL	\$25	
Any animals surrender by owners		
DANGEROUS DOG	\$50	
MICROCHIP DEPOSIT	\$10	
A1.007-MUNICIPAL COURT		
Speeding in school zone	\$200	
Exceeding posted speed zone	\$9 per mile	
Cell Phone Use in School Zone	\$181	
No Drivers License-1st Offense	\$174	
No Drivers License-2nd Offense	\$184	
No Drivers License-3rd Offense	\$200	
Expired drivers license	\$119	
No seat belt-Driver	\$50	
No seat belt-Passenger	\$50	
No seat belt on child age 15-16	\$50/\$106	
No seat belt on child age 8-15	\$106	
No seat belt/child safety seat for child under 8	\$106	
No parking violations	\$110	
Online Processing Fee	\$2.50 or \$3.50-depending on deferral	
A1.008-UTILITIES		
Deposit - Residential*		
Electric	\$200	
Water	\$100	



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
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PROPOSED CHANGES

FY2025/2026

CURRENT ADOPTED

FY2024/2025

Deposit - Commercial*		
Electric	(minimum) \$500 or High/Low Prev. Bill	
Water	(minimum) of \$100 or High/Low Prev. Bill	
Hydrant meter deposit	\$1,500	
Hydrant meter Inquiry fee	\$25	
Connect/Occupant Change fee		
Residential	\$25 each	
Commercial	\$25 each	
*Deposits may be initially waived if a letter of credit in good standing is provided by account holder in their name. (Must provide before account is opened)		
Re-Connect Fees**		
** Additional fees may apply		
Utility Re-Connect Fee (During business hours)**	\$20 per meter Water/Electric	
**No After Hours Reconnect		
POLE DISCONNECT FEE	\$160	
A1.008-UTILITIES		
TAMPERING FEES**		
First Offense (per meter)	\$500 per meter Water/Electric-First Offense	
Offense after first (per meter)	\$750 per meter every offense after first	
Police Reports are made for each offense		
Disconnection Day Service Charge (Collection Fee)	\$30 flat fee	
Re-Read Fee		
Meter Test - Water	\$25 per meter Water/Electric if incorrect	
Meter Test - Electric	\$75/refunded if meter test fails \$75 if within 5% accuracy	



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
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PROPOSED CHANGES

FY2025/2026

CURRENT ADOPTED

FY2024/2025

BANNER FEE		
	\$75 (Permission from TxDOT required)	
Edwards Aquifer Authority Management Fee (EAA)		
	\$0.05 per 100 gallons per month	
WATER RESOURCES FUND		
Online Processing Fee	\$1 per month \$1.25	
RETURN CHECK FEE	\$40.00	
CEMETERY LOTS & PERPETUAL CARE		
City Residents or owners of property inside city limits		
Burial site (lot)	\$500 per site	
Perpetual care	\$400 per burial	
Irrigation fee	No charge	
Non-Residents or non-owners of property inside city limits		
Burial site (lot)	\$600 per site	
Perpetual care	\$500 per burial	
Irrigation Fee	No charge	
WATER RATES-RESIDENTIAL (inside City Limits)		
0-2,000 Gallons-minimum charge	Cost per thousand gallons \$31.21 and up (depending on meter size)	Cost per thousand gallons \$34.33 and up (depending on meter size)
2,001 - 4,000 gallons	\$2.54	\$2.79
4,001 - 6,000 gallons	\$2.60	\$2.86
6,001 - 9,000 gallons	\$2.60	\$2.86
9,001 - 12,000 gallons	\$2.74	\$3.01
12,001 - 15,000 gallons	\$2.92	\$3.21
15,001 - 30,000 gallons	\$3.12	\$3.43
30,001 - 45,000 gallons	\$3.32	\$3.65
45,001 - 60,000 gallons	\$3.52	\$3.87
60,001 - 75,000 gallons	\$3.70	\$4.07
75,001 gallons and above	\$3.90	\$4.29



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
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CURRENT ADOPTED
FY2024/2025

PROPOSED CHANGES
FY2025/2026

WATER RATES-COMMERCIAL		Cost per thousand gallons	Cost per thousand gallons
0-2,000 Gallons-minimum charge		\$62 and up (depending on meter size)	\$65 and up (depending on meter size)
2,001 - 4,000 gallons		\$3.00	\$3.20
4,001 - 6,000 gallons		\$3.05	\$3.27
6,001 - 9,000 gallons		\$3.15	\$3.35
9,001 - 12,000 gallons		\$3.25	\$3.50
12,001 - 15,000 gallons		\$3.45	\$3.72
15,001 - 30,000 gallons		\$3.65	\$0.95
30,001 - 45,000 gallons		\$3.90	\$4.26
45,001 - 60,000 gallons		\$4.15	\$4.56
60,001 - 75,000 gallons		\$4.40	\$4.87
75,001 gallons and above		\$4.65	\$5.17
WATER RATES-COMMERCIAL LARGE USERS		Cost per thousand gallons	Cost per thousand gallons
0-2,000 Gallons-minimum charge		\$62 and up (depending on meter size)	\$65 and up (depending on meter size)
2,001 - 4,000 gallons		\$3.00	\$4.00
4,001 - 6,000 gallons		\$3.05	\$4.05
6,001 - 9,000 gallons		\$3.15	\$4.15
9,001 - 12,000 gallons		\$3.25	\$4.25
12,001 - 15,000 gallons		\$3.45	\$4.45
15,001 - 30,000 gallons		\$3.65	\$4.65
30,001 - 45,000 gallons		\$3.90	\$4.90
45,001 - 60,000 gallons		\$4.15	\$5.15
60,001 - 75,000 gallons		\$4.40	\$5.40
75,001 gallons and above		\$4.65	\$5.65
WATER RATES-IRRIGATION ONLY		Cost per thousand gallons	Cost per thousand gallons
0-2,000 Gallons-minimum charge		\$62 and up (depending on meter size)	\$70 and up (meter size)
LEVEL 1-3 DROUGHT			\$3.00
LEVEL 4 DROUGHT			\$5.00
LEVEL 5 DROUGHT			\$7.00



CITY OF HONDO FY 2025/2026 COMPREHENSIVE FEE SCHEDULE
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PROPOSED CHANGES

CURRENT ADOPTED

FY2025/2026

FY2024/2025

WATER RATES-RESIDENTIAL (outside city limits)	Cost per thousand gallons	Cost per thousand gallons
0-2,000 Gallons-minimum charge	\$62.42 and up (depending on meter size)	\$68.66 and up (depending on meter size)
2,001 - 4,000 gallons	\$4.94	\$5.43
4,001 - 6,000 gallons	\$5.20	\$5.72
6,001 - 9,000 gallons	\$5.34	\$5.87
9,001 - 12,000 gallons	\$5.46	\$6.01
12,001 - 15,000 gallons	\$5.86	\$6.45
15,001 - 30,000 gallons	\$6.24	\$6.86
30,001 - 45,000 gallons	\$6.64	\$7.30
45,001 - 60,000 gallons	\$7.02	\$7.72
60,001 - 75,000 gallons	\$7.42	\$8.16
75,001 gallons and above	\$7.80	\$8.58
SEWER RATES-RESIDENTIAL	Cost per thousand gallons	
0-2,000 Gallons-minimum connect charge	\$26.01 and up (depends on meter size)	\$30.36 and up (depending on meter size)
2,001 - 15,000 gallons	\$1.77	\$2.05
15,001 gallons and above	No Charge	
Senior Citizen Discount	10% reduction on fee	
SEWER RATES-COMMERCIAL/INDUSTRIAL	Cost per thousand gallons	
0-2,000 Gallons-minimum connect charge	\$26.01 and up (depends on meter size)	\$31.30 and up (depending on meter size)
2,001 - 75,000	\$2.70	\$3.00
75,001 and above	\$3.50	\$3.90
SEWER RATES-COMMERCIAL LARGE USER	Cost per thousand gallons	
0-2,000 Gallons-minimum connect charge	\$26.01 and up (depends on meter size)	\$31.30 and up (depending on meter size)
2,001 - 75,000	\$2.70	\$3.70
75,001 and above	\$3.50	\$4.50



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ELECTRIC RATE-ALL			
Residential (AN)		Base Rate: \$15 Per kWh 0.131	
Residential Senior Citizen (ANS)		Base Rate: \$13.50 Per kWh 0.1173	
Commercial (C)			
Commercial with Demand (D)		TBD	
Governmental usage electric (E)		TBD	
Small commercial electric (F)		Base Rate: \$30 Per kWh 0.144	
		No Demand	
Medium commercial electric		Base Rate: \$60 Per kWh .141	
Large commercial electric		Demand Charge, per kW, for all peak demand \$4.25 Base Rate: \$400	
		Per kWh 0.131	
Residential electric out of city limits (O)		Demand Charge, per kW, for all peak demand \$4.50 Base Rate: \$30 Per kWh 0.131	
		plus the energy charge, per kWh, for all kWh	
Residential electric out of city limits with demand (O-DM)		\$500	
Industrial (I-U)		Base Rate: \$1,000 Per kWh .118	
Pump Irrigation (PI)		Demand Charge, per kW, for all peak demand \$5 Base Rate: \$50 Per kWh .114	
		Demand Charge, per kW, for all peak demand \$3	
SOLID WASTE RATES			
SOLID WASTE RATES-RESIDENTIAL			
MONTHLY RATE TO RESIDENTS- (1) Cart		\$26.44	\$27.76
MONTHLY RATE TO RESIDENTS- (2) Carts		\$37.54	\$39.41
MONTHLY RATE TO RESIDENTS- (3) Carts		\$49.14	\$51.60



**CURRENT ADOPTED
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30 YARD	\$884.58	\$928.81
40 YARD	\$1,011.65	\$1,062.24
EXTRA PER TON OVER 4 TONS	\$99.70	\$104.68
COMPACTOR		
TDCJ, HEB, WAL-MART (PER PICK UP)	\$1,141.27	\$1,198.33
EXTRA PER TON OVER 6 TONX	\$99.70	\$104.68
SLUDGE BOX		
TDCJ, WWTP AND OTHER (20 YARD PER PICKUP)	\$789.39	\$828.86
EXTRA PER TON OVER 4 TONS	\$99.70	\$104.68
DISPOSAL FEE, PER TON-RES. RATE	\$14.20	\$14.91
Cost per every 2 cubic yard over 8 per brush	\$5.25	\$5.51
ADDITIONAL WASTE WHEELER		
RESIDENTIAL	\$13	\$14
COMMERCIAL	\$13	\$14
A1.009-DEVELOPMENT SERVICES		
BUILDING, DEVELOPMENT & INSPECTION FEES		
Re-Inspection Res./Com. Bldg.	No Fee	
Demolition (Res./Com.)	\$75 Res / \$125 Commercial	
Certificate of Occupancy (CO)	\$80 When not associated w/ building permit	
Cash Bond CO	\$200	
Application Fee Due at time of any permit submission		\$50
Construction Permit Fee (excluding residential projects as those are billed by separate fee calculation)	Fee Calculation	
\$1 TO \$2000	\$80	
\$2001 TO \$25,000	\$80 for the first \$2,000 plus \$14 for each each additional \$1,000, or fraction thereof, to and including \$25,000	
\$25,001 to \$50,000	\$391.25 for the first \$25,000 plus \$10 for each additional \$1,000, or fraction thereof, to and including \$50,000	

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\$50,001 to \$100,000	\$643.75 for the first \$50,000 plus \$7 for each additional \$1,000, or fraction thereof, to and including \$100,000	
\$100,001 to \$500,000	\$993.75 for the first \$100,000 plus \$5.60 for each additional \$1,000, or fraction thereof, to and including \$500,000	
\$500,001 to \$1,000,000	\$3,233.75 for the first \$500,000 plus \$4.75 for each additional \$1,000, or fraction thereof, to and including \$1,000,000	
\$1,000,000 and above	\$5,608.75 for the first \$1,000,000 plus \$3.25 for each additional \$1,000 or fraction thereof	
A1.009-DEVELOPMENT SERVICES		
Construction Permit Fee for New Residential Dwellings		
Project Square Footage	Fee Calculation	
0sq. ft. - 1,500sq. ft.	\$785	
1,501sq. ft. - 10,000sq. ft.	\$785 for the first 1,500sq. ft. plus \$0.35 per each additional sq.ft. to and including 10,000sq. Ft.	
Over 10,000sq. ft.	\$3,760 for the first 10,000sq. ft. plus \$0.15 per each additional sq. ft. over 10,000sq. Ft.	
Trade Permits for Residential Alterations, Additions and Improvements.		
Residential Building, Mechanical, Electrical, Plumbing, Fuel Gas and similar	\$100 per trade	
Other Residential Trades Not Listed Above	\$160 per trade	
Premature Work	2x Building Improvement Permit	
Construction Plan Review Fee	65% of Construction Permit Fee	
Fire Marshal Safety Inspection Fee	\$100	
Fire Code Related Plan Review and Inspections	Actual Cost + 5% Admin Fee	
Floodplain Development Permit	\$50 + applicable consultant review fees	
Consultant & Legal Review Fee	Actual Cost + 5% Admin Fee	
Variance Request	\$500	\$100
Preliminary Plat Application Fee	\$1000 & \$25 per lot	



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Final Plat Application Fee	\$1000 & \$25 per lot	
Minor Plat Fee, Minor replat, Amending Plat	\$200	
Specific Use Permit Fee	\$500	
Zone Change/Rezone Request	\$500	
Site Plan Review - Construction Projects that are exempt from construction permitting but still require site plan review (including but not limited to fences, accessory structures, parking restriping and other projects as defined in City Policies)	\$50 plus applicable consultant fees	
Site Plan Review associated with construction permit review.	Included in construction plan review fee. Applicable consultant fees may apply.	
Planned Development Site Plan, Site Plans associated with Platting Projects and all other Site Plans as required by code.	\$100 plus applicable consultant fees	
Plat Recordation at County Offices	Actual Cost + \$25 Admin Fee	
Curb Cut	Fee to be assessed under construction permit fee schedule	
Curb Cut License	\$50.00 Deposit	
NEW SERVICE FEES		
Wastewater Service		
Sewer Tap	\$2,350 < 5-ft depth	
	\$2,950 ≥ 5-ft depth	
Industrial Waste Permit	\$3,000	
A1.009-DEVELOPMENT SERVICES		
Water Service		
Water Meter Fee		
3/4"	\$2,264	
1"	\$2,454	
1 1/2"	\$4,047	
2"	\$4,414.00 / Compound Meter \$5,314.00	
>2" / Fire Lines	\$200 plus actual cost	
Water Meter Fees*		
3/4"	\$216	



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1"	\$377.76	
1-1/2"	\$731.07	
2"	\$813.68	
* Fees for new meter where service tap is installed by developer		
Electric Service		
Residential Overhead (Up to 100')	\$550	
Residential Overhead (Over 100')	\$550 plus actual costs over 100'	
Residential Underground (Up to 100')	\$1,150.00	
Residential Underground (Over to 100')	\$1,150 plus actual costs over 100'	
Commercial Electric New Service	Actual Cost + 10% Planning Fee	
Temporary Electric Service Construction Loop	\$250	
STREET LIGHT (Existing lights: Alley or Private Properties)		
Monthly Fee (Customer request for disconnect terminates service) or placed on existing electric pole	\$24.50 per month	
New Street Light (Alley or Private Properties-Min 12 mo. Term) on dedicated pole	\$450 install fee, \$29.50 per month, 12 month min	
PROPERTY ABATEMENT FEES		
Release Lien Fee		
Cost of Lien	Rate dependent on cost to abate	
Cost of Attorney Per Hour	Rate dependent on attorney billing	
County Cost for Filing Release	\$26 for first page, \$4 for each additional page	
Administrative FEE	\$10	
MISCELLANEOUS FEES		
Block Party Permit	\$25	
Carnival License	\$250	
Sexually oriented business license	\$500	
Burn Permit	\$25	

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A1.009-DEVELOPMENT SERVICES			
Solicitor / Vendor Permit Fees			
30 Days		\$25	
60 Days		\$50	
180 Days		\$65	
One (1) Year		\$100	
Agent Fee		\$25. per agent	
Lost Permit		\$15. per permit	
FILM PROJECT FEES			
Total or disruptive use (regular operating hours of a public building, park, right-of-way, or public area		\$500	
Partial non-disruptive use of a public building, park, right-of-way, or public area		\$250	
Total closure or obstruction of public street or right-of-way, including parking lots & on-street parking (for filming purposes)		\$50 per block	
Partial closure or obstruction of public street or right-of-way, including parking lots & on-street parking (for filming purposes)		\$25 per block	
Use of City parking lots, parking areas, and City streets (for the purpose of parking film trailers, buses, catering trucks and other large vehicles)		\$50 per block or lot	
A1.009-DEVELOPMENT SERVICES			
Application processing fee		\$25	
LIQUOR LICENSE FEES			
General Class B Wholesaler's Permit (W)		\$150	

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BEER LICENSES		
Branch Distributor's License (BC)	\$38	
General Distributor's License (BB)	\$150	
Importer's License (BI)	\$10	
Local Distributors' License (BD)	\$38	
Beer Retailer Off Premise (BF) Annual	\$30	
Retail Beer on Premise (BE) Annual	\$75	
Retail Dealer's On Premise Late Hours License (BL)	\$125	
Retail Beer & Wine on premise (BG) Annual	\$88	
Retail Beer & Wine off premise (BQ) Annual	\$30	
Importer's Carrier License (BJ)	\$10	
LIQUOR LICENSE		
Beverage Cartage License (PE)	\$10	
Carrier's Permit (C)	\$15	
Food and Beverage Certificate (FB)	\$50	
Mixed Beverage Permit (MB)	\$750	
	No City fee until 4th yr. (3yr waiting period)	
Mixed Beverage Late Hours Permit (LB)	\$75	
Package Store (P) Annual	\$250	
Wine Only Package Store (Q) Annual	\$38	
Private Carrier's Permit (O)	\$15	
A1.010-AIRPORT		
Hangar Lease/Rental: (monthly)		
A1 - A7	\$185	\$225
B1 - B7	\$185	\$225
C1-C7	\$185	\$225
D1-D7	\$185	\$225
E1-E7	\$185	\$225
F1-F7	\$185	\$225
G1-G3	\$100	\$100



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H1			
Piston RON Tiedown	\$642	\$25 per night	\$637
Turbine RON Tiedown		\$35 per night	\$35 per night
Piston Monthly Tiedown		\$75	\$50 per night
Turbine Monthly Tiedown		\$150	\$100
Hangar RON (When Available)		\$50 per night	\$200
After Hours Fee (1730 - 0730)		\$55	75 per night
Ground Power Unit (waived w/fuel purchase)		\$25	
Replacement of Smart Card		\$10	
A1.011-South Texas Regional Training Center			
INDIVIDUAL ROOM(S) 106/107/108			
Deposit (Required by all rate groups)			
Standard Rate	\$100	\$45 hourly (2hr minimum)	add may be waived for gov agency
Community Rate (Non-Profits & Approved Agencies)		\$30/hr	\$30/hr (2hr minimum)
Exempt Rate (CoH, Medina Co, HISD, Govt. Agency)		No Charge	
EVENT ROOM (Rms 106-108)			
Deposit			
Standard Rate	\$100	\$75 hourly (2hr minimum)	add may be waived for gov agency
Community Rate		\$50 hourly	\$50 hourly (2hr minimum)
Exempt Rate (CoH, Medina Co, HISD, Govt. Agency)		No Charge - Yearly Deposit Required	
Cancellation Fee			
with 10 day notice		Rental Deposit Refunded	
without 10 day notice		Rental Deposit Forfeited	
City, County and HISD		Exempt Status as stated above	
Lost Key Fee		\$50 Re-Entry Fee + Forfeiture of deposit	REMOVE
After Hours Key Pick Up		\$50 (Must be paid at time of exchange)	REMOVE
Notary Fee		\$10 per document	REMOVE



City Council Communication

Title:

DISCUSS AND CONSIDER ACTION ON RENEWING A FACILITY LEASE AGREEMENT WITH SOUTHWEST FAMILY LIFE CENTERS, INC. (JOHN NARON, CITY MANAGER)

Date: August 25, 2025

From: John Naron, City Manager

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. WOMENS SHELTER LEASE

STAFF CONTACTS:

LEASE AGREEMENT

STATE OF TEXAS §

KNOWN ALL PERSONS BY THESE PRESENTS:

CITY OF HONDO §

THIS LEASE AGREEMENT (also referred to herein as "Lease") is entered into by and between the **CITY OF HONDO, a Texas Municipality and a Home Rule City** whose address is 1600 Avenue M, Hondo, Texas 78861 ("Landlord" or "City"), as the owner of the facility located at 1007 Avenue Y known as Southwest Family Life Centers, Inc., acting by and through its "MAYOR and CITY MANAGER", and **SOUTHWEST FAMILY LIFE CENTERS, INC.**, ("Tenant"), WITNESSETH:

Premises

Approximate square feet: 2,520 sq. ft. of exclusive rental space

Name of Building: Women's Shelter

Street address/suite: 1007 Avenue Y
City, state, zip: Hondo, Texas 78861

Lease Term (months): 36 months

Commencement Date: May 1, 2016
Termination Date: April 30, 2019

Base Rent (monthly): **\$3,000.00 monthly, which will be waived by the City.**
Security Deposit: None required

Utilities: Tenant shall pay for all City provided utilities (Water, Sewer, Garbage and Electricity) on the designated due dates to the address as designated on the bill.

Permitted Use: To carry out the mission of Southwest Family Life Centers, Inc.

Tenant's Insurance

A. Tenant agrees to the following:

1. Maintain property and liability insurance on the. Premises and Improvements during the Lease Term, coving Tenant and naming Landlord as an additional insured on the policy with coverage as required below:

Type of Insurance or Endorsement	Minimum Policy or Endorsement Limit
---	--

General Liability Insurance Required of Tenant:

Commercial general liability (occurrence basis)	Per Occurrence: \$1,000,000 General Aggregate: \$2,000,000
--	---

Property Insurance Policy Required of Tenant:

Causes of loss-special form	100 percent of replacement cost of all of Tenant's furniture, fixtures, equipment, and other business personal property located in the Premises.
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2. Certificates of insurance and copies of additional insured must be delivered by Tenant to Landlord within thirty (30) days after execution date of this lease agreement. Tenant shall give Landlord a minimum of thirty (30) days written notice prior to cancellation or any change in such insurance that is not in compliance with any of the requirements set forth in this lease agreement.

Landlord's Insurance

Landlord has the responsibility to maintain insurance adequate to provide for Landlord's real and personal property, as well as liability issues.

Definitions

Common Areas. All facilities and areas of the Building and Parking Facilities and the related land that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all tenants of the Building. Landlord has the exclusive control over and right to manage the Common Areas. However, Tenant shall have access to the Common Areas at all times requested by Tenant.

Essential Services means utility connections reasonably necessary for Occupancy of the Premises for the Permitted Use.

Injury. To include: (a) harm to or impairment or loss of property or its use; (b) harm to or death of a person; or (c) "personal and advertising injury" as defined in the form of liability insurance Tenant is required to maintain.

Landlord. The City of Hondo, Texas and its public officials, agents, employees, invitees, licensees, or visitors.

Parking Facility. Landlord represents and warrants that the parking available to the Premises is sufficient for Tenant's intended use of the Premises.

Rent. Base Rent plus any other amounts of money payable by Tenant to Landlord.

Tenant. Southwest Family Life Centers, Inc., and its agents, contractors, employees, invitees, licensees, or visitors.

Clauses and Covenants

A. Tenant agrees to:

1. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date subject to early termination for lack of funding.
2. Landlord remains the owner of the Premises and has not delegated its governmental responsibility or authority to Tenant, and nothing herein shall be construed to give Tenant authority to overrule decisions of the City Council or other appropriate authority of the City of Hondo, Texas.
3. This lease agreement does not give transfer of title/ownership of the Premises to the Tenant, and Landlord retains all rights of such privilege.
4. Tenant shall not add any fixtures, structures, or items that could be considered real property to the Premises without the express prior written consent of the Landlord.
5. Tenant shall be fully responsible for its employees, including meeting all state and federal requirements for minimum wage, income tax withholding, workers' compensation, insurance, and all city, state, and federal requirements governing employer/employee relations. Tenant hereby certifies to Landlord that it shall be and is in compliance with all such regulations, laws and requirements. Failure to comply with this clause shall constitute a default on the part of Tenant and shall entitle Landlord to immediately terminate the Lease and take possession of the Premises.
6. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.
7. Obey (a) all applicable laws relating to the use, condition, and occupancy of the Premises and Building; (b) any requirements imposed by utility companies serving or insurance companies covering the Premises or Building to the extent reasonable to Tenant, at Tenant's sole discretion, upon disclosure and written request to Tenant by Landlord; and (c) any reasonable rules and regulations for the Building and Common Areas adopted by Landlord.
8. Pay monthly, in advance, on the first day of the month, the Base Rent to Landlord at Landlord's Address. As show of support for the mission and services provided by Tenant, the Landlord agrees to waive a portion of the monthly Base Rent and pay the remainder as set forth above.

9. Obtain and pay for all utility services used by Tenant.
10. Tenant will assume all responsibility for damages and claims which are incurred to the facility for activities being provided by the Tenant.
11. Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises, upon reasonable notice to Tenant.
12. Personal Property Taxes. Tenant agrees to pay all taxes and all other charges and assessments levied against Tenant's personal property, trade fixtures, or other improvements located on the Premises. Under no circumstances shall Landlord be liable for or be required to pay any tax or fee owed by Tenant or resulting from this Lease or Tenant's occupancy of the Premises.
13. Landlord shall have the full right of access to the Premises subject to the exercise of its governmental authority.
14. Repair, replace, and maintain any part of the Premises that Landlord is not obligated to repair, replace, or maintain, normal wear excepted.
15. Tenant shall not sublet the Premises, or any part thereof, to any person or persons whatsoever, without prior written authorization from Landlord. Rental of all or part of the Premises to outside parties for various short term events shall not be considered a sublet.
16. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.
17. Vacate the Premises and return all keys to the Premises on the last day of the Term.
18. On request, execute an estoppel certificate that states the Commencement Date and Termination Date of the lease, identifies any amendments to the lease, describes any rights to extend the Term or purchase rights, lists defaults by Landlord, and provides any other information reasonably requested.
19. Tenant shall provide and maintain security of the Premises and it's Common Areas in order to ensure the safety of the Tenant's employees, agents, invitees, licensees and visitors. Tenant agrees that Landlord shall not be responsible to provide and maintain security of the Premises and Common Areas.
20. THE LANDLORD SHALL NOT BE LIABLE TO TENANT'S EMPLOYEES, AGENTS, INVITEES, LICENSEES OR VISITORS, OR TO ANY OTHER PERSON, FOR ANY INJURY TO SUCH PERSON OR DAMAGE TO PROPERTY AND ANY RESULTING CLAIMS ON OR ABOUT THE PREMISES OR COMMON AREAS CAUSED BY, RESULTING FROM OR IN CONNECTION WITH THE NEGLIGENCE OR MISCONDUCT OF TENANT, ITS AGENTS, SERVANTS OR EMPLOYEES, OR OF ANY OTHER PERSON ENTERING UPON THE PREMISES

UNDER THE EXPRESS OR IMPLIED INVITATION OF THE TENANT OR CAUSED BY TENANT'S STRUCTURES, SIGNS, ADDITIONS, IMPROVEMENTS, DISPLAYS AND OTHER ITEMS BECOMING OUT OF REPAIR, OR THE FAILURE OR CESSATION OF ANY SERVICE PROVIDED BY TENANT. THE TENANT AGREES TO

INDEMNIFY, DEFEND AND HOLD HARMLESS, TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, THE LANDLORD OF AND FROM ANY LOSSES, EXPENSES, DEMANDS, DAMAGES, LIABILITIES OR CLAIMS ARISING OUT OF ANY SUCH DAMAGES OR INJURIES, INCLUDING THE LANDLORD'S REASONABLE ATTORNEYS' FEES INCURRED THEREBY.

B. Tenant agrees not to:

1. Use the Premises for any purpose other than the Permitted Use, unless prior written authorization is secured from Landlord.
2. Create a nuisance.
3. Interfere with Landlord's management of the Building.
4. Permit any waste.
5. Use the Premises in any way that would increase insurance premiums or void insurance on the Building.
6. Change Landlord's lock system without Landlord's written consent.
7. Alter the Premises.
8. Allow a lien to be placed on the Premises.
9. Assign this lease or sublease any portion of the Premises without Landlord's written consent.

C. Landlord agrees to:

1. Lease to Tenant the Premises for the entire Term beginning on the Commencement Date and ending in the Termination Date.
2. Obey all applicable laws with respect to Landlord's operation of the Building and Common Areas.
3. Landlord agrees to make all reasonable attempts to exercise the right of access to the Premises at such times as are the least disruptive to Tenant's use and enjoyment of the premises.

4. Provide the Essential Services to Tenant.

Repair, replace, and maintain the (a) roof; (b) foundation; (c) Common Areas; and (d) structural soundness of the exterior walls, doors, corridors, and windows.

5. TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LANDLORD AGREES TO INDEMNIFY, DEFEND, AND HOLD TENANT HARMLESS FROM ANY INJURY AND ANY RESULTING CLAIMS, DEMANDS, DAMAGES, LIABILITIES, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND COURT COSTS OCCURRING IN ANY PORTION OF THE COMMON AREAS OR PREMISES, WHICH RESULT FROM OR ARISE IN CONNECTION WITH THE NEGLIGENT ACTS OR OMISSIONS OF LANDLORD OR ITS EMPLOYEES, ACTING WITHIN THE SCOPE OF THEIR EMPLOYMENT.

D. Landlord agrees not to:

1. Interfere with Tenant's possession of the Premises as long as Tenant is not in default.

E. Landlord and Tenant agree to the following:

1. Alterations. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear expected.
2. Abatement. Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.
3. Insurance. Tenant and Landlord will maintain the respective insurance coverages herein.
4. Casualty/Total or Partial Destruction.
 - a. If the Premises are damaged by casualty and can be restored within one hundred and twenty (120) days, Landlord will, at its expense, restore the roof, foundation, Common Areas, and structural soundness of the exterior walls of the Premises and any leasehold improvements within the Premises to substantially the same condition that existed before the casualty and Tenant will, at its expense, replace any of its damaged furniture, fixtures, and personal property.
 - b. If the Premises cannot be restored within one hundred and twenty (120) days, Landlord has an option to restore the Premises. If Landlord chooses not to restore, this lease will terminate. If Landlord chooses to restore, Landlord will notify Tenant of the estimated time to restore and give Tenant an option to terminate this lease by

notifying Landlord within ten (10) days. If Tenant does not terminate this lease, the lease will continue and Landlord will restore the Premises as provided in a. above.

- c. To the extent the Premises are untenantable after the casualty, the Rent will be adjusted as may be fair and reasonable.

5. Condemnation/Substantial or Partial Taking.

- a. If the Premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation; this lease will terminate.
- b. If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, Landlord will, at Landlord's expense, restore the Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.
- c. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

6. Uniform Commercial Code. Tenant grants Landlord a security interest in Tenant's personal property now or subsequently located on the Premises. This lease is a security agreement under the Uniform Commercial Code.

7. Default by Landlord/Events. Defaults by Landlord are failing to comply with any provision of this lease within sixty (60) days after written notice and failing to provide Essential Services to Tenant within ten (10) days after written notice. •

8. Default by Landlord/Tenant's Remedies. Tenant's remedies for Landlord's default are to sue for damages and, if Landlord does not provide an Essential Service within sixty (60) days after default, terminate this lease.

9. Default by Tenant/Events. Defaults by Tenant are: (a) failing to pay timely Rent; (b) abandoning or vacating a substantial portion of the Premises; and (c) failing to comply within ten (10) days after written notice with any provision of this lease other than the defaults set forth in (a) and (b) above.

10. Default by Tenant/Landlord's Remedies. Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises on behalf of Tenant and receive the rent directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the Premises and perform Tenant's obligations; and (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

11. Default/Waiver/Mitigation. It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.
12. Holdover. If Tenant does not vacate the Premises following termination of this lease, Tenant will become a tenant at will and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term.
13. Alternative Dispute Resolution. Landlord and Tenant agree to mediate in good faith before filing a suit for damages.
14. Attorney's Fees. If either party retains an attorney to enforce this lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.
15. Governing Law and Venue. The construction and validity of this Lease shall be governed by the laws of the State of Texas. Venue for any legal action commenced hereunder shall be in a court of appropriate jurisdiction in Medina County, Texas.
16. Sovereign Immunity. Nothing in this Lease is intended to or shall have the effect of waiving any privileges or immunities afforded the Landlord under Texas State law including, but not limited to, sovereign immunity or official immunity, and it is expressly agreed that the Landlord retains such privileges.
17. Entire Agreement. This lease, together with the attached exhibits and riders, is the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this lease or to any expressly mentioned exhibits and riders not incorporated in writing in this lease.
18. Amendment of Lease. This lease may be amended only by an instrument in writing signed by Landlord and Tenant.
19. Limitation of Warranties. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.
20. Use of Common Areas. Tenant will have the nonexclusive right to use the Common Areas subject to any reasonable rules and regulations that Landlord may prescribe.
21. Abandoned Property. Landlord may retain, destroy, or dispose of any property left on the Premises at the end of the Term.

22. Miscellaneous Provisions. In case any one or more of the provisions contained in this Lease shall be invalid, illegal or unenforceable in any respect under any applicable statute or rule of law, then such provisions shall be deemed inoperative to the extent that they are invalid, illegal or unenforceable, and the remainder of this Lease shall continue in full force and effect. Any invalid, illegal or unenforceable provisions shall be reformed and modified so that they express the original intent of the Parties hereto as closely as reasonably practicable without being invalid, illegal or unenforceable.
23. Notices. Any notice required or permitted under this lease must be in writing. Any notice required by this lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

If to Landlord, to:

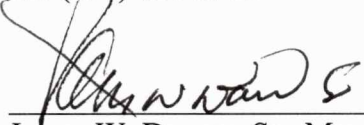
City of Hondo
c/o Kim Davis, City Manager
1600 Avenue M
Hondo, Texas 78861
Ph: (830) 426-3378
Fax: (830) 426-5189

With a copy to:

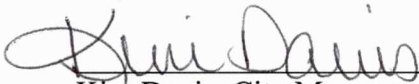
Frank Garza, City Attorney
Law Offices of Davidson, Troilo, Ream, & Garza
7550 W IH 10 #800
San Antonio, TX 78229
Ph: (210) 349-6484

If to Tenant, to:

Southwest Family Life Centers, Inc.
c/o Ms. Edna Cuellar, Executive Director
P.O. Box 393
Hondo, Texas 78861
Ph: (830) 426-5972


James W. Danner, Sr., Mayor
City of Hondo

5-2-16
Date


Kim Davis, City Manager
City of Hondo

5/2/16
Date


Edna Cuellar, Executive Director
Southwest Family Life Centers, Inc.

4/26/16
Date



City Council Communication

Title: DISCUSS AND CONSIDER ACTION ON THE PURCHASE OF A TRACTOR FOR THE PARKS DEPARTMENT FROM THE GENERAL FUND. (LEN MCVAY, PARKS DIRECTOR & JOHN NARON, CITY MANAGER)

Date: August 25, 2025 **From:** Len McVay

INFORMATION:

The Parks department is requesting the purchase of a New 2025 Mahindra Tractor to address operational and safety concerns. Staff has been injured several times due to lack of protection on tractor. The current tractor has many operational issues to include electrical deficiencies and numerous hydraulic leaks. Staff believes the future repair costs will outweigh the costs of new equipment.

FINANCIAL IMPACT:

Parks Department has unspent personnel funds in the current fiscal budget that can be moved to fund the purchase of the tractor.

STAFF RECOMMENDATION:

Staff recommends purchase of new 2025 Mahindra Tractor from Bill's Tractor and Equipment.

MOTION:

Motion to approve the purchase of a new tractor for the Park's department not to exceed \$49,000.

ATTACHMENTS:

1. TractorQuote

STAFF CONTACTS:

John Naron
City Manager
jnaron@hondo-tx.org

Len McVay
lmcvay@hondo-tx.org



Ship To: IN STORE PICKUP

Bill's Tractor & Equipment Ltd., L.L.P
10865 U.S. Highway 87 South
Adkins, TX 78101
Phone: 210-649-1715
Fax: 210-649-1777

Invoice To: CITY OF HONDO
1600 AVENUE M
HONDO TX 78861

Branch 01 - ADKINS, TX		
Date 07/28/2025	Time 11:23:17 (O)	Page 1
Account No HONDO008	Phone No 2108429401	Est No 00 Q04448
Ship Via		Purchase Order
Tax ID No		
CARLOS CARRERA		Salesperson CC1

EQUIPMENT ESTIMATE - NOT AN INVOICE

Description ** Q U O T E ** EXPIRY DATE: 08/27/2025 Amount

Stock #: 042246 Serial #: MU4C3701 48600.00
New 2025 MAHINDRA TRACTORS 60754CPAL 6075 4WD CAB

Miscellaneous Charges/Credits

=====				
DOCUMENTARY FEE BT&M	Qty:	1	Price:	150.00 150.00
PDI TRACTOR BT&M		1		250.00 250.00
HEAVY EQUIPMENT FEE BT&M		1		69.88 69.88
BILL'S DISCOUNT BTM		1		69.88 69.88-

Subtotal: 49000.00

Authorization: _____

Quote Total: 49000.00

A documentary fee is not an official fee. A documentary fee is not required by law, but may be charged to buyers for handling documents relating to the sale. A documentary fee may not exceed a reasonable amount agreed to by the parties. This notice is required by law.
All Quotes expire on the last business day of the month.
If, I the purchaser named above, claim an exemption from payment of sales and use taxes for the purchase of taxable items described above or on the attached order or invoice form from: Bill's Tractor & Equipment, LTD. 10865 Hwy 87S, Adkins, TX. 78101 (210) 649-1715. Purchaser claims this exemption for the following reason: I hereby certify that the farm machinery or equipment herein purchased will be used exclusively on a farm or a ranch in the production of food for human consumption, feed for a form of animal life, or other agriculture products to be sold in the regular course of business. I understand that I will be liable for payment of sales or use taxes which may become due for failure to comply with the provisions of the Tax Code: Limited Sales, Excise, and Use Tax Act; Municipal Sales and Use Tax Act; Sales and Use Tax Act; Sales and Use Taxes for Special Purpose Taxing Authorities; County Sales and Use Tax Act; County Health Services Sales and Use Tax; The Texas Health and Safety Code; Special Provisions Relating to Hospital Districts, Emergency Services Districts, and Emergency Services Districts in counties with a population of 125,000 or less.
I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate and, depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

Purchaser

Title

Thank You For Your Business!
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