



## NOTICE OF MEETING

The Mineral Wells City Council will hold a regular meeting at 6:00 PM on Tuesday, August 4, 2026 in the City Council Chambers at the City Hall Annex, 115 S.W. 1st Street, Mineral Wells, Texas to consider the following agenda:

Call to Order

Invocation

Pledges of Allegiance to U.S. and Texas Flags

### PRESENTATION

### PUBLIC COMMENT

This is an opportunity for the public to address the City Council regarding an item on the agenda, except for public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing begins. Public comments are limited to three (3) minutes per speaker, unless the speaker requires the assistance of a translator, in which case the speaker is limited to six (6) minutes, in accordance with applicable law. To address the City Council, each speaker who is present at the site must complete a Speaker Form and provide it to the City Clerk prior to the start of the meeting. Each speaker shall approach the designated speaker location and state his/her name and city of residence before speaking. Speakers shall address the City Council with civility that is conducive to appropriate public discussion. Speakers can address only the City Council and not individual officials, commission members, committee members, or employees. The public cannot speak from the gallery but only from the designated speaker location.

### STAFF REPORTS

1. Introduction of new City employees.
2. Recognition for City employees' years of service.

### CONSENT AGENDA

- (5) 3. Consider and take appropriate action on the minutes of the regular meeting held on July 21, 2026.

- (10) 4. Consider and take appropriate action on entering into a mutual aid agreement with Parker County's fire departments, and authorizing the City Manager to execute the agreement if found favorable.
- (27) 5. Consider and take appropriate action to enter into an interlocal agreement with Mineral Wells Independent School District for emergency medical services standbys as outlined in the agreement during the 2026 football season.
- (36) 6. Consider and take appropriate action rejecting all bids received in response to Invitation to Bid (ITB) No. 2026-007 for Mowing and Lawn Care Services at the Airport and Miscellaneous Properties for Code Enforcement.
- (38) 7. Consider and take appropriate action approving an Interlocal Cooperation Contract between the City of Mineral Wells Municipal Court and the Texas Department of Public Safety for participation in the Texas Conviction Reporting system and authorizing the Mayor to execute the agreement.
- (45) 8. Consider and take appropriate action awarding the Airport Water Line Installation Project to Fambro Construction, LLC, as the lowest responsive and acceptable bidder, in an estimated amount of \$81,652.
- (54) 9. Consider and take appropriate action to approve Change Order No. 1 to the purchase order with Ergon Asphalt & Emulsions, Inc. in the amount of \$76,000.00 for a total of \$152,000.00 to purchase additional CRS-2 oil used in the City's roadway chip seal program.

## **ITEMS FOR INDIVIDUAL CONSIDERATION**

- (60) 10. Consider and receive a presentation regarding the proposed adoption of updated International Building Codes and the National Electrical Code.
- (72) 11. Consider and take appropriate action to conduct a roll-call vote to approve the 2026 proposed tax rate.
- (93) 12. Discussion related to the City's Proposed Fiscal Year 2026-2027 Annual Budget.

### **a. Taxpayer Impact Statement**

This statement shows the estimated annual property tax bill for a median-valued homestead in Mineral Wells, Texas (\$173,949), comparing the current tax rate, the no-new-revenue rate, and the proposed tax rate.



| Tax Rate                | Tax Rate per<br>\$100 Valuation | Estimated<br>Annual Tax<br>Bill | Difference<br>from Current<br>FY |
|-------------------------|---------------------------------|---------------------------------|----------------------------------|
| 2025 Adopted<br>Rate    | \$0.5717881                     | \$1,022.57                      | ---                              |
| No-New-<br>Revenue Rate | \$0.5931530                     | \$1,031.78                      | \$9.21                           |
| Proposed Rate           | \$0.7007075                     | \$1,218.87                      | \$196.30                         |

### **Proposed Budget**

A physical copy of the Proposed Budget of the City of Mineral Wells, Texas, for the 2026-2027 Fiscal Year is available at Mineral Wells City Hall Annex, 115 S.W. 1st Street, Mineral Wells, Texas, and online at <https://www.mineralwellstx.gov/documentcenter/view/9210>

- (96) 13. Consider and take appropriate action approving a Hangar Lease for Commercial Aviation Use between the City of Mineral Wells and Avrex Aerospace, Inc. for property located at the Mineral Wells Regional Airport.
- (148) 14. Consider and take appropriate action on an After-Action Report on the tornadic event on April 28, 2026.
- (189) 15. Discuss and approve amending Chapter 86 “Traffic and Vehicles”, Article III “Operation of Vehicles” of the Mineral Wells Code of Ordinances to add Section 86-68 “Operation of Vehicles on Approach of A Utility Services Vehicle” of the Code to require drivers to slow down or move over when approaching utility service vehicles when using visual signals that comply with Texas Transportation Code § 547.105.
- (197) 16. Consider and take possible action on a resolution establishing a Hilltop Water Treatment Plant CIP Subcommittee for the City of Mineral Wells and appointing members thereto.
- (216) 17. Consider and take appropriate action on an Interlocal Agreement between the City of Mineral Wells and the Palo Pinto County Municipal Water District #1 regarding staffing-related matters.
- 18. Future agenda items/requests by Councilmembers to be on next agenda—  
***Councilmembers shall not discuss or take action on any item that is not on the agenda. A Councilmember may request that an issue be placed on a future agenda and, if a second Councilmember supports the request, the item shall be placed on a City Council agenda within two Council meetings.***

19. Adjourn

***Notes: Disabled persons requiring special assistance are requested to notify the City of Mineral Wells 24 hours in advance of the meeting by calling the City Clerk's office at 940.328.7702.***

***The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code Chapter 551, including §551.071, (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.***

State of Texas                   §  
City of Mineral Wells       §

I hereby certify that notice of this meeting of the Mineral Wells City Council was posted by 6:00 pm on the 29th day of July 2026.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28th day of July 2026.

(SEAL)

\_\_\_\_\_  
Sharon McFadden, City Clerk

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action on the minutes of the regular meeting held on July 21, 2026.

### **INITIATOR/STAFF INFORMATION SOURCE**

Sharon McFadden, City Clerk

### **BACKGROUND**

### **EXHIBITS**

1. 2026-07-21 Minutes (f)

**ITEM NUMBER 3.**  
**MEETING DATE 8/4/2026**

**MINUTES REGULAR MEETING  
MINERAL WELLS CITY COUNCIL  
CITY HALL ANNEX  
July 21, 2026 – 6:00 pm**

Mayor Johnson called the meeting to order at 6:00 p.m. Pastor Guy Weathers from Indian Creek Baptist Church led the invocation, which included the recitation of the Pledge of Allegiance to the U.S. and Texas flags.

Councilmembers present were Mayor Regan Johnson, Mayor Pro-Tem Beth Watson, Jonathon Rusher, Charles Ramsay, Kyle Kelley, and Glenn Mitchell. A quorum of City Councilmembers was present. Mike Rankin was absent.

Staff members present were City Manager Jason Weeks, Fire Chief Ryan Dunn, Police Chief Tim Denison, Finance Director/Assistant City Manager Aaron Bovos, Development Services Director Richard Glass, Public Works Executive Director Howard Huffman, Public Works Director Scott McKennon, Public Works Administration David Morgan, Community Services Manager Carrie Stevenson, Economic Development Executive Director Nate Dyhre, Marketing & Communications Manager/PIO Brittany Brown, Library Manager Katy Lipsey, City Clerk Sharon McFadden, and City Attorney Lisa Mares.

**PRESENTATION:**

1. Representatives from the United Way presented a check to the Mineral Wells Police Department in support of the upcoming National Night Out event.
2. The Mayor presented a proclamation designating July as Parks & Recreation Month.

**STAFF REPORTS:**

3. Introduction of new City employees.
  - a. Police Chief Denison introduced Police Patrol Officer, Jeremy Martin.
  - b. Police Chief Denison introduced Part-Time Kennel Technician, Ms. Katiyanna Stivers.
4. Recognition for City employees' years of service and promotions.  
There were none to present.

**PUBLIC COMMENT:** No one signed up to speak.

**CONSENT AGENDA:**

Following a motion by Mrs. Watson and seconded by Mr. Kelley, the Consent Agenda was approved by a vote of 6-0.

5. Consider and take appropriate action on the minutes of the regular meeting held on

July 7, 2026.

6. Consider and take appropriate action on the approval of the Investment Report for the quarter ending June 30, 2026.
7. Consider and take appropriate action on the May 2026 monthly financial report.
8. Discuss and take appropriate action to approve a resolution authorizing the Mayor, City Manager, and/or Assistant City Manager, to negotiate and execute a Staff Augmentation Services Agreement with Strategic Government Resources (SGR) for an amount not to exceed \$172,800 annually, subject to review and approval by the City Attorney.
9. Consider approval of a resolution supporting the implementation of the Mineral Wells Regional Airport Airfield Drainage Improvement Project, accepting the proposed project, committing the City's required local matching funds, acknowledging the Texas Department of Transportation Aviation Division as the administering agency for applicable federal and state funding, and authorizing the execution of related project documents.
10. Consider and take appropriate action approving a resolution authorizing the exchange of certain real property with the Texas Parks and Wildlife Department, authorizing appropriate City officials to finalize negotiations, and authorize the Mayor to execute all documents necessary to complete the exchange.
11. Consider and take appropriate action on Task Order No. 2 with HDR Engineering, Inc. for planning services for the Hilltop Water Treatment Plant, Brazos Pump Station, and Raw Water Transmission Main Project, in an amount not to exceed \$400,000, and authorize the Mayor to execute the Task Order.
12. Consider and take appropriate action approving a Water Line Easement Agreement with Famous Water Holdings, LLC for the installation, operation, and maintenance of a private water transmission line across City-owned right-of-way.
13. Consider and take appropriate action approving Change Order No. 1 to Purchase Order No. 24750 with Atlas Utility Supply Co. in the amount of \$198,000, increasing the total purchase authorization to \$393,000, for the purchase of water meters and related components.
14. Consider and take appropriate action to accept the 2026 Texas Book Festival Library Grant and authorize the City Manager to execute all necessary documents related to the grant award.

**ITEMS FOR INDIVIDUAL CONSIDERATION:**

15. Consider and take appropriate action to conduct a public hearing and approve an

ordinance to rezone property located at 706 NW 2nd Avenue, 605 NW 2nd Avenue, and 302 NW 5th Street from SF-6 (Single Family Residential) District to C (Commercial) District.

Mr. Glass presented the ordinance and details regarding the rezoning request.

Mayor Johnson opened the Public Hearing at 6:14 p.m. No one spoke. Mayor Johnson announced the closing of the Public Hearing at 6:15 p.m.

Mr. Kelley made the motion to approve the ordinance to rezone the property located at 706 NW 2nd Avenue, 605 NW 2nd Avenue, and 302 NW 5th Street from SF-6 (Single Family Residential) District to C (Commercial) District. Mr. Ramsay seconded, and the motion carried 5-0-1. Mr. Mitchell abstained due to a conflict of interest.

16. Future Agenda Items/Requests by Councilmembers to be on the next agenda. None.

17. **EXECUTIVE SESSION:** In accordance with the Texas Government Code, Section 551.001, et seq., the City Council recessed into Executive Session (closed meeting) at 6:16 p.m. to discuss the following:

- a. § 551.071(2): Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act, regarding (i) Millsap Water Supply Wholesale Water Contract.
- b. § 551.072: Deliberate the purchase, exchange, lease, or value of real property, (i) Public Safety Facility, (ii) 50.3-acre landfill site, and (iii) 105-109 SW 1<sup>st</sup>.

18. **RECONVENE INTO OPEN SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council reconvened into Regular Session at 7:30 p.m. to consider action, if any, on matters discussed in Executive Session.

Mrs. Watson made a motion to authorize the City Manager to execute an amendment to extend the term of the current Millsap Water Supply Contract by 30 days, thereby extending the contract under the same terms and conditions. Mr. Mitchell seconded, and the motion carried 6-0.

19. There was no further business, and the meeting was adjourned at 7:31 p.m.

ATTEST:

\_\_\_\_\_  
Regan Johnson, Mayor

\_\_\_\_\_  
Sharon McFadden, City Clerk

\_\_\_\_\_  
APPROVED

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action on entering into a mutual aid agreement with Parker County's fire departments, and authorizing the City Manager to execute the agreement if found favorable.

### **INITIATOR/STAFF INFORMATION SOURCE**

Ryan Dunn, Fire Chief

### **BACKGROUND**

The City of Mineral Wells is located within the geographical boundaries of Parker County. Mineral Wells Fire/EMS participates in the Parker County Public Safety Alliance, a regional coalition of public safety agencies dedicated to enhancing cooperation and emergency response throughout the county.

During recent coalition meetings, members determined that the existing Mutual Aid Agreement is outdated and should be revised. The City of Weatherford Fire Chief, Chief Peacock, in collaboration with his organization and with input from the Parker County Public Safety Alliance, prepared the updated agreement. The revised document incorporates current best practices and reflects applicable state and federal laws.

Following a review by the Fire/EMS Administration, staff identified no concerns with the proposed agreement and believes it continues to support the cooperative provision of emergency services among participating agencies.

One notable provision is Section V. Compensation, which states that a responding agency may seek reimbursement for services provided beyond 12 hours unless the incident has been declared a disaster. Because a standard operational period is 12 hours, incidents extending beyond that timeframe may qualify as declared disasters when authorized by the Mayor and County Judge. This language is consistent with mutual aid agreements commonly used throughout Texas.

If approved, staff request authorization for the City Manager to execute the Parker County Mutual Aid Agreement on behalf of the City of Mineral Wells.

Staff Recommendation: Approval.

### **EXHIBITS**

1. Parker County Mutual Aid Agreement

**ITEM NUMBER 4.**  
**MEETING DATE 8/4/2026**



STATE OF TEXAS

§

§

COUNTY OF PARKER

§

## **AGREEMENT FOR MUTUAL AID**

This Agreement, is entered into by and between the following parties: Parker County ESD No. 1 ("ESD 1"), Parker County ESD No. 3 ("ESD 3"), Parker County ESD No. 6 ("ESD 6"), Parker County ESD No. 7 ("ESD 7"), Parker County ESD No. 8 ("ESD 8"), Parker County ESD No. 9 ("ESD 9"), City of Azle Fire Department ("Azle"), City of Mineral Wells Fire Department ("Mineral Wells"), and City of Weatherford Fire-Rescue ("Weatherford"), (each a "Party" and collectively the "Parties") for the purpose of securing to each the benefits of Mutual Aid in firefighting and the protection of life and property from fire, rescue and the use of technical equipment by trained personnel to aid in the rescue of a person, and emergency first responder medical assistance for residents within the areas served by the Parties.

In order to obtain the considerations recited above, it is agreed that:

### **I. TERM**

The term of this Agreement shall be for five (5) years, beginning on September 1st, 2026, and ending on September 1st, 2031. The Parties, upon written agreement, have the option to renew this Agreement for one (1) additional year. In the event that this Agreement is not renewed at the end of its term as stated herein, this Agreement shall remain in full force and effect after such expiration of this Agreement and shall be automatically renewed thereafter on a month-to-month basis until a new agreement is reached between the Parties or the Agreement is otherwise terminated by any Party hereto.

### **II. SCOPE OF SERVICE**

Upon request to an official of the Assisting Agency by an official of the Requesting Agency, and subject to the terms and conditions of this Agreement, the Assisting Agency agrees to provide Mutual Aid to any point within the jurisdiction of the Requesting Agency designated by an officer/official of the Requesting Agency.

### **III. SERVICE AREAS**

The Service Area of each individual Party is described in Exhibit "1", attached hereto and incorporated herein for all purposes. In the event that a Party desires a change in its Service Area, this Agreement may be amended but only upon the written consent of all Parties. In accordance with Section 418.109(d) or Section 791.027 of the Texas Government Code, it is also understood and agreed that the existence of this Agreement does not prevent the Parties from providing mutual aid assistance on request from another municipality, county, emergency services district, fire protection agency, organized volunteer group, or other emergency service entity, and a Party shall not be obligated to respond to any request for aid when in the sole judgement of the Party, such response would leave insufficient protection for the Party.

#### IV. CONDITIONS

Any provision of Mutual Aid pursuant to this Agreement is subject to the following conditions:

- (a) Any request for Mutual Aid hereunder shall include a statement of the amount and type of equipment and number of personnel requested from the Requesting Agency, and shall specify the location to which the equipment and personnel are to be dispatched, but the amount and type of equipment and the number of personnel to be furnished shall be determined by an official of the Assisting Agency.
- (b) The Assisting Agency's personnel shall report to the Requesting Agency's officer in charge of the scene at the location to which the personnel and equipment are dispatched and shall receive all assignments from that official.
- (c) Mutual Aid rendered under this Agreement shall NOT include hazardous materials mitigation. A supplemental agreement may be entered into for such assistance at each Party's discretion.
- (d) The Assisting Agency shall be released by the Requesting Agency when the services of the Assisting Agency are no longer required or when the Assisting Agency requests to be released.
- (e) The Parties shall:
  - (1) Agree on a complete and detailed description of the types of Mutual Aid services to be provided by each of the Parties on a per-call basis, depending on the specifics of the incident for which Mutual Aid has been requested;
  - (2) Utilize protocols set forth by the Parker County Public Safety Alliance for determining how to respond to a given type of emergency call and when a Party may or will respond to calls emanating from an area outside its Service Area;
  - (3) Notify the dispatch center when responding to an emergency call in another Party's Service Area and ensuring that all proper parties are immediately notified of the response at the initiation of the call so that all available and proper equipment and personnel are responding to such an emergency call; Comply with the National Incident Management System (NIMS) as promulgated by the U.S. Department of Homeland Security to provide for the efficient management of emergencies and for the safety of firefighters through the use of standard terminology, reporting relationships, and support structures for those emergencies requiring the use of units; and
  - (4) Comply with and utilize the recognized passport/accountability system when participating in Mutual Aid responses.



## V. COMPENSATION

- (a) The Parties shall not seek reimbursement for a Mutual Aid response lasting less than twelve (12) consecutive hours.
- (b) The Parties may seek reimbursement for a Mutual Aid response lasting more than twelve (12) consecutive hours. Upon receipt of an invoice, all costs associated with the provision of Mutual Aid lasting more than twelve (12) consecutive hours shall be paid by the Assisting Agency and reimbursed by the Requesting Agency, to the extent permitted by law. Such costs include, but are not limited to:
  - compensation for personnel;
  - operation and maintenance of equipment;
  - damage to equipment; and
  - food, lodging and transportation expenses.

Formulary to assist cost determination will be based on the most current FEMA reimbursement schedules set by the Stafford Act and chapter 418 of the Texas Government Code.

- (c) Requests for reimbursement must be submitted by the Assisting Agency to the Requesting Agency as soon as practicable but no later than sixty (60) days after the return of all personnel deployed under this Agreement. Failure to submit a request for reimbursement within the specified time frame will result in the Assisting Agency not being reimbursed for the Mutual Aid provided unless the Requesting Agency extends the deadline for filing requests for reimbursement or the Federal or State Government extends the deadline for filing request for reimbursement. Requests for reimbursement shall specifically identify all personnel, equipment, and resources provided; dates of issuance or duration of deployment, and the unit cost and total costs associated with each.
- (d) The Assisting Agency shall be responsible for creating and maintaining a record of all costs incurred, both reimbursed and unreimbursed costs, in providing Mutual Aid under this Agreement. The record shall be maintained in accordance with the records retention schedule adopted by the Assisting Agency.
- (e) In the event federal or state funds are available for costs associated with the provision of Mutual Aid, the Parties agree that the Requesting Agency shall make the claim for the eligible costs of the Assisting Agency on its subgrant application and will disburse the federal or state share of funds to the Assisting Agency.
- (f) Reimbursement under this Section will be made by the Requesting Agency no later than:

- (1) one-hundred eighty (180) days after receipt of the request for reimbursement; or
- (2) ninety (90) days after the Requesting Agency receives reimbursement from the federal or state government, whichever is sooner.

## **VI. EQUIPMENT AND PERSONNEL**

All equipment used by the Parties in carrying out this Agreement will be owned or under contract with one of the Parties to be used by them. All personnel acting for the Parties under this Agreement will be volunteer members or employees of one of the Parties.

## **VII. LIABILITY**

- (a) Assignment of Liability. The Assisting Party shall be responsible for any civil liability or costs that may arise from the services that the Assisting Party provides to the Requesting Party under this Agreement. As authorized by Section 791.006 (a-1) of the Texas Government Code, and even if Chapter 791 of the Government Code is not applicable to this Agreement, the Parties agree that the assignment of liability provided by this Agreement is intended to be different than liability otherwise assigned under Section 791.006(a) of the Texas Government Code, which provides that "the governmental unit that would have been responsible for furnishing the services in the absence of the contract is responsible for any civil liability that arises from the furnishing of those services." The Parties also agree, pursuant to Section 775.0366(e) of the Texas Health and Safety Code, that the assignment of liability provided by this Agreement is intended to be different than liability otherwise assigned under Section 775.0366(d), which provides that the "district is responsible for any civil liability that arises from furnishing those services if the district would have been responsible for furnishing the services in the absence of the contract." A Party shall be deemed to be performing, providing, or furnishing services when traveling to or from or in any manner furnishing services in accordance with this Agreement. The payment of any and all civil or other liability, including negligence, shall specifically include, but not be limited to, the payment of all court costs, expenses, and attorneys' fees resulting from any such litigation.
- (b) Line of Duty. When an employee or volunteer of the Responding Party is performing duties under the terms of this Agreement, that person is considered to be acting in the line of duty for that Responding Party for the purposes of 42 U.S.C.A., Section 3796; is considered to be in the performance of duties for that Responding Party within the applicable provisions of Chapter 615 of the Texas Government Code; and shall be entitled to any benefits which accrue under law as a result of injury, death, or loss which occurs while in the line of duty for that Responding Party under this Agreement. This section does not increase any other Party's liability under this Agreement.



## **VIII. IMMUNITY OR DEFENSE**

It is expressly understood and agreed that, in the execution of this Agreement, no Party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its governmental powers or functions or pursuant to the Texas Tort Claims Act, Chapter 101, Civil Practice and Remedies Code, or other applicable statute, law, rule, or regulation.

## **IX. TERMINATION BY ANY PARTY**

Any Party shall have the option to terminate this Agreement upon 30 days' written notice to the other Parties at the address provided with the signature of each Party below.

## **X. SEVERABILITY**

If for any reason any one or more paragraphs of this Agreement is held invalid by a court of competent jurisdiction, such holding shall not affect, impair, or otherwise invalidate the remaining paragraphs of this Agreement but shall be confined in its operations to the specific sections, sentences, clauses or parts of this Agreement held invalid, and the invalidity of any section, sentence, clause, or parts of this Agreement in any one or more instances shall not affect or prejudice in any way the validity of this Agreement in any other instance.

## **XI. DEFINITIONS**

Assisting Agency. The Party furnishing equipment, supplies, facilities, services, and/or staffing to the Requesting Agency while adhering to their own agency's policies and procedures. (i.e., SOPs, safety guidelines, protocols and general orders).

Emergency Medical Services (or "EMS"). The activities required for and related to providing service as an "Emergency Medical Services Provider" as defined by Chapter 773, Texas Health and Safety Code.

Firefighting Services. The services required for and related to the control and extinguishment of fires.

Mutual Aid. The services, equipment, or personnel provided under this written Agreement between two or more Parties to respond to formal requests for assistance under specific conditions. Mutual Aid requires the arrival of the primary provider and a subsequent call for assistance. Mutual Aid services include: Firefighting Services, Rescue Services, and Emergency Medical Services. The term does not encompass any response involving hazardous materials.

Requesting Agency. The Party requesting Mutual Aid during the disaster or emergency.

Rescue Services. The services required for and related to saving lives, preventing injury, and managing safety during emergencies. Rescue Services shall include, but not be limited to, the following activities:

- Extrication activities involving motor vehicle collisions and machinery entrapments;
- Technical rescue operations such as high-angle, confined space, and rope rescue;
- Trench rescue operations;
- Structural and building collapse rescue operations; and
- Water rescue operations, including swiftwater, flood, and surface water rescue.

These services, and all services provided under this Agreement, shall be provided in accordance with the Assisting Agency's training, equipment, and capabilities, and in compliance with all laws, rules, regulations, and established safety protocols.

Service Area. The geographic boundaries within which a Party is the primary agency responsible for providing EMS, Firefighting Services, or Rescue Services. A description of the Service Area of each Party is included in Exhibit "1," attached hereto and incorporated herein for all purposes.

[remainder of this page intentionally left blank]

EXECUTED on the date or dates indicated below.

**City of Azle Fire Department**

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Signature and Date

Address: \_\_\_\_\_

\_\_\_\_\_

EXECUTED on the date or dates indicated below.

**City of Mineral Wells Fire Department**

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Signature and Date

Address: \_\_\_\_\_  
\_\_\_\_\_



EXECUTED on the date or dates indicated below.

**Parker County ESD No. 1**

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Print Name and Title

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Signature and Date

Address: 

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EXECUTED on the date or dates indicated below.

**Parker County ESD No. 3**

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Print Name and Title

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Signature and Date

Address: 

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EXECUTED on the date or dates indicated below.

**Parker County ESD No. 6**

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Print Name and Title

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Signature and Date

Address: 

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EXECUTED on the date or dates indicated below.

**Parker County ESD No. 7**

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Signature and Date

Address: \_\_\_\_\_  
\_\_\_\_\_

EXECUTED on the date or dates indicated below.

**Parker County ESD No. 8**

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Signature and Date

Address: \_\_\_\_\_  
\_\_\_\_\_

EXECUTED on the date or dates indicated below.

**Parker County ESD No. 9**

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Print Name and Title

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Signature and Date

Address: 

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EXECUTED on the date or dates indicated below.

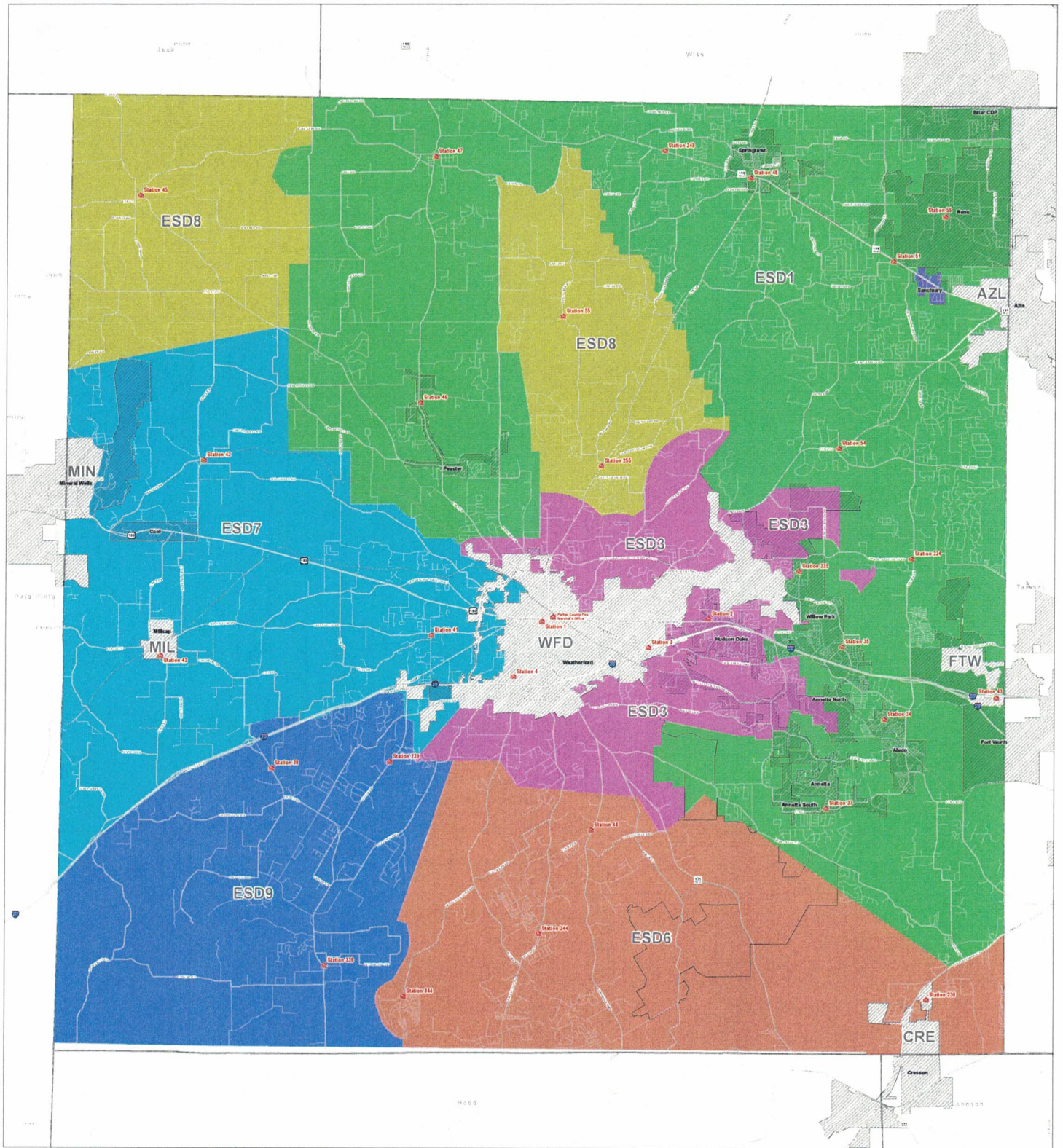
**Weatherford Fire-Rescue**

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Signature and Date

Address: \_\_\_\_\_  
\_\_\_\_\_

# PARKER COUNTY ESD BOUNDARIES

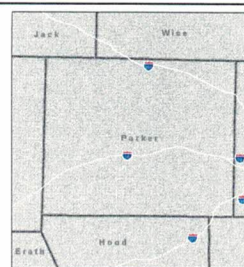


## MAP SYMBOLOLOGY

### Fire District Boundaries

|  |      |  |      |  |             |  |                   |
|--|------|--|------|--|-------------|--|-------------------|
|  | ESD1 |  | ESD8 |  | COS         |  | City Boundaries   |
|  | ESD3 |  | ESD9 |  | Fire Houses |  | County Boundaries |
|  | ESD6 |  | NESD |  | Major Road  |  |                   |
|  | ESD7 |  | COR  |  | Minor Road  |  |                   |

0 2 4  
Miles



## Parker County Fire Alarm

### ESD Boundaries

For more information on the data used for this map, please consult the Parker County Fire Alarm Office at:

Parker County Fire Alarm  
725 State Street  
Weatherford, TX 76086



LAST UPDATED  
1/13/2026

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action to enter into an interlocal agreement with Mineral Wells Independent School District for emergency medical services standbys as outlined in the agreement during the 2026 football season.

### **INITIATOR/STAFF INFORMATION SOURCE**

Ryan Dunn, Fire Chief

### **BACKGROUND**

Mineral Wells Independent School District has requested EMS standbys for football games as required by UIL rules. This is a renewal of last year's agreement for EMS standbys. The attached Interlocal agreement allows for paid staff to standby at these events and MWISD to reimburse the city for the associated expenses. This is a revenue neutral agreement.

### **EXHIBITS**

1. MWISD football 2026

**ITEM NUMBER 5.**  
**MEETING DATE 8/4/2026**

STATE OF TEXAS §

# INTERLOCAL AGREEMENT FOR EMERGENCY MEDICAL SERVICES

WITNESSETH:

WHEREAS, CITY has EMTs in its employ capable of providing MWISD emergency medical services; and

WHEREAS, the MWISD Board of Trustees desires to utilize the emergency medical services and personnel of CITY for those functions and purposes; and

**NOW, THEREFORE**, in consideration of the premises and of the terms,



provisions, and mutual provisions herein contained, CITY and MWISD hereby agree as follows:

## **I.**

### **Purpose**

1.01 The primary purpose of this Agreement is for MWISD to secure emergency medical services to protect the safety and welfare of MWISD students at MWISD sponsored sporting events and activities.

## **II**

### **Services and Obligations of City**

The CITY, through CITY EMTs, shall provide MWISD the following services and related activities:

#### **Emergency Medical Services**

2.1 Beginning August 28, 2026, two (2) Emergency Medical Technicians (EMTs) and an ambulance will be provided by CITY for emergency medical services at MWISD football games for 2026 and other extra school-related events as requested by the ISD during the school year. [*See Attachment A: Mineral Wells ISD Stadium Ambulance Service Schedule for regular season games*].

2.2 For extra school-related events, CITY EMTs and ambulance will be provided subject to availability of CITY EMTs and scheduling.

## **III.**

### **Qualifications**

Any EMT assigned by CITY Fire Department shall have the following qualifications:

3.1 Must continuously satisfy all minimum standards for EMTs established from time to time by the Texas Department of State Health Services and additional standards, if any, of CITY Fire Department.

3.2 Must have passed a criminal background check in accordance with Section 22.083 of the Texas Education Code.

3.3 Initial selection and assignment of the EMTs will be by CITY's Fire Department.

#### **IV.**

##### **Employees of the City**

4.1 All EMTs furnished by CITY will be employees of CITY and will at all times be subject to the supervision and control of the CITY's Fire Chief or his designee and shall be responsible to the Fire Chief or his designee.

4.2 All EMTs and ambulance furnished by CITY have the protection of CITY as their primary responsibility. Therefore, at any time when staffing requirements demand more personnel for protection of CITY, all or a portion of the EMTs and/or the ambulance may be removed from games for a temporary period until those EMTs and/or ambulance are no longer required for the reasonable protection of CITY.

4.3 The supervisory personnel of the EMTs who are responsible for their direct supervision shall be available at all reasonable times to report to and confer with designated officials of MWISD.

#### **V.**

##### **Services and Obligations of MWISD**

MWISD shall fulfill the following obligations in return for the CITY's performance of the foregoing services:

- 5.1 The CITY shall invoice MWISD and MWISD shall pay the City a fee of \$50 per hour for the use of a CITY Fire Department ambulance and the contracted services of two (2) EMTs, to be charged a minimum of three (3) hours per event, exclusive of the total time the ambulance is on standby at the event. Both governing bodies of the respective parties find this fair compensation for services performed. Within 30 days of receipt of invoice from City, MWISD shall deliver payment to:

P.O. Box 460  
Mineral Wells,  
TX 76068

5.2 Payments for the above described governmental services must be made from current revenues available to the school district.

5.3 In the event the CITY ambulance and EMTs are removed from service at an MWISD location or function due to the provision set forth in section 4.2 and a replacement apparatus with EMT compliment is unavailable on scene, the MWISD will not be required to compensate the CITY for the affected EMTs or ambulance.

## **VI.**

### **Term**

6.1 The term of this Agreement shall commence on August 28, 2026, and shall continue for the 2026 football season including any extended play and playoff games.

6.2 Either party may terminate the Agreement by giving 30 days written notice and the Agreement shall terminate on the date set out in the notice. Termination of this Agreement shall not excuse any of the payments due for services provided during the term in which the notice of termination was given. For example, if the Agreement terminates on September 5<sup>th</sup>, the payment for services provided on September 5<sup>th</sup> still must be paid.

## **VII.**

### **Notices and Administration**

7.1 All notices, communications and reports required or permitted under this Agreement shall be personally delivered to the respective parties, by depositing same in the United States mail, postage prepaid, at the addresses shown below, unless and until either party is subsequently notified otherwise in writing:

If intended for CITY, to:

FIRE CHIEF

City of Mineral Wells

P.O. Box 460

Mineral Wells, TX

76086

If intended for MWISD, to:

SUPERINTENDENT OF SCHOOLS

Mineral Wells Independent School District

906 SW 5<sup>th</sup> Ave.

Mineral Wells, TX 76067

## VIII.

### **Miscellaneous Provisions**

8.1 VENUE: The obligations of the parties are performable in Mineral Wells, Texas, and if legal action is necessary to enforce same, exclusive venue shall be in PALO PINTO County, Texas.

8.2 APPLICABLE LAW: This Agreement is made subject to the provisions of the Charter and Ordinances of CITY, as amended, enacted written Policies of MWISD's Board of Trustees, as amended, and all applicable State and Federal laws.

8.3 GOVERNING LAW: This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas.

8.4 LEGAL CONSTRUCTION: In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of it and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

8.5 CAPTIONS: The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.



8.6 COUNTERPARTS: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

8.7 ENTIRE AGREEMENT: This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and, except as otherwise provided herein, cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.

8.9 PAYMENT: All payments to the Mineral Wells Fire/EMS shall be invoiced through and made to the City of Mineral Wells.

**EXECUTED** the date and year first above written and effective from August 28, 2026.

**ATTEST:**

**CITY OF MINERAL WELLS, TEXAS**

---

Sharon McFadden, City Clerk

---

Regan Johnson, Mayor

**MINERAL WELLS INDEPENDENT  
SCHOOL DISTRICT**

---

David Tarver, Superintendent

## ATTACHMENT A

### Varsity:

Thursday, 8/20 (Scrimmage vs. Krum) 5:00 p.m.

8/28 (Vernon) 7:00 p.m.

9/4 (Pilot Point) 7:00 p.m.

9/25 (Boyd) 7:00 p.m.

10/16 (Graham) 7:00 p.m.

11/6 (Brock) 7:00 p.m.

### JV/Freshman:

Wed, 10/16 (Carrolton Turner) 5:00 p.m.

10/9 (Iowa Park) 5:00 p.m.

10/22 (Bridgeport) 5:00 p.m.

10/29 (Burkburnett) 5:00 p.m.

**\*\*We may add another game here on our BYE Week**

### JH:

9/8 - 5:30 p.m.

9/15 - 5:30 p.m.

9/21 - 5:30 p.m.

9/29 - 5:30 p.m.

10/6 - 5:30 p.m.

10/20 - 5:30 p.m.

10/26 - 5:30 p.m.

**\*\*Will probably add one more game for the JH League "Championship Week" on the last week of the season.**

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action rejecting all bids received in response to Invitation to Bid (ITB) No. 2026-007 for Mowing and Lawn Care Services at the Airport and Miscellaneous Properties for Code Enforcement.

### **INITIATOR/STAFF INFORMATION SOURCE**

Aaron J. Bovos, Director of Finance & Assistant City Manager

### **BACKGROUND**

On June 5, 2026, the City issued ITB No. 2026-007 seeking bids from qualified contractors to provide mowing, trimming, vegetation control, landscaping, debris removal, and related lawn care services at the Mineral Wells Regional Airport and designated properties maintained through Code Enforcement. Bids were due on July 6, 2026.

The City received the following three bids:

| Bidder                 | Bid Amount |
|------------------------|------------|
| Green World Care, Inc. | \$209,790  |
| 2 Mach LLC             | \$210,340  |
| SKJ Land Services LLC  | \$508,600  |

Following review, staff determined that all three bids exceeded the amount anticipated for these services and the funding included in the adopted budget. Awarding a contract based on the bids received would therefore require additional funding or a reduction in the scope or frequency of services.

Section 19.8 of the ITB expressly reserves the City's right to reject or cancel any or all bids. Rejecting the bids will allow staff to reevaluate the scope of services, service frequencies, available funding, and alternative methods of providing the work before determining whether to issue a revised solicitation.

### **FINANCIAL IMPACT**

Rejecting all bids will create no contractual financial obligation for the City. Any future solicitation or alternative service arrangement will be structured to better align with available budgetary resources.

### **RECOMMENDATION**

Staff recommends that the Mayor and City Council reject all bids received in response to ITB No. 2026-007 because the proposed costs exceed the amount anticipated and included in the proposed budget, and authorize staff to reevaluate the scope of services and available alternatives.

## **EXHIBITS**

**ITEM NUMBER 6.**  
**MEETING DATE 8/4/2026**

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action approving an Interlocal Cooperation Contract between the City of Mineral Wells Municipal Court and the Texas Department of Public Safety for participation in the Texas Conviction Reporting system and authorizing the Mayor to execute the agreement.

### **INITIATOR/STAFF INFORMATION SOURCE**

Aaron J. Bovos, Director of Finance & Assistant City Manager

### **BACKGROUND**

The Texas Department of Public Safety (DPS), Driver License Division, is implementing the Texas Conviction Reporting (TXCR) system, a secure, web-based application through which Texas courts will electronically report final convictions to DPS. Effective January 1, 2027, all final convictions submitted to DPS must be reported through TXCR. Before accessing the system, participating courts must enter into an Interlocal Cooperation Contract with DPS.

The TXCR system will replace existing paper and electronic file-submission processes. It will allow authorized Municipal Court personnel to submit conviction information in real time, verify successful submissions, prevent duplicate entries, review rejected records, and promptly correct and resubmit incomplete or inaccurate information. The system will also provide historical reports and training resources to assist courts with timely and accurate conviction reporting.

Under the agreement, DPS will provide and maintain secure access to TXCR, validate conviction data before it is added to a driver record, provide training and technical assistance, and ensure that the system complies with applicable Criminal Justice Information System security requirements.

The Mineral Wells Municipal Court will be responsible for limiting access to authorized personnel, requiring multifactor authentication, protecting system information from unauthorized disclosure, notifying DPS when an authorized user separates from employment or no longer requires access, and submitting conviction reports within seven days of the date of conviction as required by Section 543.203 of the Texas Transportation Code.

The agreement is authorized under Chapter 791 of the Texas Government Code, commonly known as the Interlocal Cooperation Act. It will become effective upon execution and will remain in effect unless terminated by either party upon 30 calendar days' written notice.

### **FINANCIAL IMPACT**

DPS will provide access to the TXCR system at no cost to the City. Municipal Court staff will administer the agreement and perform the required reporting as part of their existing responsibilities.

**RECOMMENDATION**

Staff recommends approval of the Interlocal Cooperation Contract with the Texas Department of Public Safety and authorization for the Mayor or other authorized City representative to execute the agreement on behalf of the City of Mineral Wells. Approval will allow the Municipal Court to complete the required system enrollment and continue submitting conviction information to DPS after the mandatory January 1, 2027, implementation date.

**EXHIBITS**

1. Interlocal Agreement
2. Letter from DPS

**ITEM NUMBER 7.**  
**MEETING DATE 8/4/2026**

## INTERLOCAL COOPERATION CONTRACT

### I. CONTRACTING PARTIES AND AUTHORITY

The Department of Public Safety (DPS) and the Municipal Court of Mineral Wells [City or County] are contracting under the authority of Texas Government Code Chapter 791 (the Interlocal Cooperation Act).

DPS certifies that it has the authority to contract for the Texas Conviction Reporting (TXCR) application by the authority granted in Tex. Transp. Code Chapter 543, Subchapter C.

### II. BACKGROUND AND PURPOSE

DPS is legislatively required to apply all court-reported convictions to a driver record within seven days of the final disposition of conviction. Texas courts send more than 180,000 conviction records monthly. To secure personally identifiable information (PII) of drivers who are convicted in Texas courts, DPS developed a secure web-based application for Texas courts to submit electronic convictions onto a Texas driver's record and eliminate mailed or unsecured upload of conviction records.

Furthermore, DPS and Federal Motor Carrier Safety Administration's (FMCSA) common goal is to ensure and improve public safety by reducing crashes, injuries, and fatalities involving Commercial Motor Vehicles (CMV). One of the components of this effort is the appropriate and timely reporting of moving violation convictions for Commercial Driver License (CDL) holders and operators of CMVs. For DPS to be successful in its endeavor to bolster the foundation and support the priorities of the CDL program, it must have the proper tools to accomplish these goals.

### III. STATEMENT OF SERVICES

DPS responsibilities are as follows.

- Provide access to the TXCR over the internet from a publicly accessible site based on authorized access granted by DPS to Court reporting personnel.
- Ensure the TXCR site is secure and meets Criminal Justice Information System (CJIS) security requirements as defined by the Federal Bureau of Investigation (FBI).
- Allow submission of convictions individually using a web-form that matches the bulk file format for ease of entry. Bulk file format will be provided to Court.
- TXCR will validate conviction data prior to inclusion to the driver's record and if data cannot be validated, will reject the submission with an opportunity for Court to correct and resubmit.
- Provide historical reports for Court to assist with timely reporting, reducing rejects and ensuring accuracy of conviction reporting.
- Provide training to Court, and include training materials and procedures on the TXCR site for 24/7 access by Court.
- TXCR Contractor will assist Court users by providing a toll-free telephone number and email, Monday through Friday from 7:00am to 8:00pm, except holidays.

Court responsibilities are as follows.

- Do not share the TXCR site information with unauthorized persons.
- Have only two authorized court personnel with access to TXCR, unless additional personnel are authorized by DPS based on business need.
- Authorized users must use Multi-Factor Authentication (MFA) to access TXCR and will be required to download an application to a cell phone to receive the MFA code before access is granted.
- Must use TXCR to upload individual convictions using a web-form or bulk upload of convictions in a pre-defined format approved by DPS. Paper forms will not be accepted.
- Must notify DPS immediately upon termination or resignation of an authorized user to allow DPS disable the account and prevent unauthorized use of TXCR.
- Submit conviction reports to TXCR within seven days from the date of conviction in compliance with Tex. Transp. Code Chapter 543, Section 543.203.

#### IV. CONTRACT AMOUNT AND BASIS FOR CALCULATING COSTS

DPS will provide TXCR to Court at no cost.

#### V. TERM OF CONTRACT AND AMENDMENTS

This contract is effective on the date of execution and will not expire except upon written request of either party with 30 calendar days' written notice. This contract may only be amended by mutual written agreement of the parties.

Any alterations, additions, or deletions to the terms of the Contract that are required by changes in federal or state law or regulations are automatically incorporated into the contract without written amendment hereto, and shall become effective on the date designated by such law or by regulation.

#### VI. GENERAL TERMS AND NOTICE

This Contract is governed by and construed under and in accordance with the laws of the State of Texas. The Court understands and agrees that it will comply with all local, state, and federal laws in the performance of this Contract, including administrative rules adopted by DPS.

The respective party will provide any required notice as noted in this section. Either party may change its information by giving the other party written notice and the effective date of the change.

|                 |                         |                                    |
|-----------------|-------------------------|------------------------------------|
| <b>Court</b>    | Mineral Wells Municipal | <b>Department of Public Safety</b> |
| <b>Attn.:</b>   |                         | Enforcement & Compliance Service   |
| <b>Address:</b> | 211 SW 1st Ave          | Attn: Conviction Reporting         |
| <b>Address:</b> | Mineral Wells Tx 76067  | 5805 North Lamar Blvd., Bldg A     |
| <b>Fax:</b>     | 940-328-7732            | Austin, Texas 78752-0001           |
| <b>Email:</b>   |                         | (512) 424-5809 [fax]               |
| <b>Phone:</b>   | 940-328-7733            | Data.Submission@dps.texas.gov      |
|                 |                         | (512) 424-2031                     |



## VII. CERTIFICATIONS

The parties certify that (1) the contract is authorized by the governing body of each party; and (2) the purpose, terms, rights, and duties of the parties are stated within the Contract.

The undersigned signatories have full authority to enter into this Contract on behalf of the respective Parties.

|                                   |
|-----------------------------------|
| <b>Court Authorized Signatory</b> |
| <br><br><br><br>                  |
| <b>Signature and Title</b>        |
| <b>Date:</b>                      |

|                                                               |
|---------------------------------------------------------------|
| <b>Department of Public Safety</b>                            |
| <br><br><br><br>                                              |
| <b>Signature of Driver License Division Chief or Designee</b> |
| <b>Date:</b>                                                  |

\*An additional page may be attached if more than one signature is required to execute this Contract on behalf of the Court. Each signature block must contain the person's title and date.



# TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001  
512-424-2000  
[www.dps.texas.gov](http://www.dps.texas.gov)



FREEMAN F. MARTIN  
COLONEL  
WALT GOODSON  
JASON C. TAYLOR  
LIEUTENANT COLONELS



STEVEN P. MACH, CHAIRMAN  
NELDA L. BLAIR  
DAN HORD III  
LARRY B. LONG  
STEVEN H. STODGHILL

July 6, 2026

Dear Court Clerk,

The Texas Department of Public Safety, Driver License Division, is excited to announce the implementation of the web-based site for electronically reporting convictions, which we notified you about last year.

The new Texas Conviction Reporting (TXCR) interface eliminates paper processes and the current electronic file submission process. A “real-time” upload feature allows court users the ability to review successful submissions, prevent duplicate entries, and review rejected convictions. Users can correct and resubmit missing information for rejected convictions immediately.

Effective January 1<sup>st</sup>, 2027, all final convictions sent to the Department for processing must be submitted via TXCR. The submission of final convictions via the portal requires that a TXCR Interlocal Cooperation Contract be completed and submitted to the Department before using the new TXCR interface.

Please complete the enclosed TXCR Interlocal Cooperation Contract (ICC) for review, signature, and return. We have provided an instruction sheet to assist with the completion of the ICC.

We look forward to your participation and assistance with providing better service to all Texas courts. If you have any questions, you may contact Kathy Drye at [Kathy.Drye@dps.texas.gov](mailto:Kathy.Drye@dps.texas.gov), or 512-424-2030, or Erica Blanco at [Erica.Blanco@dps.texas.gov](mailto:Erica.Blanco@dps.texas.gov), or 512-424-7266.

Regards,

Manager  
Enforcement and Compliance Service  
Driver License Division

## AGENDA ITEM COMMENTARY

### ITEM TITLE

Consider and take appropriate action awarding the Airport Water Line Installation Project to Fambro Construction, LLC, as the lowest responsive and acceptable bidder, in an estimated amount of \$81,652.

### INITIATOR/STAFF INFORMATION SOURCE

Aaron Bovos, Finance Director & Assistant City Manager

### BACKGROUND

The City requested quotes for the installation of a new six-inch water line to extend water service toward the Mineral Wells Regional Airport. The project generally includes connecting to the existing six-inch water line, installing approximately 5,000 linear feet of six-inch C900 PVC water line, two inline gate valves, and five fire hydrant assemblies.

The City received the following submissions:

| Contractor                   | Quoted Amount   | Proposed Scope                                                                                            |
|------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------|
| Fambro Construction, LLC     | \$81,652        | Approximately 4,960 linear feet, two gate valves, five fire hydrants, and connection to the existing line |
| Santibanez Construction, LLC | \$113,000       | Approximately 5,500 linear feet, two inline valves, and five fire hydrants                                |
| Drip Master, LLC             | No price stated | Approximately 5,400 linear feet and five fire hydrants                                                    |

The proposals are primarily for labor, equipment, excavation, installation, bedding placement, backfilling, and related construction services. The City will provide the water pipe, fittings, valves, fire hydrants, bedding and backfill materials, and other specified construction materials. The City will also be responsible for certain site preparation, testing, permitting, restoration, and

disposal activities.

After reviewing the proposals, staff determined that Fambro Construction, LLC submitted the lowest acceptable priced proposal. Fambro's estimated price includes \$2,000 for connecting to the existing water line, \$67,952 for installing approximately 4,960 linear feet of six-inch water line, \$1,200 for two inline gate valves, and \$10,500 for five fire hydrant assemblies.

The quantities included in the proposal are estimates. Final compensation will be based upon the actual quantities installed at the quoted unit prices, subject to available funding and City authorization. The proposal also indicates that construction could begin approximately 90 days following award and is expected to require approximately three to four weeks to complete.

### **FINANCIAL IMPACT**

The estimated contract amount is \$81,652. This amount does not include materials supplied by the City, pavement or concrete repairs, surveying or construction staking, vegetation clearing, landscaping, regulatory approvals, or bonding costs if bonding is required.

Funds are available for both the materials and the installation in the fiscal year 2026 budget for the Water / Sewer Fund.

### **RECOMMENDATION**

Staff recommends awarding the Airport Water Line Installation Project to Fambro Construction, LLC, as the lowest responsive and acceptable bidder, at an estimated amount of \$81,652, and authorizing the City Manager or designee to execute the necessary documents.

### **EXHIBITS**

1. Quote-739
2. Est\_727\_from\_SANTIBANEZ\_CONSTRUCTION\_LLC\_27428
3. quote - Airport Water Line, Phase 1, Mineral Wells, Texas (7-20-2026)

**ITEM NUMBER 8.**  
**MEETING DATE 8/4/2026**

Drip Master LLC.  
1004 West Ball St  
Weatherford Tx. 76086  
M#36723  
Office:817-304-1900

# Airport Utilities

City Of Mineral Wells  
Mineral Wells Utilities Dept  
1301 S Oak Ave,  
Mineral Wells Tx, 76067

Quote # 739  
P.O. # -  
Quote Date 06/23/2026

| Item    | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service | <p>AGREEMENT FOR WATER UTILITY INSTALLATION SERVICES</p> <p>This Agreement is entered into by and between the City of Mineral Wells, Texas ("City") and Drip Master LLC ("Contractor").</p> <p>1. Project Description</p> <p>Contractor shall provide all labor, supervision, equipment, and incidental services necessary to install approximately 5,400 linear feet of 6-inch C900 water main, associated fittings, and five (5) fire hydrants along the designated City right-of-way at the Airport Utilities Project.</p> <p>The City shall furnish all pipe, fittings, hydrants, valves, thrust block concrete, bedding material, backfill sand, and other utility construction materials required for the Project unless otherwise stated herein.</p> <p>2. Scope of Contractor Services</p> <p>Contractor shall perform the following work:</p> <p>a. Excavate, install, and backfill approximately 5,400 linear feet of City-furnished 6-inch C900 domestic water main.</p> <p>b. Install all City-furnished fittings, appurtenances, valves, and five (5) fire hydrant assemblies in accordance with applicable City standards and utility construction requirements.</p> <p>c. Install concrete casing, restraints, or anti-flotation measures at intervals designated by the City to prevent pipeline movement during operation.</p> <p>d. Bed all water main piping utilizing City-furnished bedding materials in accordance with City of Mineral Wells utility standards and specifications.</p> <p>e. Perform trench backfilling and compaction operations utilizing City-furnished backfill sand and/or suitable excavated material approved by the City.</p> <p>f. Grade disturbed areas to substantially match pre-construction elevations and contours where reasonably practicable.</p> <p>g. Conduct an air pressure test of the installed water main and associated fittings prior to the introduction of potable water into the system.</p> <p>3. Materials Supplied by City</p> <p>The City shall furnish and deliver to the project site all materials necessary for completion of the utility installation, including but not limited to:</p> <p>6-inch C900 water pipe;<br/>Water main fittings;</p> |

Fire hydrants;  
Gate valves and valve boxes;  
Concrete required for thrust blocks;  
Bedding sand;  
Backfill sand; and  
Any other utility materials specified by the City.

Contractor shall not be responsible for material shortages, defects, delays in delivery, or replacement of defective materials supplied by the City.

#### 4. Site Preparation and Restoration

The City shall be responsible for:

- a. Removal of any trees, fencing, structures, utilities, obstructions, or other impediments that may interfere with construction activities prior to Contractor mobilization.
- b. Replacement, repair, and restoration of any asphalt pavement, concrete pavement, sidewalks, driveways, or similar hardscape surfaces disturbed by the Project.
- c. Seeding, sodding, vegetation establishment, landscaping, irrigation repair, and all related restoration activities.

Contractor shall not be responsible for landscaping or vegetation replacement.

#### 5. Backfill and Excavation

Contractor shall be responsible for trench excavation, placement of bedding materials, backfill operations, and compaction in accordance with City standards.

All bedding and backfill materials shall be supplied and delivered by the City. Contractor may utilize suitable excavated material for backfill where approved by the City.

#### 6. Excess Materials

Upon completion of the Project, any unused materials furnished by the City shall remain the property of the City.

Contractor shall load remaining materials into City-provided vehicles or designated transport equipment. Transportation and removal from the site shall be the sole responsibility of the City.

#### 7. Testing and Commissioning

Prior to placing the water main into service, Contractor shall perform an air pressure test of the installed pipeline and fittings.

Following successful completion of the air test:

- a. The City shall introduce water into the system.
- b. The City shall perform all flushing, disinfection, bacteriological testing, pressure testing, commissioning, and debris removal procedures required by applicable regulations and City standards.
- c. Final acceptance of the water system shall be contingent upon successful completion of all testing and commissioning procedures conducted by the City.

#### 8. Contractor Responsibilities

Contractor's obligations under this Agreement are limited to the furnishing of labor, equipment, and installation services necessary to complete the utility construction work described herein.

Contractor shall not be responsible for:

Furnishing utility materials;

Material defects or shortages;  
Utility design or engineering;  
Pavement replacement;  
Landscape restoration;  
Testing, disinfection, or commissioning activities performed by the City; or  
Delays resulting from the City's failure to provide materials, access, approvals, or site readiness.

9. City Responsibilities

The City shall provide:

All utility construction materials;  
Adequate access to the work area;  
Site preparation and obstacle removal;  
Required inspections;  
Water system testing, flushing, disinfection, and commissioning;  
Pavement and landscape restoration; and  
Removal of excess materials upon project completion.

10. Estimated Quantity

The parties acknowledge that the estimated installation quantity is approximately 5,400 linear feet of 6-inch C900 water main, together with associated fittings, valves, and five (5) fire hydrants. Actual quantities may vary based on field conditions and final project requirements.

NOTES: \*\*\* All Quote pricing is good for 15 days from the date of the Quote. If approved after that date, pricing may vary \*\*\*

Texas State Board of Plumbing  
929 E 41st St  
Austin, TX 78751  
800.845.6584





## SANTIBANEZ CONSTRUCTION LLC

990 Millsap Hwy  
MINERAL WELLS TX 76067  
940-682-6929

# Estimate

| Date      | Estimate # |
|-----------|------------|
| 6/10/2026 | 727        |

|                                                               |
|---------------------------------------------------------------|
| Name / Address                                                |
| CITY OF MINERAL WELLS<br>2600 S OAK<br>MINERAL WELLS TX 76067 |

| Terms                                                                                                                                                                                                                                                                              |     | Project    |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------|--------------|
|                                                                                                                                                                                                                                                                                    |     |            |              |
| Description                                                                                                                                                                                                                                                                        | Qty | Rate       | Total        |
| TRENCH AND INSTALL 6 INCH C 900 FOR 5500 FT STARTING WITH 5 FIRE HYDRANTS AND TWO INLINE VALVES ALONG 1195 NEXT ENDING THEN ALONG CASSHOLLAND AND THEN HEADING NORTH TOWARD AIRPORT RUNWAY<br>ALL MATERIALS BASE ,PIPE , BEDDING AND FITTINGS PROVIDED BY CITY<br><br>AIRPORT LINE | 1   | 113,000.00 | 113,000.00   |
| <b>Total</b>                                                                                                                                                                                                                                                                       |     |            | \$113,000.00 |

|                          |
|--------------------------|
| E-mail                   |
| mikesantibanez@gmail.com |
| Phone #                  |
| 9406826929               |

Signature \_\_\_\_\_

BY SIGNING THIS AGREEMENT THE SIGNORS AGREE TO THE TERMS AS WRITTEN. THIS AGREEMENT CONSTITUTES AN ENFORCMENT CONTRACT BETWEEN THE PARTIES AND MUST BE SIGNED BY ALL OF THE PTOPEPTY OWNERS . THIS CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES AND CAN ONLY BE MODIFIED IN WRITING .

## A Cost Quote From: Fambro Construction, LLC

To: City of Mineral Wells

Date: July 20, 2026

Attn: David Morgan

Email: wmorgan@mineralwellstx.gov

Page: 1 of 2

Re: cost quote Airport Water Line Project, Phase 1, City of Mineral Wells, Texas

***The below unit pricing is proposed for labor only (unless noted otherwise):***

| <u>Item</u> | <u>Quantity</u> | <u>Unit</u> | <u>Item Description</u>               | <u>Unit Price</u> | <u>Total</u>       |
|-------------|-----------------|-------------|---------------------------------------|-------------------|--------------------|
| 1           | 1               | LS          | 6" connection to existing 6" stub out | \$2,000.00        | \$2,000.00         |
| 2           | 4960            | LF          | 6" DR18 C900 PVC water line           | \$13.70           | \$67,952.00        |
| 3           | 2               | EA          | 6" inline MJ gate valve               | \$600.00          | \$1,200.00         |
| 4           | 5               | EA          | fire hydrant assembly                 | \$2,100.00        | \$10,500.00        |
|             |                 |             |                                       | <b>Total =</b>    | <b>\$81,652.00</b> |

**NOTE: The following assumptions, provisions, or exceptions apply.**

- 1) Above pricing based on a site visit and discussion with David Morgan, Utilities Superintendent with the City of Mineral Wells.
- 2) Fambro Construction will excavate a minimum of an 18 inch wide ditch to approximately 4 feet deep, 6 inches of sand bedding will be installed below the pipe and on each side, with 12 inches of sand bedding above the pipe, the remaining 2 feet will be backfilled with excavated material with a small mound of material left over the ditch line to account for settlement. The waterline will maintain a minimum of 3 feet of cover for the full installation.
- 3) These quantities are estimates only, after on-site discussions and surface investigations, and observations by Fambro Construction. Billable quantities will be based upon actual quantities installed or completed. It is anticipated the quoted quantities are very close estimates to what will actually be installed.
- 4) It is anticipated to be approximately 90 days before construction could begin due to current workload. Construction duration should be approximately 3 to 4 weeks.
- 5) Fambro Construction will be responsible for supplying or acquiring:
  - transport of the PVC pipe from storage location to the job site
  - locating any existing utilities required for completion of the installation
  - loading of excess spoils to City supplied transport
  - hydro pneumatic testing
  - traffic control (if necessary)
- 6) The City of Mineral Wells will be responsible for supplying or acquiring:
  - all construction materials required,
  - all sand bedding and road base required, including delivery to the jobsite

- any asphalt or concrete surface repair
- transport and disposal of excess spoils
- flushing and bacteriological testing
- any permitting or approvals required

- 7) This quote does NOT include surveying, construction staking, or control points, if required these will need to be supplied by the City of Mineral Wells.
- 8) This quote does NOT include any brush, vegetation, or right of way clearing.
- 9) This quote does NOT include seeding, sodding, irrigation, or landscaping.
- 10) This quote does NOT include a SWPPP or any erosion control measures.
- 11) This quote does NOT include an allowance for bonding, if required this will have to be added when the project is awarded for an additional cost.
- 12) This quote does NOT include any easements, permitting, or approvals through any regulating authorities, including, but not limited to, FAA, TCEQ, EPA, City of Mineral Wells, Palo Pinto County, TxDOT, or private landowners.

*If you have any questions concerning this quote, please do not hesitate to contact me at the number below.*

***Thanks for the opportunity!***

**Camron Fambro**  
**Fambro Construction, LLC**  
**254-485-1169**  
[camronfambro@fambroconstruction.com](mailto:camronfambro@fambroconstruction.com)

***If this quote is acceptable, please sign below and return. A copy signed by both parties will be returned and scheduling can be determined.***

**Accepted**

Entity: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Fambro Construction, LLC**

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action to approve Change Order No. 1 to the purchase order with Ergon Asphalt & Emulsions, Inc. in the amount of \$76,000.00 for a total of \$152,000.00 to purchase additional CRS-2 oil used in the City's roadway chip seal program.

### **INITIATOR/STAFF INFORMATION SOURCE**

Scott McKennon, Public Works Director  
Howard Huffman, Executive Director of Public Works  
Aaron J. Bovos, Assistant City Manager/Director of Finance

### **BACKGROUND**

The Public Works Department annually performs chip seal operations as part of the City's pavement preservation program. CRS-2 oil is a necessary material in the chip seal process and is used to extend roadway life and reduce long-term maintenance costs.

On March 22, 2026, the Mayor and City Council approved expenditures with Ergon Asphalt & Emulsions, Inc. in an amount not to exceed \$76,000 for fiscal year 2026. The original purchase was based on 40,410 gallons of CRS-2 oil at \$1.88 per gallon, for an estimated cost of \$75,970.80.

The Public Works Department has identified the need for an additional 40,410 gallons of CRS-2 oil to continue the City's roadway chip seal work. At the existing delivered unit price of \$1.88 per gallon, the additional purchase totals \$75,970.80.

The City will utilize Parker County's competitively procured contract for petroleum asphalt (Formal Bid No. PC26-15). Parker County awarded the contract to Ergon Asphalt & Emulsions, Inc. for the period February 1, 2026, through January 31, 2027. Utilizing this cooperative procurement provides the City with competitively established pricing and ensures compliance with the City's purchasing policies and applicable state procurement laws.

Approval of Change Order No. 1 will authorize an additional \$76,000.00 in expenditures with Ergon Asphalt & Emulsions, Inc. for fiscal year 2026. The original purchase order amount of \$76,000.00 will increase to \$152,000.00. The revised amount remains within the aggregate expenditure authority resulting from the original Council approval and the requested change order.

### **FINANCIAL IMPACT**

The fiscal year 2026 adopted budget includes funding in the General Fund for street maintenance materials. The current purchase requisition reflects sufficient available appropriations to support the additional expenditure.

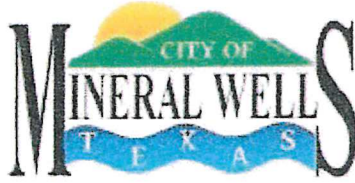
**FUNDING SOURCE**

General Fund – Street Maintenance Materials

**EXHIBITS**

1. doc08897720260724113434

**ITEM NUMBER 9.****MEETING DATE 8/4/2026**



**PURCHASE REQUISITION FORM FOR ITEMS  
\$50,000 - \$100,000 TO INCLUDE WRITTEN QUOTES**

Vendor: `Ergon Asphalt & Emulsions Inc. Date: 07/24/2026

Address: PO Box 23028

Department: Street Dept.

City, State, Zip: Jackson,MS 39225-3028

Account #: 01-3101-5620

Phone: 601/933/3000

Current Available Budget: \$450,000.00

Requestor: Kelle Nimmo

Signature/Department Head:

*Scott McKenna*

Description of Purchase: Oil for two course chipseal. Piggy back off Parker County contract. 7-24-26

| Item Description | Quantity    | Rate   | Amount      |
|------------------|-------------|--------|-------------|
| CRS-2            | 40,410 gal. | \$1.88 | \$75,970.80 |

CITY OF MINERAL WELLS  
PURCHASE REQUISITION FORM FOR ITEMS \$50,000 - \$100,000

Vendor Quotes

| Vendor Name | Quoted Amount | Date of Quote | Contact Info | Written Quotes<br>Attached: | HUB:<br>Y/N |
|-------------|---------------|---------------|--------------|-----------------------------|-------------|
|             | \$            |               |              | <input type="checkbox"/> —  |             |
|             | \$            |               |              | <input type="checkbox"/> —  |             |
|             | \$            |               |              | <input type="checkbox"/> —  |             |
|             | \$            |               |              | <input type="checkbox"/> —  |             |
|             | \$            |               |              | <input type="checkbox"/> —  |             |

Please forward completed form to the Department of Finance for final approval.

A Purchase Order will be issued and sent to the requesting department after City Council approval.  
The department will then send the Purchase Order to the vendor.

Finance Department

Date

City Council Approval Date:





TO: KELLE NIMMO  
 BUYER: CITY OF MINERAL WELLS TX  
 FROM: Patrick Coyle  
 DATE: 02/18/2026

Dear KELLE NIMMO:

We are pleased to quote you the following project for supply of liquid asphalt as specified herein our SAGINAW, TX facility.

**Project Description:** CITY OF MINERAL WELLS

**Bid Date:** December 10, 2025

**Completion Date:** January 31, 2027

**Price & Terms:**

| Product      | Price  | UOM     | Term | Quantity | Escalator | Escalating Terms | Shipping Mode |
|--------------|--------|---------|------|----------|-----------|------------------|---------------|
| CRS-2        | 1.6900 | Gallons | FOB  | 375,000  |           |                  | Truck         |
| CRS-2P       | 2.1900 | Gallons | FOB  | 250,000  |           |                  | Truck         |
| CSS-1H 20/80 | 0.7600 | Gallons | FOB  | 225,000  |           |                  | Truck         |
| CSS-1H 70/30 | 1.4600 | Gallons | FOB  | 225,000  |           |                  | Truck         |
| AE-P         | 3.3000 | Gallons | FOB  | 250,000  |           |                  | Truck         |
| CSS-1H 50-50 | 1.1300 | Gallons | FOB  | 225,000  |           |                  | Truck         |
| AE-P 40/60   | 1.5000 | Gallons | FOB  | 225,000  |           |                  | Truck         |
| CRS-2+       | 1.9400 | Gallons | FOB  | 250,000  |           |                  | Truck         |
| CSS-1H       | 1.9500 | Gallons | FOB  | 250,000  |           |                  | Truck         |
| CSS-1H 30/70 | 0.8000 | Gallons | FOB  | 225,000  |           |                  | Truck         |
| AE-P 60/40   | 2.1000 | Gallons | FOB  | 75,000   |           |                  | Truck         |
| NT-HRE       | 3.7500 | Gallons | FOB  | 50,000   |           |                  | Truck         |
| CRS-2H       | 1.6900 | Gallons | FOB  | 50,000   |           |                  | Truck         |
| SS-1         | 1.9500 | Gallons | FOB  | 50,000   |           |                  | Truck         |

| Destination              | Freight Charge | UOM     |
|--------------------------|----------------|---------|
| PALO PINTO COUNTY TX-165 | 0.1900         | Gallons |
| TARRANT COUNTY TX-165    | 0.1900         | Gallons |
| PARKER COUNTY TX-165     | 0.1900         | Gallons |

**Additional Notes:**

The above quote is subject to your written acceptance within the later of thirty (30) days(i) after receipt of the above quote or(ii) after successful award of the project to your company. Please sign in the space indicated below, and return one copy to me. We will send back your assigned Ergon project number. If you don't receive your assigned Ergon project number within ten (10) days of the return of this document, please contact the undersigned. If you fail to comply with the stated time periods, the quote will be null and void at our option. Thank you for the opportunity of your business.

All sales of product pursuant to this quote are subject to the terms and conditions of sale located at <https://ergon.com/files/PO-TERMS-CON.pdf>. Such Terms and Conditions of sale are incorporated herein by reference. This quote is an offer. This offer expressly limits acceptance to the terms contained herein. Notification of objection is hereby given to any term in response to this offer that does not exactly match the terms of this offer.

**For Use Upon Acceptance of Job**

---

**DATE:** 2/18/26

**Ergon Project Number:** D99E

**Accepted By:** Patrick J Coyle

**Ergon:** Patrick Coyle

**CITY OF MINERAL WELLS TX**

**An Ergon Company|P.O.Box 23028|Jackson, MS 39225-3028 USA|601-933-3000|www.ergon.com**



## Parker County Purchasing

Kim Rivas, CPPB  
Purchasing Agent

1112 Santa Fe Dr. Weatherford, Texas 76086  
Phone: 817.598.6080 Fax: 817-598-6191

### NOTICE TO BIDDERS

December 23, 2025

You are one of the vendors awarded Parker County's PC26-15 Petroleum Asphalts for Parker County by the Commissioner's Court in regular session, the **22<sup>nd</sup> day of December 2025**. The contract period will begin on February 1, 2026 through January 31, 2027. Parker County departments will contact you to place an order as the need arises. As the bid states, there are no guarantees of order.

I have attached a copy of the bid tabulation. Please feel free to contact the Purchasing Department for any additional information in regard to this or other bids at 817.598.6080.

Sincerely,

A handwritten signature in blue ink that reads "Kim Rivas".

Kim Rivas, CPPB  
Purchasing Agent  
Parker County, Texas

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and receive a presentation regarding the proposed adoption of updated International Building Codes and the National Electrical Code.

### **INITIATOR/STAFF INFORMATION SOURCE**

### **BACKGROUND**

### **EXHIBITS**

1. City Council - Building Code Updates

**ITEM NUMBER 10.**  
**MEETING DATE 8/4/2026**





# BUILDING CODE UPDATES 2011 – 2026 & 2012 - 2024

8-4-2026







# **BUILDING CODE UPDATE**

## **2012 CODES - 2024 CODES**

## **2011 NEC - 2026 NEC**

### **PURPOSE**

- Replace codes that are now more than a decade old.
- Bring the City in line with current construction and safety standards.
- Improve consistency between the adopted codes.
- Address modern construction methods and technology.



# WHAT CODES ARE BEING UPDATED?

| CODE  | PRIMARY PURPOSE                            |
|-------|--------------------------------------------|
| IBC   | NEW COMMERCIAL AND MULTIFAMILY BUILDINGS   |
| IRC   | NEW 1 AND 2 FAMILY HOMES AND TOWNHOMES     |
| IEBC  | RENOVATION AND REUSE OF EXISTING BUILDINGS |
| IECC  | ENERGY EFFICIENCY                          |
| IMC   | MECHANICAL AND VENTILATION SYSTEMS         |
| IPC   | PLUMBING SYSTEMS                           |
| IFGC  | FUEL-GAS SYSTEMS                           |
| ISPSC | SWIMMING POOLS AND SPAS                    |
| IPMC  | MAINTENANCE OF EXISTING PROPERTIES         |
| NEC   | ELECTRICAL SYSTEMS                         |



# THE BIGGEST CHANGES

## BUILDING CODE - IBC

### COMMERCIAL & MULTIFAMILY

- Current structural design standards
- Updated wind and severe-weather requirements
- Tornado-load provisions for certain buildings
- Modern construction methods and materials

## RESIDENTIAL CODE - IRC

### HOMES & TOWNHOUSES

- Update structural and wind-resistance requirements
- Improved roof-to-wall connections and wall bracing
- Comprehensive deck construction standards
- Modern residential systems and technology

## ELECTRICAL CODE - NEC

### RESIDENTIAL & COMMERCIAL

- Expanded shock and fire protection
- Surge protection and emergency disconnects
- Solar, battery storage, and EV charging
- Modern electrical systems and technology

**THESE THREE CODES  
CONTAIN THE MOST  
SIGNIFICANT  
CHANGES AFFECTING  
BUILDING DESIGN,  
CONSTRUCTION, AND  
INSPECTIONS.**





# EXISTING BUILDINGS: MAKING REDEVELOPMENT PRACTICAL

## EXISTING BUILDING CODE - IEBC

### RENOVATION & REUSE

Older buildings are not automatically treated as new construction.

### ADAPTIVE REUSE

Provides a clear path for changes of occupancy and new uses.

### DISASTER RECOVERY

Updated standards for fire, storm, and structurally damaged buildings.

### DOWNTOWN DEVELOPMENT

Provides flexibility for older and historic buildings while still addressing life safety.



# OTHER SIGNIFICANT UPDATES

## ENERGY - IECC

- Palo Pinto County changes from Climate Zone 2A to 3A
- Increased testing and verification
- Updated efficiency requirements

## MECHANICAL - IMC

- New A2L Refrigerants
- Updated ventilation and indoor air-quality standards

## PLUMBING & FUEL GAS – IPC/IFGC

- Updated water-supply and backflow protection
- Modern piping, testing, and appliance requirements

## POOLS - ISPSC

- Updated barriers and gate requirements
- Improved suction-entrapment protection

## PROPERTY MAINTENANCE - IPMC

- Current standards for unsafe and deteriorated properties
- Coordination with existing City ordinances



# WHAT THIS MEANS FOR MINERAL WELLS

## CURRENT SAFETY STANDARDS

Moves the city  
from 2011/2012 era  
codes to current  
standards.

## BETTER REDEVELOPMENT TOOLS

Provides a  
practical pathway  
for renovating and  
reusing existing  
buildings.

## MODERN CONSTRUCTION

Addresses current  
materials, equipment,  
electrical systems,  
and technology.

## COORDINATED CODES

The updated codes  
are designed to work  
together as one  
coordinated family.

**THIS WILL UPDATE OUR CODES TO REFLECT TODAY'S  
CONSTRUCTION STANDARDS WHILE PROVIDING A PRACTICAL  
APPROACH FOR EXISTING BUILDINGS.**





# IMPLEMENTATION: A PLANNED TRANSITION

## EFFECTIVE DATE

- Establish a clear date for the new codes to take effect
  - Adopt the codes August 18, 2026. Go live on January 1, 2027

## PROJECTS ALREADY UNDERWAY

- Projects submitted or permitted before the effective date remain under the current codes, subject to the adopted transition provisions

## TRAINING & OUTREACH

- Provide information to:
  - Contractors
  - Design professionals
  - Inspectors
  - Property owners and developers



# STAFF RECOMMENDATIONS - QUESTIONS

## STAFF RECOMMENDATION

- Adopt the 2024 International Codes and the 2026 National Electrical Code, with applicable local amendments

## PROPOSED EFFECTIVE DATE

- The codes will be adopted on August 18, 2026, and go into effect on January 1, 2027

**QUESTIONS?**

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action to conduct a roll-call vote to approve the 2026 proposed tax rate.

### **INITIATOR/STAFF INFORMATION SOURCE**

Jason Weeks, City Manager

Aaron J. Bovos, Assistant City Manager & Director of Finance

### **BACKGROUND**

The Palo Pinto County Tax Assessor Collector, Margaret Griffith, certified the Truth in Taxation Calculations to the City of Mineral Wells on July 24, 2026. That certification included the following data:

Tax Rates:

- No-New Revenue Rate: \$0.5931530/\$100
- Voter-Approval Tax Rate at 3.5%: \$0.6784828/\$100
- Voter-Approval Tax Rate using Unused Increment Rate: \$0.6912284/\$100
- Voter-Approval Tax Rate at 8%: \$0.7235988/\$100
- De Minimis Rate: \$0.7007075/\$100

Taxable Base Value:

- 2026 Taxable Base Value: 1,114,863,234
- 2025 Frozen Tax Levy: 693,070

### **OPTION A – NO NEW REVENUE TAX RATE**

The no new revenue tax rate of \$0.5931530/\$100, would be more than the current tax rate this year of \$0.02136490 and yield the City's total gross revenue in the amount of \$7,834,797, of which \$481,010 is estimated to go to the Tax Increment Reinvestment Zone, \$6,211,444 would go to the General Fund, and \$889,481 would go to the Debt Service Fund.

Under this scenario, the average home would receive a \$9.21 increase from the average home in tax year 2025.

**Motion: “I move that the proposed property tax rate be set at a tax rate of \$0.59315300.”**

### **OPTION B – De MINIMIS RATE**

The de minimis tax rate of \$0.70070750/\$100, would be more than the current tax rate this year

of \$0.12891940 and yield the City's total gross revenue in the amount of \$9,129,783, of which \$481,010 is estimated to go to the Tax Increment Reinvestment Zone, \$7,454,630 would go to the General Fund, and \$889,481 would go to the Debt Service Fund.

Under this scenario, the average home would receive a \$196.30 increase from the average home in tax year 2025.

**Motion: “I move that the proposed property tax rate be increased by the adoption of a tax rate of \$0.70070750, which is effectively an 18 percent increase in the tax rate.”**

#### **OPTION C – VOTER APPROVAL TAX RATE**

The total voter approval tax rate of \$0.67848280/\$100, would be more than the current tax rate this year of \$0.10669470 and yield the City's total gross revenue in the amount of \$8,862,192, of which \$481,010 would go to the Tax Increment Reinvestment Zone, \$7,197,743 would go to the General Fund, and \$889,481 would go to the Debt Service Fund.

Under this scenario, the average home would receive a \$157.64 increase from the average home in tax year 2025.

**Motion: “I move that the proposed property tax rate be increased by the adoption of a tax rate of \$0.67848280, which is effectively a 14 percent increase in the tax rate.”**

#### **OPTION D – FY 2027 BUDGET TAX RATE**

The tax rate needed to raise enough funds to meet revenue targets in the fiscal year 2027. The recommended budget would be \$0.66422000/\$100. This rate would be more than the current tax rate this year of \$0.09243190 and yield the City's total gross revenue in the amount of \$8,690,463, of which \$481,010 would go to the Tax Increment Reinvestment Zone, \$7,032,884 would go to the General Fund, and \$889,481 would go to the Debt Service Fund.

Under this scenario, the average home would receive a \$132.83 increase from the average home in tax year 2025.

**Motion: “I move that the proposed property tax rate be increased by the adoption of a tax rate of \$0.66123000, which is effectively a 12 percent increase in the tax rate.”**

#### **COST**

N/A

#### **FUNDING SOURCE**

N/A

#### **EXHIBITS**

1. 07242026\_2026 Truth-In-Taxation Calculations
2. Form 80-856
3. Year over Year Tax Rate Comparison

4. FY 26-27 Discussion on Tax Rate

**ITEM NUMBER 11.**  
**MEETING DATE 8/4/2026**





P.O. Box 160  
Palo Pinto, Texas 76484-0160

(940)659-1271  
Fax # (940) 659-3628

Margaret Griffith  
Tax Assessor-Collector  
Palo Pinto County  
mgriffith@co.palo-pinto.tx.us

## **2026 Truth-In-Taxation Calculations**

### **City of Mineral Wells**

|                                                  |                                                       |
|--------------------------------------------------|-------------------------------------------------------|
| No-New Revenue Rate:                             | .5931530/\$100                                        |
| Voter-Approval Tax Rate at 3.5%                  | .6784828/\$100                                        |
| VATR using UIR:                                  | .6912284/\$100                                        |
| Calculating VATR as if at 8%                     | .7235988/\$100                                        |
| De Minimis Rate:                                 | .7007075/\$100                                        |
| <b>2025 Taxable Base Value:</b>                  | 1,114,863,234 (comptroller work sheet line 22)        |
| <b>2025 Frozen Tax Levy:</b>                     | 693,070                                               |
| <br>                                             |                                                       |
| Tax levy using No-New Revenue Tax Rate .5931530  | 7,305,915 (taxable base x rate/100) + frozen tax levy |
| Tax levy using Voter-Approval Tax Rate .6784828  | 8,257,255                                             |
| Tax levy using VATR using UIR Tax Rate .6912284  | 8,399,321                                             |
| Calculating VATR as if at 8% Tax Rate .7235988   | 8,760,207                                             |
| Tax levy using De Minimis Rate Tax Rate .7007075 | 8,505,000                                             |
| Tax levy using 2025 rate (.5717881)              | 7,067,725                                             |

  
Margaret Griffith

## 2026 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

MWC-MINERAL WELLS CITY (2026)

Phone (area code and number)

Taxing Unit's Website Address

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

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

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

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

**SECTION 1: No-New-Revenue Tax Rate**

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

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

While uncommon, it is possible for a

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

| Line | No-New-Revenue Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Amount/Rate            |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 1.   | <b>Prior year total taxable value.</b> Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). <sup>2</sup> Tex. Tax Code § 26.012(14) | <b>\$1,462,437,462</b> |
| 2.   | <b>Prior year tax ceilings.</b> Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step. <sup>3</sup> Tex. Tax Code § 26.012(14)                                                                                                                                                                                                                                       | <b>\$204,419,941</b>   |
| 3.   | <b>Preliminary prior year adjusted taxable value.</b> Subtract Line 2 from Line 1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>\$1,258,017,521</b> |
| 4.   | <b>Prior year total adopted tax rate.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>0.5717881</b>       |
| 5.   | <b>Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value.</b><br><b>A. Original prior year ARB values:</b> <span style="float: right;">\$0</span><br><b>B. Prior year values resulting from final court decisions:</b> <span style="float: right;">\$0</span><br><b>C. Prior year value loss.</b> Subtract B from A. <sup>4</sup> Tex. Tax Code § 26.012(13)                                                                                                                                                                                                                                                                  | <b>\$0</b>             |
| 6.   | <b>Prior year taxable value subject to an appeal under Chapter 42, as of July 25.</b><br><b>A. Prior year ARB certified value:</b> <span style="float: right;">\$0</span><br><b>B. Prior year disputed value:</b> <span style="float: right;">\$0</span><br><b>C. Prior year undisputed value.</b> Subtract B from A. <sup>5</sup> Tex. Tax Code § 26.012(13)                                                                                                                                                                                                                                                                                                                         | <b>\$0</b>             |
| 7.   | <b>Prior year Chapter 42 related adjusted values.</b> Add Line 5C and Line 6C.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>\$0</b>             |

## 2026 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | No-New-Revenue Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Amount/Rate            |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 8.   | <b>Prior year taxable value, adjusted for actual and potential court-ordered adjustments.</b> Add Line 3 and Line 7.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>\$1,258,017,521</b> |
| 9.   | <b>Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2026.</b> Enter the prior year value of property in deannexed territory. <sup>6</sup> Tex. Tax Code § 26.012(15)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>\$0</b>             |
| 10.  | <p><b>Prior year taxable value lost because property first qualified for an exemption in the current year.</b> If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value.</p> <p>A. Absolute exemptions. Use prior year market value: <b>\$430,046</b></p> <p>B. Partial exemptions. Current year exemption amount or current year percentage exemption times prior year value: <b>\$37,559,289</b></p> <p>C. Value loss. Add A and B. <sup>7</sup> Tex. Tax Code § 26.012(15)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>\$37,989,335</b>    |
| 11.  | <p><b>Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in the current year.</b> Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year.</p> <p>A. Prior year market value: <b>\$443,770</b></p> <p>B. Current year productivity or special appraised value: <b>\$4,160</b></p> <p>C. Value loss. Subtract B from A. <sup>8</sup> Tex. Tax Code § 26.012(15)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>\$439,610</b>       |
| 12.  | Total adjustments for lost value. Add Lines 9, 10C and 11C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>\$38,428,945</b>    |
| 13.  | <b>Prior year captured value of property in a TIF.</b> Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. <sup>8</sup> If the taxing unit has no captured appraised value in line 18D, enter 0.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>\$88,929,927</b>    |
| 14.  | <b>Prior year total value.</b> Subtract Line 12 and Line 13 from Line 8.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>\$1,130,658,649</b> |
| 15.  | <b>Adjusted prior year total levy.</b> Multiply Line 4 by Line 14 and divide by \$100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>\$6,464,972</b>     |
| 16.  | <p><b>Taxes refunded for years preceding the prior tax year.</b> Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. <sup>10</sup> Tex. Tax Code § 26.012(13)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>\$5,083</b>         |
| 17.  | <b>Adjusted prior year levy with refunds and TIF adjustment.</b> Add Lines 15 and 16. <sup>11</sup> Tex. Tax Code § 26.012(13)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>\$6,470,055</b>     |
| 18.  | <p><b>Total current year taxable value on the current year certified appraisal roll today.</b> This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. <sup>12</sup> Tex. Tax Code § 26.012, 26.04(c-2)</p> <p>A. Certified values: <b>\$1,410,944,444</b></p> <p>B. Counties: Include railroad rolling stock values certified by the Comptroller's office: <b>\$0</b></p> <p>C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: <b>\$0</b></p> <p>D. Tax increment financing: Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment reinvestment zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 24 below. <sup>13</sup> Adjustments to the taxable value must be calculated separately for each reinvestment zone using Form 50-110. <sup>14</sup> Enter the total from Form 50-110 <b>\$89,164,562</b></p> <p>E. Total current year value. Add A and B, then subtract C and D.</p> | <b>\$1,321,779,882</b> |

| Line | No-New-Revenue Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Amount/Rate                                                                                                                                                            |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19.  | <p><b>Total value of properties under protest or not included on certified appraisal roll.</b> <sup>15 Tex. Tax Code § 26.01(c) and (d)</sup></p> <p><b>A. Current year taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. <sup>16 Tex. Tax Code § 26.01(c)</sup></p> <p style="text-align: right;"><b>\$15,378,909</b></p> <p><b>B. Current year value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. <sup>17 Tex. Tax Code § 26.01(d)</sup></p> <p style="text-align: right;"><b>\$0</b></p> <p><b>C. Total value under protest or not certified.</b> Add A and B.</p> | <p><b>* Please contact Chief Appraiser to obtain estimated Recognizable values of property under protest</b></p> <p style="text-align: right;"><b>\$15,378,909</b></p> |
| 20.  | <p><b>Current year tax ceilings.</b> Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the home- steads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step. <sup>18 Tex. Tax Code § 26.012(6)(B)</sup></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>\$222,295,557</b>                                                                                                                                                   |
| 21.  | <p><b>Anticipated contested value.</b> Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. <sup>19</sup> An affected taxing unit is wholly or partly located in a county that has a population of less than 500,000 and is located on the Gulf of Mexico. <sup>20</sup> If completing this section, the taxing unit must include supporting documentation in Section 9. <sup>21</sup> Taxing units that are not affected, enter 0.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>\$0</b>                                                                                                                                                             |
| 22.  | <p><b>Current year total taxable value.</b> Add Lines 18E and 19C. Subtract Lines 20 and Line 21 <sup>22</sup></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>\$1,114,863,234</b>                                                                                                                                                 |
| 23.  | <p><b>Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year.</b> Include both real and personal property. Enter the current year value of property in territory annexed. <sup>23 Tex. Tax Code § 26.012(17)</sup></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>\$0</b>                                                                                                                                                             |
| 24.  | <p><b>Total current year taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for the current year. <sup>24 Tex. Tax Code § 26.012(17)</sup></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>\$24,073,050.00</b>                                                                                                                                                 |
| 25.  | <p><b>Total adjustments to the current year taxable value.</b> Add Lines 23 and 24.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>\$24,073,050.00</b>                                                                                                                                                 |
| 26.  | <p><b>Adjusted current year taxable value.</b> Subtract Line 25 from Line 22.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>\$1,090,790,184</b>                                                                                                                                                 |
| 27.  | <p><b>Current year NNR tax rate.</b> Divide Line 17 by Line 26 and multiply by \$100 <sup>25 Tex. Tax Code § 26.04(c)</sup></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>0.5931530</b>                                                                                                                                                       |
| 28.  | <p><b>COUNTIES ONLY.</b> Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. <sup>26 Tex. Tax Code § 26.04(d)</sup></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>0.00000000</b>                                                                                                                                                      |

Texas Comptroller of Public Accounts

Form 50-856

**Voter-Approval Tax Rate**

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the tax rate. The type of taxing unit will determine the rate components that apply to a taxing unit's overall voter-approval tax rate. The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

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

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

**1. Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.

**2. Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

| Line | M&O and Debt Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Amount/Rate     |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 29.  | Prior year M&O tax rate. Enter the prior year M&O tax rate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0.5465195       |
| 30.  | Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the No-New-Revenue Tax Rate Worksheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$1,258,017,521 |
| 31.  | Total prior year M&O levy. Multiply Line 29 by Line 30 and divide by \$100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$6,875,311     |
| 32.  | Adjusted prior year levy for calculating NNR M&O rate.<br><b>A. M&amp;O taxes refunded for years preceding the prior tax year.</b> Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2025. This line applies only to tax years preceding the prior tax year.<br><div style="text-align: right;">\$5,083</div> <b>B. Prior year taxes in TIF.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0.<br><div style="text-align: right;">\$469,387</div> <b>C. Prior year transferred function.</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full-fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0.<br><div style="text-align: right;">\$0</div> SELECT TRANSFERRING FUNCTION STATE (NA, DISCONTINUED, RECEIVED) NA<br><b>D. Prior year M&amp;O levy adjustments.</b> Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function.<br><div style="text-align: right;">-\$464,304</div> <b>E.</b> Add Line 31 to 32D. |                 |
| 33.  | Adjusted current year taxable value. Enter the amount in Line 26 of the No-New-Revenue Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$6,411,007     |
| 34.  | Current year NNR M&O rate (unadjusted). Divide Line 32E by Line 33 and multiply by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$1,090,790,184 |
| 35.  | Rate adjustment for state criminal justice mandate. <small>28 Tex. Tax Code § 26.044</small><br><b>A. Current year state criminal justice mandate.</b> Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.<br><div style="text-align: right;">\$0</div> <b>B. Prior year state criminal justice mandate.</b> Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.<br><div style="text-align: right;">\$0</div> <b>C.</b> Subtract B from A and divide by Line 33 and multiply by \$100<br><div style="text-align: right;">0.00000000</div> <b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.00000000      |
| 36.  | Rate adjustment for indigent health care expenditures. <small>29 Tex. Tax Code § 26.0442</small><br><b>A. Current year indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose.<br><div style="text-align: right;">\$0</div> <b>B. Prior year indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2024 and ending on June 30, 2025, less any state assistance received for the same purpose.<br><div style="text-align: right;">\$0</div> <b>C.</b> Subtract B from A and divide by Line 33 and multiply by \$100<br><div style="text-align: right;">0.00000000</div> <b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0.00000000      |

## 2026 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | Voter-Approval Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Amount/Rate |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 37.  | <p><b>Rate adjustment for county indigent defense compensation.</b> <small>30 Tex. Tax Code § 26.0442</small></p> <p><b>A. Current year indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state grants received by the county for the same purpose.</p> <p style="text-align: right;">\$0</p> <p><b>B. Prior year indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2024 and ending on June 30, 2025 less any state grants received by the county for the same purpose.</p> <p style="text-align: right;">\$0</p> <p><b>C. Subtract B from A and divide by Line 33 and multiply by \$100</b></p> <p style="text-align: right;">0.00000000</p> <p><b>D. Multiply B by 0.05 and divide by Line 33 and multiply by \$100</b></p> <p style="text-align: right;">0</p> <p><b>E. Enter the lesser of C and D. If not applicable, enter 0.</b></p> | 0.00000000  |
| 38.  | <p><b>Rate adjustment for county hospital expenditures.</b> <small>31 Tex. Tax Code § 26.0443</small></p> <p><b>A. Current year eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year.</p> <p style="text-align: right;">\$0</p> <p><b>B. Prior year eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2024 and ending on June 30, 2025.</p> <p style="text-align: right;">\$0</p> <p><b>C. Subtract B from A and divide by Line 33 and multiply by \$100</b></p> <p style="text-align: right;">0.00000000</p> <p><b>D. Multiply B by 0.08 and divide by Line 33 and multiply by \$100</b></p> <p style="text-align: right;">0</p> <p><b>E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.</b></p>                                                                                                                                                                                                                                                                                                                       | 0.00000000  |
| 39.  | <p><b>Rate adjustment for defunding municipality.</b> This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.</p> <p><b>A. Amount appropriated for public safety in the prior year.</b> Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year</p> <p style="text-align: right;">\$0</p> <p><b>B. Expenditures for public safety in the prior year.</b> Enter the amount of money spent by the municipality for public safety during the preceding fiscal year</p> <p style="text-align: right;">\$0</p> <p><b>C. Subtract B from A and divide by Line 33 and multiply by \$100</b></p> <p style="text-align: right;">0.00000000</p> <p><b>D. Enter the lesser of C if not applicable, enter 0.</b></p> <p style="text-align: right;">0</p>                                                                                                                                                                                                                            | 0.00000000  |
| 40.  | <b>Adjusted current year NNR M&amp;O rate.</b> Add Lines 34, 35D, 36D, 37E, and 38E. Subtract Line 39D.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0.5877397   |
| 41.  | <p><b>Adjustment for prior year sales tax specifically to reduce property taxes.</b> Cities, counties and hospital districts that collected and spent additional sales tax on M&amp;O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero.</p> <p><b>A. Enter the amount of additional sales tax collected and spent on M&amp;O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent</b></p> <p style="text-align: right;">\$1,435,532</p> <p><b>B. Divide Line 41A by Line 33 and multiply by \$100</b></p> <p style="text-align: right;">0.1316047</p> <p><b>C. Add Line 41B to Line 40.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0.7193444   |
| 42.  | <p><b>Current year voter-approval M&amp;O rate.</b> Enter the rate as calculated by the appropriate scenario below <b>Special Taxing Unit.</b> If the taxing unit qualifies as a special taxing unit, multiply Line 41C by 1.08. - or -</p> <p><b>Other Taxing Unit.</b> If the taxing unit does not qualify as a special taxing unit, multiply Line 41C by 1.035.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0.7445214   |



|                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |
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| <b>D42.</b>                                                                                                                                      | <p><b>Disaster Line 42 (D42): Current year voter-approval M&amp;O rate for taxing unit affected by disaster declaration.</b> <sup>32</sup> If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate a rate equal to the lesser of:</p> <p><b>A.</b> The voter-approval tax rate calculated in the manner provided for a special taxing unit. Multiply line 41C by 1.08 <sup>33</sup> <span style="float: right;">\$0</span></p> <p><b>OR</b></p> <p><b>B.</b> The voter-approval M&amp;O tax rate calculated in the manner provided for a taxing unit other than a special taxing unit plus the disaster relief rate. <sup>34</sup> Complete Section 5 through Line 68 to complete D42(B).</p> <p>a. Enter the disaster relief cost. <span style="float: right;">\$0</span></p> <p>b. Disaster relief rate. Divide Line D42(B)(a) by Line 26 and multiply by 100 <span style="float: right;">\$0</span></p> <p>c. Add Line D42(B)(b) to Line 42 <span style="float: right;">\$0</span></p> <p>d. Enter the current year unused increment rate from Line 68 <span style="float: right;">\$0</span></p> <p>e. Add Line D42(c) to Line D42(d) <span style="float: right;">\$0</span></p> <p>The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of: 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or 2) the third tax year after the tax year in which the disaster occurred</p> <p><b>C.</b> Enter Line D42(A) if less than Line D42(B)(e). If Line D42(B)(e) is less than line D42(A), enter Line D42(B)(c). <sup>35</sup></p> <p><b>If the taxing unit does not qualify, do not complete Disaster Line 42 (Line D42).</b></p> | 0.00000000         |
| <b>43.</b>                                                                                                                                       | <p><b>Total current year debt to be paid with property taxes and additional sales tax revenue.</b> Debt means the interest and principal that will be paid on debts that:</p> <p>(1) are paid by property taxes,<br/>(2) are secured by property taxes,<br/>(3) are scheduled for payment over a period longer than one year, and<br/>(4) are not classified in the taxing unit's budget as M&amp;O expenses.</p> <p><b>A.</b> Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2022, verify if it meets the amended definition of debt before including it here. <sup>36</sup> Tex. Tax Code § 26.012(7)</p> <p><b>Enter debt amount</b> <span style="float: right;">\$819,830</span></p> <p><b>B.</b> Subtract unencumbered fund amount used to reduce total debt. <span style="float: right;">\$0</span></p> <p><b>C.</b> Subtract certified amount spent from sales tax to reduce debt (enter zero if none) <span style="float: right;">\$0</span></p> <p><b>D.</b> Subtract amount paid from other resources <span style="float: right;">\$0</span></p> <p><b>E. Adjusted debt.</b> Subtract B, C and D from A. <span style="float: right;">\$819,830</span></p>                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$819,830          |
| <b>44.</b>                                                                                                                                       | <p><b>Certified prior year excess debt collections.</b> Enter the amount certified by the collector. <sup>37</sup> Tex. Tax Code § 26.012(10) and 26.04(b)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$22,421           |
| 2026 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts <span style="float: right;">Form 50-856</span> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |
| <b>Line</b>                                                                                                                                      | <b>Voter-Approval Tax Rate Worksheet</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Amount/Rate</b> |
| <b>45.</b>                                                                                                                                       | <b>Adjusted current year debt.</b> Subtract Line 44 from Line 43E.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$797,409          |
| <b>46.</b>                                                                                                                                       | <p><b>Current year anticipated collection rate.</b></p> <p><b>A.</b> Enter the current year anticipated collection rate certified by the collector. <sup>38</sup> Tex. Tax Code § 26.04(b) <span style="float: right;">105.00%</span></p> <p><b>B.</b> Enter the prior year actual collection rate. <span style="float: right;">102.00%</span></p> <p><b>C.</b> Enter the 2024 actual collection rate <span style="float: right;">105.00%</span></p> <p><b>D.</b> Enter the 2023 actual collection rate. <span style="float: right;">102.00%</span></p> <p><b>E.</b> If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. <sup>39</sup> Tex. Tax Code § 26.04(h), (h-1) and (h-2)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 105.00%            |
| <b>47.</b>                                                                                                                                       | <b>Current year debt adjusted for collections.</b> Divide Line 45 by Line 46E.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 759,437            |
| <b>48.</b>                                                                                                                                       | <b>Current year total taxable value.</b> Enter the amount on Line 22 of the No-New-Revenue Tax Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1,114,863,234      |
| <b>49.</b>                                                                                                                                       | <b>Current year debt rate.</b> Divide Line 47 by Line 48 and multiply by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0.0681192          |
| <b>50.</b>                                                                                                                                       | <b>Current year voter-approval M&amp;O rate plus current year debt rate.</b> Add Lines 42 and 49.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0.8126408          |
| <b>D50.</b>                                                                                                                                      | <p><b>Disaster Line 50 (D50): Current year voter-approval tax rate for taxing unit affected by disaster declaration.</b> Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D42. Add Line D42 and 49.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.00000000         |
| <b>51.</b>                                                                                                                                       | <b>COUNTIES ONLY.</b> Add together the voter-approval tax rates for each type of tax the county levies. The total is the current year county voter-approval tax rate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0.00000000         |

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

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

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

| Line | Additional Sales and Use Tax Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Amount/Rate     |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 52.  | <b>Taxable Sales.</b> For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters. <sup>40</sup> Tex. Tax Code § 26.041(d) Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.                                                                                                                                                                                                                                         | \$0             |
| 53.  | <b>Estimated sales tax revenue.</b> Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. <sup>41</sup> Tex. Tax Code § 26.041(i)<br><b>Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year.</b><br>Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. <sup>42</sup> Tex. Tax Code § 26.041(d)<br><b>- or -</b><br><b>Taxing units that adopted the sales tax before November of the prior year.</b> Enter the sales tax revenue for the previous four quarters. Do not multiply by .95. | \$1,495,678     |
| 54.  | <b>Current year total taxable value.</b> Enter the amount from Line 22 of the No-New-Revenue Tax Rate Worksheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$1,114,863,234 |
| 55.  | <b>Sales tax adjustment rate.</b> Divide Line 53 by Line 54 and multiply by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0.1341579       |
| 56.  | <b>Current year NNR tax rate, unadjusted for sales tax.</b> <sup>43</sup> Tex. Tax Code § 26.04(c) Enter the rate from Line 27 or 28, as applicable, on the No-New-Revenue Tax Rate Worksheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.5931530       |
| 57.  | <b>Current year NNR tax rate, adjusted for sales tax.</b><br><b>Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year.</b><br>Subtract Line 55 from Line 56. Skip to Line 58 if you adopted the additional sales tax before November of the prior tax year.                                                                                                                                                                                                                                                                                                                                                                                        | \$0             |
| 58.  | <b>Current year voter-approval tax rate, unadjusted for sales tax.</b> <sup>44</sup> Enter the rate from Line 50, Line D50 (disaster) or Line 51 (counties) as applicable, of the Voter-Approval Tax Rate Worksheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0.81264080      |

2026 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

| Line | Additional Sales and Use Tax Worksheet                                                             | Amount/Rate |
|------|----------------------------------------------------------------------------------------------------|-------------|
| 59.  | <b>Current year voter-approval tax rate, adjusted for sales tax.</b> Subtract Line 55 from Line 58 | 0.6784828   |

**SECTION 4: Adjustment for Pollution Control**

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

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

| Line | Adjustment for Pollution Control Requirements Worksheet                                                                                                                                                                                                                                                                    | Amount/Rate     |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 60.  | <b>Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ. <sup>45</sup> Tex. Tax Code § 26.045(d) The taxing unit shall provide its tax assessor-collector with a copy of the letter. <sup>46</sup> Tex. Tax Code § 26.045(i) | \$0             |
| 61.  | <b>Current year total taxable value.</b> Enter the amount from Line 22 of the No-New-Revenue Tax Rate Worksheet                                                                                                                                                                                                            | \$1,114,863,234 |
| 62.  | <b>Additional rate for pollution control.</b> Divide Line 60 by Line 61 and multiply by \$100.                                                                                                                                                                                                                             | 0               |
| 63.  | <b>Current year voter-approval tax rate, adjusted for pollution control.</b> Add Line 62 to one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties) or Line 59 (taxing units with the additional sales tax).                                                                          | 0.00000000      |



**SECTION 5: Unused Increment Rate**

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value. 39 Tex. Tax Code § 26.013(a) The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value. 48 Tex. Tax Code § 26.013(c) The difference between the adopted tax rate and voter-approval tax rate is considered zero in the following scenarios:

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042; 49 Tex. Tax Code §§ 26.0501(n) and (c)
  - a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a); 50 Tex. Local Gov't Code § 120.007(d) or
  - after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval. 51 Tex. Tax Code § 26.063(a)(1)
- This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. 52 Tex. Tax Code § 26.012(B-a)

| Line | Unused Increment Rate Worksheet                                                                                                                                                                                                                                       | Amount/Rate   |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 64.  | <b>Year 3 Foregone Revenue Amount. Subtract the 2025 unused increment rate and 2025 actual tax rate from the 2025 voter-approval tax rate. Multiply the result by the 2025 current total value</b>                                                                    |               |
|      | A. Voter-approval tax rate (Line 69)                                                                                                                                                                                                                                  | 0.61360111    |
|      | B. Unused increment rate (Line 68)                                                                                                                                                                                                                                    | 0.04181293    |
|      | C. Subtract B from A                                                                                                                                                                                                                                                  | 0.57178818    |
|      | D. Adopted Tax Rate                                                                                                                                                                                                                                                   | 0.57178818    |
|      | E. Subtract D from C                                                                                                                                                                                                                                                  | 0.00000000    |
|      | F. 2025 Total Taxable Value (Line 61)                                                                                                                                                                                                                                 | 1,173,548,283 |
|      | G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.                                                                                                                                                                      | 0             |
| 65.  | <b>Year 2 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value</b>                                                                    |               |
|      | A. Voter-approval tax rate (Line 68)                                                                                                                                                                                                                                  | 0.61828992    |
|      | B. Unused increment rate (Line 67)                                                                                                                                                                                                                                    | 0.03196559    |
|      | C. Subtract B from A                                                                                                                                                                                                                                                  | 0.58632433    |
|      | D. Adopted Tax Rate                                                                                                                                                                                                                                                   | 0.57329440    |
|      | E. Subtract D from C                                                                                                                                                                                                                                                  | 0.01302993    |
|      | F. 2024 Total Taxable Value (Line 60)                                                                                                                                                                                                                                 | 1,090,541,276 |
|      | G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero                                                                                                                                                                       | 142,097       |
| 66.  | <b>Year 1 component. Subtract the 2023 actual tax rate and the 2023 unused increment rate from the 2023 voter-approval tax rate.</b>                                                                                                                                  |               |
|      | A. Voter-approval tax rate (Line 67)                                                                                                                                                                                                                                  | 0.59390371    |
|      | B. Unused increment rate (Line 66)                                                                                                                                                                                                                                    | 0.02756231    |
|      | C. Subtract B from A                                                                                                                                                                                                                                                  | 0.56634140    |
|      | D. Adopted Tax Rate                                                                                                                                                                                                                                                   | 0.59390000    |
|      | E. Subtract D from C                                                                                                                                                                                                                                                  | 0.00000000    |
|      | F. 2023 Total Taxable Value (Line 60)                                                                                                                                                                                                                                 | 1,019,165,207 |
|      | G. Multiply E by F and divide the results by \$100                                                                                                                                                                                                                    | 0             |
| 67.  | <b>Total Foregone Revenue Amount. Add Lines 64G, 65G and 66G.</b>                                                                                                                                                                                                     | 142,097       |
| 68.  | <b>2026 Unused Increment Rate. Divide Line 67 by Line 22 of the No-New-Revenue Rate Worksheet. Multiply the result by 100</b>                                                                                                                                         | 0.0127456     |
| 69.  | <b>Total 2026 voter-approval tax rate. Add Line 68 to one of the following lines (as applicable): Line 50, Line D50 (only if Line D42(B) was used), Line 51 (counties), Line 59 (taxing units with additional sales tax) or Line 63 (taxing units with pollution)</b> | 0.6912284     |

## 2026 Tax Rate Calculation Worksheet – Taxing Units Other Than School Districts or Water Districts

Form 50-856

## SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit. <sup>53</sup> Tex. Tax Code § 26.063(a)(1)

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. <sup>54</sup> Tex. Tax Code § 26.042(b)

| Line | De Minimis Rate Worksheet                                                                                               | Amount/Rate     |
|------|-------------------------------------------------------------------------------------------------------------------------|-----------------|
| 70.  | <b>Adjusted current year NNR M&amp;O tax rate.</b> Enter the rate from Line 40 of the Voter-Approval Tax Rate Worksheet | 0.5877397       |
| 71.  | <b>Current year total taxable value.</b> Enter the amount on Line 22 of the No-New-Revenue Tax Rate Worksheet           | \$1,114,863,234 |
| 72.  | <b>Rate necessary to impose \$500,000 in taxes.</b> Divide \$500,000 by Line 71 and multiply by \$100                   | 0.0448485       |
| 73.  | <b>Current year debt rate.</b> Enter the rate from Line 49 of the Voter-Approval Tax Rate Worksheet                     | 0.0681192       |
| 74.  | <b>De minimis rate.</b> Add Lines 70, 72 and 73.                                                                        | 0.7007075       |

## SECTION 7: Adjustment for Emergency Revenue Rate

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

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

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

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

| Line | Emergency Revenue Rate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Amount/Rate     |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 75.  | <b>2025 adopted tax rate.</b> Enter the rate in Line 4 of the No-New-Revenue Tax Rate Worksheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0.57178810      |
| 76.  | <b>Adjusted 2025 voter-approval tax rate.</b> Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. <sup>56</sup> Tex. Tax Code § 26.042(c)<br>If a disaster occurred in 2025 and the taxing unit calculated its 2025 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) of the 2025 worksheet due to a disaster, complete the applicable sections or lines of Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet.<br>- or -<br>If a disaster occurred prior to 2025 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) in 2025, complete form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet to recalculate the voter-approval tax rate the taxing unit would have calculated in 2025 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. <sup>57</sup> Enter the final adjusted 2025 voter-approval tax rate from the worksheet. | 0.57178810      |
| 77.  | <b>Increase in 2025 tax rate due to disaster.</b> Subtract Line 76 from Line 75.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0.00000000      |
| 78.  | <b>Adjusted 2025 taxable value.</b> Enter the amount in Line 14 of the No-New-Revenue Tax Rate Worksheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$1,130,658,649 |
| 79.  | <b>Emergency revenue.</b> Multiply Line 77 by Line 78 and divide by \$100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$0.00          |
| 80.  | <b>Adjusted 2025 taxable value.</b> Enter the amount in Line 26 of the No-New-Revenue Tax Rate Worksheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$1,090,790,184 |
| 81.  | <b>Emergency revenue rate.</b> Divide Line 79 by Line 80 and multiply by \$100. <sup>58</sup> Tex. Tax Code § 26.042(b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0.00000000      |
| 82.  | <b>Current year voter-approval tax rate, adjusted for emergency revenue.</b> Subtract Line 81 from one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (taxing units with the additional sales tax), Line 63 (taxing units with pollution control) or Line 69 (taxing units with the unused increment rate).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.00000000      |

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate

As applicable, enter the current year NNR tax rate from: Line 27, Line 28 (counties), or Line 57 (adjusted for sales tax).

Indicate the line number used: 27

0.5931530

Voter-approval tax rate

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

Indicate the line number used: 69

0.6912284

De minimis rate.

If applicable, enter the current year de minimis rate from Line 74.

0.7007075

SECTION 9: Addendum

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

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

Insert hyperlinks to supporting documentation:

SECTION 10: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code. <sup>59</sup> Tex. Tax Code §§ 26.04(c-2) and (d-2)

print here

Margaret Griffith

Printed Name of Taxing Unit Representative

sign here

Tax Unit Representative

7/24/2026

Date

**City of Mineral Wells**  
**Comparison of Property Tax Rates**  
Tax Year 2025 and 2026  
Fiscal Years 2026 and 2027

|                                                        | Tax Year 2025<br>Fiscal Year 2026 | Tax Year 2026 / Fiscal Year 2027 |                  |                     |                  | Fiscal Year<br>2027 Budget |
|--------------------------------------------------------|-----------------------------------|----------------------------------|------------------|---------------------|------------------|----------------------------|
|                                                        |                                   | No New Revenue                   | De Minimus Rate  | Voter-Approval Rate |                  |                            |
| Taxable Base Value                                     | \$ 1,173,548,283                  | \$ 1,114,863,234                 | \$ 1,114,863,234 | \$ 1,114,863,234    | \$ 1,114,863,234 |                            |
| TIRZ Value                                             | \$ 88,929,927                     | \$ 89,164,562                    | \$ 89,164,562    | \$ 89,164,562       | \$ 89,164,562    |                            |
|                                                        | \$ 1,262,478,210                  | \$ 1,204,027,796                 | \$ 1,204,027,796 | \$ 1,204,027,796    | \$ 1,204,027,796 |                            |
| Total Tax Rate                                         | 0.57178810                        | 0.59315300                       | 0.70070750       | 0.67848280          | 0.66422000       |                            |
| M&O Portion                                            | 0.54651950                        | 0.52503380                       | 0.63258830       | 0.61036360          | 0.59610080       |                            |
| I & S Fund (Debt)                                      | 0.02526860                        | 0.06811920                       | 0.06811920       | 0.06811920          | 0.06811920       |                            |
| Total Tax Rate Increase / (Decrease) from Current Year |                                   | 0.02136490                       | 0.12891940       | 0.10669470          | 0.09243190       |                            |
| Percent Increase                                       |                                   | 3.74%                            | 22.55%           | 18.66%              | 16.17%           |                            |
| Effective Tax Rate Increase from No-New Revenue        |                                   |                                  | 0.10755450       | 0.08532980          | 0.07106700       |                            |
| Percent Increase                                       |                                   |                                  | 18%              | 14%                 | 12%              |                            |
| General Fund (M&O)                                     | \$ 6,899,690                      | \$ 6,321,553                     | \$ 7,616,539     | \$ 7,348,947        | \$ 7,177,219     |                            |
| I & S Fund (Debt)                                      | \$ 319,011                        | \$ 820,174                       | \$ 820,174       | \$ 820,174          | \$ 820,174       |                            |
| Property Tax Revenue                                   | \$ 7,218,700                      | \$ 7,141,727                     | \$ 8,436,713     | \$ 8,169,122        | \$ 7,997,393     |                            |
| Frozen Tax Levy*                                       | \$ 632,118                        | \$ 693,070                       | \$ 693,070       | \$ 693,070          | \$ 693,070       |                            |
| Total from Tax Rate                                    | \$ 7,850,818                      | \$ 7,834,797                     | \$ 9,129,783     | \$ 8,862,192        | \$ 8,690,463     |                            |
| Dollar Increase from Current Tax Rate                  |                                   | \$ (16,021)                      | \$ 1,278,965     | \$ 1,011,373        | \$ 855,666       |                            |
| Percent Increase                                       |                                   | -0.20%                           | 16.29%           | 12.88%              | 10.90%           |                            |
| New Growth in Digest                                   | \$ 13,871,010.00                  | \$ 24,073,050.00                 | \$ 24,073,050.00 | \$ 24,073,050.00    | \$ 24,073,050.00 |                            |
| Revenue from New Growth                                | \$ 79,312.78                      | \$ 142,790.02                    | \$ 168,681.67    | \$ 163,331.50       | \$ 159,898.01    |                            |
| For Budgeting Purposes                                 |                                   |                                  |                  |                     |                  |                            |
| Payment to TIF / TIRZ                                  | \$ (467,000)                      | \$ (481,010)                     | \$ (481,010)     | \$ (481,010)        | \$ (481,010)     |                            |
| Net to General Fund @96%                               | \$ 6,725,608                      | \$ 6,211,444                     | \$ 7,454,630     | \$ 7,197,743        | \$ 7,032,884     |                            |
| Increase over Current Year - General Fund              |                                   | \$ (514,164)                     | \$ 729,022       | \$ 472,134          | \$ 307,275       |                            |
| Net to Debt Service                                    | \$ 350,616                        | \$ 889,481                       | \$ 889,481       | \$ 889,481          | \$ 889,481       |                            |
| Average Home Value                                     | \$ 178,838.00                     | \$ 173,949.00                    | \$ 173,949.00    | \$ 173,949.00       | \$ 173,949.00    |                            |
| Tax on Average Home                                    | \$ 1,022.57                       | \$ 1,031.78                      | \$ 1,218.87      | \$ 1,180.21         | \$ 1,155.40      |                            |
| Increase / (Decrease)                                  |                                   | \$ 9.21                          | \$ 196.30        | \$ 157.64           | \$ 132.83        |                            |
| \$100,000 Home Value                                   | \$ 100,000.00                     | \$ 100,000.00                    | \$ 100,000.00    | \$ 100,000.00       | \$ 100,000.00    |                            |
| M & O Tax on a \$100,000 Home                          | \$ 546.52                         | \$ 525.03                        | \$ 632.59        | \$ 610.36           | \$ 596.10        |                            |
| Increase in M&O Cost on \$100,000 Home                 |                                   | \$ (21.49)                       | \$ 86.07         | \$ 63.84            | \$ 49.58         |                            |

\*Relates to over 65, disabled, disabled veterans, etc.



# Discussion on tax rate

FISCAL YEAR 2026-2027

PRESENTED AUGUST 4, 2026





| City of Mineral Wells                                  |                                   |                                  |                  |                     |                            |
|--------------------------------------------------------|-----------------------------------|----------------------------------|------------------|---------------------|----------------------------|
| Comparison of Property Tax Rates                       |                                   |                                  |                  |                     |                            |
| Tax Year 2025 and 2026                                 |                                   |                                  |                  |                     |                            |
| Fiscal Years 2026 and 2027                             |                                   |                                  |                  |                     |                            |
|                                                        | Tax Year 2025<br>Fiscal Year 2026 | Tax Year 2026 / Fiscal Year 2027 |                  |                     |                            |
|                                                        |                                   | No New Revenue                   | De Minimus Rate  | Voter-Approval Rate | Fiscal Year<br>2027 Budget |
| Taxable Base Value                                     | \$ 1,173,548,283                  | \$ 1,114,863,234                 | \$ 1,114,863,234 | \$ 1,114,863,234    | \$ 1,114,863,234           |
| TIRZ Value                                             | \$ 88,929,927                     | \$ 89,164,562                    | \$ 89,164,562    | \$ 89,164,562       | \$ 89,164,562              |
|                                                        | \$ 1,262,478,210                  | \$ 1,204,027,796                 | \$ 1,204,027,796 | \$ 1,204,027,796    | \$ 1,204,027,796           |
| Total Tax Rate                                         | 0.57178810                        | 0.59315300                       | 0.70070750       | 0.67848280          | 0.66422000                 |
| M&O Portion                                            | 0.54651950                        | 0.52503380                       | 0.63258830       | 0.61036360          | 0.59610080                 |
| I & S Fund (Debt)                                      | 0.02526860                        | 0.06811920                       | 0.06811920       | 0.06811920          | 0.06811920                 |
| Total Tax Rate Increase / (Decrease) from Current Year |                                   | 0.02136490                       | 0.12891940       | 0.10669470          | 0.09243190                 |
| Percent Increase                                       |                                   | 3.74%                            | 22.55%           | 18.66%              | 16.17%                     |
| Effective Tax Rate Increase from No-New Revenue        |                                   |                                  | 0.10755450       | 0.08532980          | 0.07106700                 |
| Percent Increase                                       |                                   |                                  | 18%              | 14%                 | 12%                        |
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| I & S Fund (Debt)                                      | \$ 319,011                        | \$ 820,174                       | \$ 820,174       | \$ 820,174          | \$ 820,174                 |
| Property Tax Revenue                                   | \$ 7,218,700                      | \$ 7,141,727                     | \$ 8,436,713     | \$ 8,169,122        | \$ 7,997,393               |
| Frozen Tax Levy*                                       | \$ 632,118                        | \$ 693,070                       | \$ 693,070       | \$ 693,070          | \$ 693,070                 |
| Total from Tax Rate                                    | \$ 7,850,818                      | \$ 7,834,797                     | \$ 9,129,783     | \$ 8,862,192        | \$ 8,690,463               |
| Dollar Increase from Current Tax Rate                  |                                   | \$ (16,021)                      | \$ 1,278,965     | \$ 1,011,373        | \$ 855,666                 |
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| New Growth in Digest                                   | \$ 13,871,010.00                  | \$ 24,073,050.00                 | \$ 24,073,050.00 | \$ 24,073,050.00    | \$ 24,073,050.00           |
| Revenue from New Growth                                | \$ 79,312.78                      | \$ 142,790.02                    | \$ 168,681.67    | \$ 163,331.50       | \$ 159,898.01              |
| For Budgeting Purposes                                 |                                   |                                  |                  |                     |                            |
| Payment to TIF / TIRZ                                  | \$ (467,000)                      | \$ (481,010)                     | \$ (481,010)     | \$ (481,010)        | \$ (481,010)               |
| Net to General Fund @96%                               | \$ 6,725,608                      | \$ 6,211,444                     | \$ 7,454,630     | \$ 7,197,743        | \$ 7,032,884               |
| Increase over Current Year - General Fund              |                                   | \$ (514,164)                     | \$ 729,022       | \$ 472,134          | \$ 307,275                 |
| Net to Debt Service                                    | \$ 350,616                        | \$ 889,481                       | \$ 889,481       | \$ 889,481          | \$ 889,481                 |
| Average Home Value                                     | \$ 178,838.00                     | \$ 173,949.00                    | \$ 173,949.00    | \$ 173,949.00       | \$ 173,949.00              |
| Tax on Average Home                                    | \$ 1,022.57                       | \$ 1,031.78                      | \$ 1,218.87      | \$ 1,180.21         | \$ 1,155.40                |
| Increase / (Decrease)                                  |                                   | \$ 9.21                          | \$ 196.30        | \$ 157.64           | \$ 132.83                  |
| \$100,000 Home Value                                   | \$ 100,000.00                     | \$ 100,000.00                    | \$ 100,000.00    | \$ 100,000.00       | \$ 100,000.00              |
| M & O Tax on a \$100,000 Home                          | \$ 546.52                         | \$ 525.03                        | \$ 632.59        | \$ 610.36           | \$ 596.10                  |
| Increase in M&O Cost on \$100,000 Home                 |                                   | \$ (21.49)                       | \$ 86.07         | \$ 63.84            | \$ 49.58                   |
| *Relates to over 65, disabled, disabled veterans, etc. |                                   |                                  |                  |                     |                            |

## Highlights from this year's values:

- \$58,685,049 loss in taxable base value of property.
- No New Revenue Rate is 0.02136490 GREATER than last year's tax rate.
- Prior year value lost because property first qualified for an exemption in the current year: \$38,428,945.
- Value of properties under protest or not yet certified: \$15,378,909.
- Tax ceilings increased: \$17,875,616.
- New improvements and new personal property: \$24,073,050





## Discussion on tax rate

### Items for consideration and discussion:

- Operational Costs
- Capital Improvement Plan Funding
- Debt Service





## Discussion on tax rate

- I move that the proposed property tax rate be increased by the adoption of a tax rate of **\$0.70070750**, which is effectively an **18** percent increase in the tax rate."







## tax rate

FY 27 Proposed Tax Rate – \$0.70070705

- Maintenance & Operation Rate – \$0.63258830
- Interest & Sinking Rate – \$0.06811920
- Average Home Value – \$173,949

No-New-Revenue Tax Rate – \$0.5931530

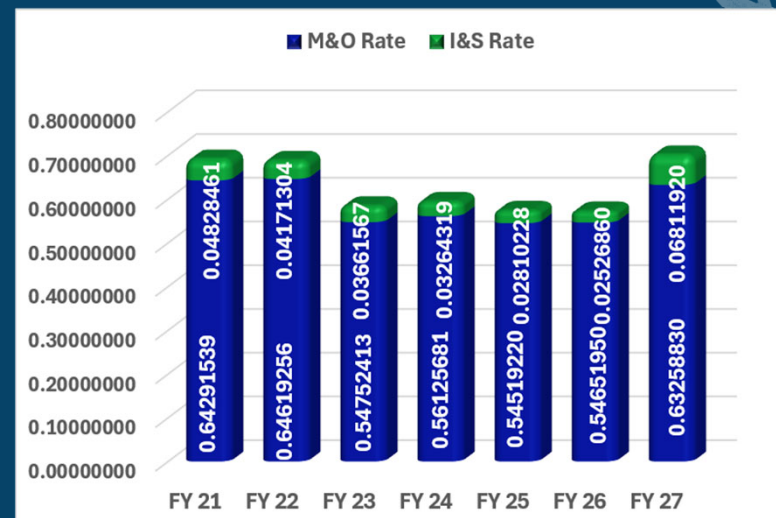
Voter-Approval Tax Rate – \$0.6784828

Current Tax Rate – \$0.57178810

- Maintenance & Operations Rate – \$0.54651950
- Interest & Sinking Rate – \$0.02526860
- Average Home Value – \$178,838

No-New-Revenue Tax Rate – \$0.5521916

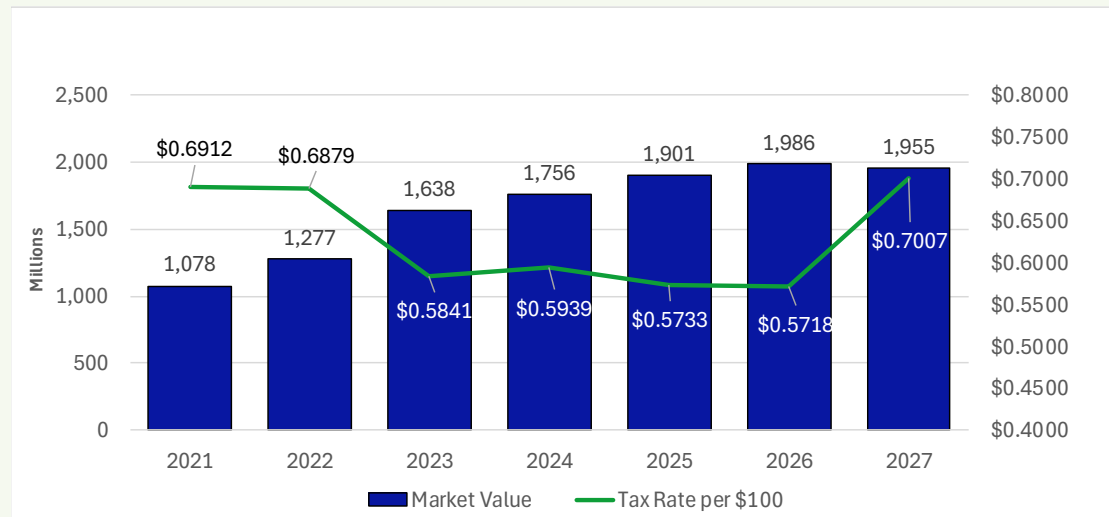
Voter-Approval Tax Rate – \$0.5717881





## Property values and tax rates

| Fiscal Year | Market Value  | Percent of Increase | Average Home Value | M&O Rate per \$100 | I&S Rate per \$100 | Tax Rate per \$100 | Average Property Tax |
|-------------|---------------|---------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| 2020-21     | 1,077,583,132 | N/A                 | 111,453            | 0.64291539         | 0.04828461         | 0.69120000         | 770.36               |
| 2021-22     | 1,276,884,400 | 18.50%              | 114,453            | 0.64619256         | 0.04171304         | 0.68790560         | 787.33               |
| 2022-23     | 1,637,557,991 | 28.25%              | 155,282            | 0.54752413         | 0.03661567         | 0.58413980         | 907.06               |
| 2023-24     | 1,756,415,490 | 7.26%               | 152,415            | 0.56125681         | 0.03264319         | 0.59390000         | 905.19               |
| 2024-25     | 1,900,650,857 | 8.21%               | 174,613            | 0.54519220         | 0.02810228         | 0.57329448         | 1,001.05             |
| 2025-26     | 1,985,675,100 | 4.47%               | 178,838            | 0.54651950         | 0.02526860         | 0.57178810         | 1,022.57             |
| 2026-27     | 1,954,625,554 | -1.56%              | 173,949            | 0.63258830         | 0.06811920         | 0.70070750         | 1,218.87             |



## Tax rate comparison to previous year

- 2026 City Tax Rate \$0.70070750/\$100 Valuation
- 2026 Average Homestead Taxable Value is \$173,949
  - M & O Tax Rate (\$0.63258830) \$1,100.38
  - I & S Tax Rate (\$0.06811920) \$118.49
  - Total 2026 City Tax on Avg Home \$1,218.87
- 2025 City Tax Rate \$0.57178810/\$100 Valuation
- 2025 Average Homestead Taxable Value is \$178,838
  - M & O Tax Rate (\$0.54651950) \$977.38
  - I & S Tax Rate (\$0.02526860) \$45.19
  - Total 2025 City Tax on Avg Home \$1,022.57

Average  
Homeowner  
Tax will  
increase  
\$196.30 in  
2026



Discussion on Tax Rate  
FY 2026-2027



# Thank you- Questions?

Jason Weeks, City Manager  
[jweeks@mineralwellstx.gov](mailto:jweeks@mineralwellstx.gov)

Aaron Bovos, Finance Director/Asst. City manager  
[abovos@mineralwellstx.gov](mailto:abovos@mineralwellstx.gov)

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Discussion related to the City's Proposed Fiscal Year 2026-2027 Annual Budget.

### **INITIATOR/STAFF INFORMATION SOURCE**

### **BACKGROUND**

The City Manager filed the Fiscal Year 2026-27 Proposed Annual Budget document with the City Clerk on July 21, 2026. On July 28, 2026, the City Manager and city staff presented this proposed budget to City Council during a special workshop meeting. This agenda item will allow City Council to further discuss the proposed FY 2026-27 Budget prior to the next meeting, which will include the public hearing on the budget.

### **EXHIBITS**

**ITEM NUMBER 12.**  
**MEETING DATE 8/4/2026**

## AGENDA ITEM COMMENTARY

### ITEM TITLE

#### Taxpayer Impact Statement

This statement shows the estimated annual property tax bill for a median-valued homestead in Mineral Wells, Texas (\$173,949), comparing the current tax rate, the no-new-revenue rate, and the proposed tax rate.

| Tax Rate            | Tax Rate per \$100 Valuation | Estimated Annual Tax Bill | Difference from Current FY |
|---------------------|------------------------------|---------------------------|----------------------------|
| 2025 Adopted Rate   | \$0.5717881                  | \$1,022.57                | ---                        |
| No-New-Revenue Rate | \$0.5931530                  | \$1,031.78                | \$9.21                     |
| Proposed Rate       | \$0.7007075                  | \$1,218.87                | \$196.30                   |

#### Proposed Budget

A physical copy of the Proposed Budget of the City of Mineral Wells, Texas, for the 2026-2027 Fiscal Year is available at Mineral Wells City Hall Annex, 115 S.W. 1st Street, Mineral Wells, Texas, and online at

<https://www.mineralwellstx.gov/documentcenter/view/9210>

### INITIATOR/STAFF INFORMATION SOURCE

### BACKGROUND

### EXHIBITS

**ITEM NUMBER 12.a.**  
**MEETING DATE 8/4/2026**

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action approving a Hangar Lease for Commercial Aviation Use between the City of Mineral Wells and Avrex Aerospace, Inc. for property located at the Mineral Wells Regional Airport.

### **INITIATOR/STAFF INFORMATION SOURCE**

Aaron J. Bovos, Director of Finance & Assistant City Manager

### **BACKGROUND**

Avrex Aerospace, Inc. has expressed an interest in establishing commercial aviation operations at the Mineral Wells Regional Airport. Avrex proposes to lease the unoccupied portions of the Downing Hangar, including associated office space and surface parking located at 6300 Columbia Street.

The leased premises will be used for general aviation operations involving the construction, repair, maintenance, testing, and inspection of unmanned aircraft systems and related aviation equipment, subject to Federal Aviation Administration requirements and all applicable Airport rules, regulations, minimum standards, and operating procedures.

The proposed lease has an initial term of ten years. Avrex will pay annual base rent of \$54,000, payable in monthly installments of \$4,500. Base rent will be adjusted annually based on changes in the Consumer Price Index for the Dallas-Fort Worth area and may not decrease below the initial rental amount. Over the initial ten-year term, the lease will generate at least \$540,000 in base rental revenue, excluding annual CPI adjustments and other amounts payable by the tenant.

Avrex will also provide a security deposit equal to one month's base rent and will be responsible for utilities, applicable taxes and assessments, insurance, routine maintenance, repairs, and replacement of building systems following the commencement date. Before the commencement date, the City will inspect the premises and complete the repairs or corrections necessary to place the building systems in good operating condition. The commencement date may be deferred until the premises are reasonably suitable for occupancy and business operations.

The lease also provides Avrex with rights of first refusal to lease the IP Building and IP Auxiliary Building if the City receives an acceptable proposal from another prospective tenant. Avrex will have 15 calendar days following notice from the City to exercise the applicable right. If exercised, the parties must execute a separate lease agreement within 30 calendar days.

Additionally, the lease contemplates the possibility of a separate future ground lease for approximately 20 acres of the Airport's 50-acre development pad. Any future ground lease would include specific development milestones related to permitting, commencement of construction, and completion of improvements. The final location and terms of that ground lease



would be subject to a separate agreement.

The lease contains provisions intended to protect the City and the Airport, including:

- Compliance with FAA, TxDOT, environmental, building, fire, and other regulatory requirements;
- City approval of alterations, improvements, assignments, and subleases;
- Commercial, aviation, pollution, cyber, and other insurance requirements appropriate for Avrex's operations;
- Tenant indemnification of the City;
- Environmental compliance and remediation responsibilities;
- Restrictions governing the purchase, handling, and storage of aviation fuels;
- Default, termination, and financial-remedy provisions; and
- Preservation of the City's governmental immunity and regulatory authority.

Approval of the lease will place currently unoccupied Airport property into productive commercial use, provide a new recurring revenue source for the Airport, and support the continued development of aviation, aerospace, and unmanned aircraft system activities at the Mineral Wells Regional Airport.

#### **FINANCIAL IMPACT**

The lease will generate initial base rent of \$54,000 annually, or \$4,500 per month. The rental amount will be adjusted annually based on the applicable Consumer Price Index. Avrex will also be responsible for utilities, applicable taxes and assessments, insurance, maintenance, and other operating expenses identified in the lease.

#### **RECOMMENATION**

Staff recommends approval of the Hangar Lease for Commercial Aviation Use between the City of Mineral Wells and Avrex Aerospace, Inc., and authorization for the Mayor to execute the agreement following final review and approval by the City Attorney and completion of the premises description, commencement date, exhibits, and other remaining administrative information.

#### **EXHIBITS**

1. Mineral Wells - Hangar Lease - Avrex - v6 - 7.10.2026

**ITEM NUMBER 13.**  
**MEETING DATE 8/4/2026**

**STATE OF TEXAS** §  
§  
**COUNTY OF PALO PINTO** §

# MINERAL WELLS REGIONAL AIRPORT HANGAR LEASE FOR COMMERCIAL AVIATION USE

THIS MINERAL WELLS REGIONAL AIRPORT HANGAR LEASE FOR COMMERCIAL AVIATION USE (the “**Lease**” or “**Agreement**”) is made and entered into this \_\_\_\_ day of August 2026 (the “**Effective Date**”) by and between the **City of Mineral Wells, Texas**, a home-rule municipal corporation (the “**City**” or “**Landlord**”) whose mailing address is P.O. Box 460, Mineral Wells, Texas, 76068 and **Avrex Aerospace, Inc.**, a Wyoming corporation in good standing and authorized to conduct business in Texas (“**Tenant**”) with a principal place of business at 1309 Coffeen Avenue, Suite 18415, Sheridan, WY 82801. Landlord and Tenant are individually referred to in this Agreement as a “**Party**” and collectively referred to as the “**Parties.**”

**WITNESSETH**

**WHEREAS**, Landlord, a home-rule municipal corporation, owns and operates the Mineral Wells Regional Airport (the “**Airport**”) located in Parker and Palo Pinto Counties, Texas; and

**WHEREAS**, Tenant desires to lease certain hangar, office space, and surface parking lot located within the Airport known as **Downing Hangar (unoccupied portions)** with the address commonly known as 6300 Columbia Street, Mineral Wells, Texas 76067 (the “**Premises**”) as depicted in the Aerial Depiction of the Premises attached as **Exhibit “A,”** and Landlord desires to lease the same to Tenant for the duration of the Term (defined herein); and

**WHEREAS**, Landlord and Tenant hereby agree to enter into this Lease under the terms and conditions set forth herein, and this Lease shall govern Tenant's lease of the Premises, Tenant's use and operation of Tenant's Work (if applicable), and the Parties' rights with respect to the Premises and Tenant's Work (if applicable).

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, Landlord and Tenant hereby agree as follows:

## I. LEASE, RENT, AND USE OF PROPERTY

**A. Lease Grant.** Subject to the terms of this Lease, Landlord leases the Premises to Tenant, and Tenant hereby leases from Landlord approximately \_\_\_\_ acres / \_\_\_\_\_ square feet, as more particularly described in the attached **Exhibit “A”** (the “**Premises**”), on the terms and conditions set forth in this Lease. Landlord expressly reserves from the lease of the Premises a non-exclusive public right of flight through the air space above the Premises (defined herein).

This Lease is given and entered into subject to (i) all federal, state, and local laws, statutes, constitutional provisions, charters (including the City Charter), ordinances, codes (including building and building-related codes), rules, regulations, directives, policies, permits, standards, zoning requirements, orders, grant assurances, grant agreements, court orders, opinions and decisions, and all interpretations of the foregoing, of and/or by any governmental authority, entity, department, branch, or agency (including the City of Mineral Wells, Texas, the State of Texas, the Federal Aviation Administration, the Texas Department of Transportation, the United States Environmental Protection Agency, and the Texas Commission on Environmental Quality, and any successor entities thereto), that are applicable, imposed upon, or related to, whether directly or indirectly, this Lease, the Airport, the Premises, and the use and occupancy thereof, as the same are existing or as they may be amended, modified, enacted, adopted, imposed, or superseded, and including any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed (collectively, “**Laws**,” and “**Law**” means any of the foregoing), (ii) all restrictive covenants affecting the Premises, (iii) all restrictions, mortgages, deeds of trust, liens, easements, licenses, leases, and any other encumbrance on or matter affecting the Premises, whether recorded or not, and (iv) and all of the terms, conditions, and provisions of this Lease.

**B. Term.** The Term of this Lease shall commence on August \_\_\_\_, 2026 (“**Commencement Date**”) and shall expire on the earlier of (i) 11:59 p.m. on the date that is the day before the tenth (10th) anniversary of the Commencement Date; or (ii) the date this Agreement is terminated pursuant to Article V. or as otherwise as permitted herein, unless otherwise renewed or amended as provided for in this Lease (the “**Term**”).

**C. Rent, Payment, and Security Deposit.**

1. Rent. Tenant agrees to pay to Landlord without notice, demand, offset, or deduction, an annual Base Rent of **FIFTY-FOUR THOUSAND DOLLARS AND 00/100 (\$54,000.00)**, payable in monthly installments each in the amount of **FOUR THOUSAND FIVE HUNDRED DOLLARS (\$4,500.00)**. The first such monthly installment shall be due and payable on or before the Commencement Date, and each monthly installment thereafter shall be due and payable on or before the first day of each calendar month throughout the Term. The Base Rent is subject to periodic adjustments as provided for in Section C.8. of Article I.

For purposes of this Lease, “Rent” means Base Rent, Additional Rent, and all other sums that Tenant may owe to Landlord or otherwise be required to pay under this Lease. Landlord shall have the same rights and remedies for non-payment of any Rent as for non-payment of Base Rent. The obligations of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

2. Prorated Rent. If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord a prorated amount of Base Rent equal to the product of the monthly installment of Base Rent multiplied by a fraction, the (i) numerator of which is the number of days from (and including) the Commencement Date through (and including) the last day of the month that includes the Commencement Date and the (ii) denominator of which is the number of

days in that month. The prorated portion of the Base Rent is due on or before the Commencement Date. Payment of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

3. Delayed Occupancy. Notwithstanding anything to the contrary in this Lease, if Tenant's ability to occupy the Premises is delayed due to Landlord's timeline to complete the agreed upon repairs or work, then the Parties agree to defer the Commencement Date until the date on which the Premises are reasonably suitable for Tenant's occupancy and business operations.

4. Additional Rent. In addition to the Base Rent, Tenant shall be solely responsible for paying the utilities set forth in the Utility Addendum attached as **Exhibit "B."**

5. Place of Payment. Tenant shall deliver all amounts due Landlord under this Lease to the following address or to such other person or place as Landlord may designate in writing:

Mineral Wells Regional Airport  
5300 Airport Road  
Mineral Wells, Texas 76067

Or

City of Mineral Wells  
City Hall  
211 SW 1<sup>st</sup> Avenue  
Mineral Wells, Texas 76067

6. Method of Payment. Tenant must pay all Rent timely and without demand, notice, deduction, or offset, except as required by Law or as otherwise provided by this Lease. Tenant shall make payment of all Rent owed by personal or corporate check made payable to "City of Mineral Wells" or by credit card. Cash is not an acceptable form of payment of Rent. If Tenant fails to timely pay any amounts due under this Lease, or if any check of Tenant is returned to Landlord by the institution on which it was drawn for insufficient funds or for any other reason, or if Tenant's credit card is denied more than three times in any twelve-month period (if Landlord authorizes payment by credit card), Landlord, after providing written notice to Tenant, may require Tenant to pay subsequent amounts that become due under this Lease by cashier's check or money order only. Rent, and any other sums or amounts to be paid by Tenant to Landlord under this Lease, shall be deemed to have been paid when Landlord has actually received the negotiable payment. Additional fees for non-sufficient funds checks shall be applied to the amount owed based upon the City's then in affect Master Fee Schedule.

7. Late Charges. If Landlord does not actually receive payment of Rent or any other sums due at the designated place of payment within five (5) days after the date it is due, Tenant shall pay to Landlord a Late Charge equal to 5% of the amount due to reimburse Landlord for Landlord's cost and inconvenience incurred as a result of Tenant's delinquency. The Late Charge

is a cost associated with the collection of Rent and Landlord's acceptance of a Late Charge does not waive Landlord's right to exercise its rights and remedies, including those under Article V., Section B. (Remedies of Landlord).

If Tenant fails to pay (i) any monthly installment of Base Rent due under this Lease by the 10th day of the month when due, or (ii) or any other component of Rent within 10 days after the same is due as specified in this Lease, more than once in any consecutive three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord ("**Additional Deposit Notice**"), shall pay to Landlord an amount equal to the then-current monthly installment of Base Rent (the "**Additional Deposit**") to be held and applied by Landlord as an addition to the Security Deposit delivered by Tenant and held on account by Landlord upon Tenant's execution of this Lease pursuant to Section C.8. Landlord's requirement of any Additional Deposit shall be in addition to any and all other rights and remedies available to Landlord under this Lease. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an Event of Default under this Lease.

8. Security Deposit. Tenant shall deposit with Landlord, upon Tenant's execution of this Lease, the sum of **FOUR THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (\$4,500.00)**, to be held by Landlord as Tenant's "**Security Deposit.**" Such Security Deposit shall be equal to one monthly installment of Base Rent unless otherwise adjusted as provided for in 3.G. The security deposit shall be due to the City of Mineral Wells on or before the Commencement date.

- a. If at any time during this Agreement the Security Deposit then held on account by Landlord becomes less than the prevailing monthly installment of Base Rent, Tenant will make an additional payment to Landlord so that the Security Deposit held by Landlord is increased to equal one monthly installment of Base Rent, unless otherwise adjusted as provided for in 3.G.
- b. Landlord shall hold such Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease. Landlord may commingle the Security Deposit with Landlord's other funds, and no trust relationship is created with respect to the Security Deposit. Tenant shall not assign, otherwise transfer, or encumber or attempt to assign, otherwise transfer, or encumber the Security Deposit, and Landlord and its successors and assigns shall not be bound by any actual or attempted assignment, other transfer, or encumbrance. Regardless of any assignment, other transfer, or encumbrance of the Security Deposit by Tenant, Landlord may return the Security Deposit to the Tenant.
- c. The Security Deposit is not an advance payment of Rent or a measure of liquidated damages in case of Tenant's Event of Default. Upon the occurrence of any Event of Default, Landlord may, from time to time, without prejudice to any other remedy provided in this Agreement or by

Law, use the Security Deposit to the extent necessary to make good any arrearages of Rent and any other damage, injury, expense or liability caused to Landlord by such Event of Default. Following any such application of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied in order to fully restore the Security Deposit to its required amount.

- d. If Tenant is not then committing or permitting an Event of Default hereunder, such Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant with an accounting of said deductions taken no later than thirty (30) days following the termination or expiration of this Lease. Permitted deductions from the Security Deposit may include but not be limited to: unpaid Base Rent; unpaid service charges; damages by Tenant to the Premises (beyond normal wear and tear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Premises and is missing; cost to replace unreturned keys; agreed reletting charges; Landlord's cost of cleaning the Premises to a broom-swept condition if required; Landlord's cost of removal of any trash or debris left in the Premises; Landlord's cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; Landlord's cost of removal of unauthorized vehicles or aircraft left on the Premises; government fees or fines against Landlord because of Tenant; late fees and other costs of collection incurred by Landlord in connection with this Lease; interest that would have been earned by Landlord on unpaid balances; attorneys' fees, court costs and filing fees.

9. Adjustment of Rent. Effective on each anniversary of the Commencement Date and each and every anniversary thereafter over the Term (the "**Adjustment Date**"), the Base Rent due under Article I., Section C.1. shall be adjusted as follows:

- a. The Base Rent shall be adjusted to reflect changes in the Consumers' Price Index - All Items for Dallas-Fort Worth, Texas (the "**Consumer Price Index**"), as quoted in the publication *Consumer Price Index - All Urban Consumers (CPI-U)* for the Dallas-Fort Worth, Texas area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics. The base index is the Consumer Price Index existing on the Commencement Date ("**Base Index**"). The current index is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date (the "**Current Index**").
- b. Beginning with the year that includes the then applicable Adjustment Date, the Base Rent shall be adjusted so that it equals the product of the Base Rent during the first year of this Lease multiplied by a fraction, the numerator of

which is the Current Index and the denominator of which is the Base Index, but in no event shall Base Rent ever be decreased below the Base Rent set forth in Section C.1.

- c. In the event that the Consumer Price Index is unavailable for whatever reason for the computations set forth above, another index approximating the Consumer Price Index as closely as feasible (as reasonably determined by Landlord) shall be substituted therefor.

**D. Property Option(s).**

1. IP Building. During the Term, Landlord hereby grants to Tenant a right of first refusal to lease a portion of the Airport Property known as the IP Building and the adjoining surface parking lot, as more particularly depicted in the attached **Exhibit “C-1,”** under the same terms and conditions of this Lease (“IP Building ROFR”) at a mutually agreeable rate for Commercial Aviation Use (defined herein) with such lease right of first refusal to be exercised as set forth in Article I., Section D.3.

2. IP Auxiliary Building. During the Term, Landlord hereby grants to Tenant a right of first refusal to lease a portion of the Airport Property known as the IP Auxiliary Building and the adjoining surface parking lot, as more particularly depicted in the attached **Exhibit “C-2,”** under the same terms and conditions of this Lease at a mutually agreeable rate for Commercial Aviation Use (defined herein) with such lease right of first refusal to be exercised as set forth in Article I., Section D.4.

3. Right of First Refusal for IP Building, IP Auxiliary Building.

- a. Landlord is now and will continue to actively seek a tenant for the IP Building and the IP Auxiliary Building.
- b. During the Term of this Lease, unless Tenant has already waived its right of first refusal to lease the IP Building, Landlord may not lease the IP Building without providing Tenant with the written notice described herein and an opportunity to exercise its right of first refusal option in accordance with the procedures provided herein.
- c. Should Landlord identify a potential tenant willing to lease the IP Building or the IP Auxiliary Building, Landlord will provide written notice to Tenant with such notice to include the premises to be leased and the lease terms and conditions, including the rent for such premises, that will be provided to the potential tenant of Tenant does not exercise its right of first refusal.
- d. Upon receipt of such written notice, Tenant shall have fifteen (15) calendar days to provide a written response to Landlord regarding whether Tenant



will lease the premises or allow the City to move forward with the potential tenant.

- e. If Tenant decides to exercise its right of first refusal to lease the premises, it must, within thirty (30) calendar days, execute a lease under these same terms and conditions with Landlord and pay a security deposit for the premises.
- f. If Tenant provides written response to Landlord that it waives its right of first refusal and allows Landlord to lease the premises to the potential tenant or does not provide to Landlord with the required written response within fifteen (15) calendar days of its receipt of the written notice, Tenant will be deemed to have waived its right of first refusal for such premises and such right of first refusal shall automatically terminate and be of no further force or effect.

4. Contingent upon entering into this Lease, Tenant and Landlord may enter into a ground lease for a future expansion that includes a 20-acre portion of the 50-acre Pad Site as more particularly depicted in the attached **Exhibit "C-3"** for an initial term of eight years. Notwithstanding the aerial depiction included, the final location of the future expansion site is to be determined by Landlord. In addition to the terms and conditions of this Lease, the ground lease shall include the following terms and conditions:

- a. The rent shall be \$0.04 cents per square foot or \$34,848 per year;
- b. Tenant shall meet these development requirements -
  - (i) Building permits applied for and issued within 36 months of execution of the ground lease;
  - (ii) Building construction shall begin within 48 months of execution of the ground lease; and
  - (iii) Building completion shall occur within 66 months of execution of the ground lease.

Tenant's failure to meet any of the above-listed development requirements shall result in the automatic termination of the ground lease notwithstanding the term of the ground lease.

- c. Upon building completion and issuance of a certificate of occupancy for the improvements or expansion on the 50-acre Pad Site, rent under the ground lease shall increase by an additional \$0.18 cents per square foot to a total of \$0.22 cents per square foot for the occupied portion of the building.

**E. Tenant's Work.** At Tenant's sole cost, but subject to undergoing plan review and obtaining the requisite building permits, Tenant may complete construction of improvements constructed at the Premises ("**Tenant's Work**"). Should Tenant desire to initiate construction of any improvements, it must enter into a construction agreement. The Parties shall reasonably cooperate to obtain any FAA nonobjection, airspace determination, or other regulatory approval that may be required in connection with Tenant's Work, including filings on FAA Form 7460-1 (Notice of Proposed Construction or Alteration) for any structure that may require it. During the Term of this Lease, Tenant shall own Tenant's Work as described more particularly in the Construction Rider. If constructed, Tenant's Work shall be a part of the Premises.

**F. Subtenants.** \_\_\_Notwithstanding anything to the contrary in this Lease, if Tenant has entered into a Landlord-approved sublease for all or any portion of the Premises, and this Lease is terminated for any reason other than a voluntary surrender accepted and agreed to in writing by Landlord and such Subtenant, and Subtenant (a) is not in default under its sublease at time of recognition, and (b) meets defined financial and operational criteria, then, upon written notice from such Subtenant to Landlord, Landlord agrees to negotiate in good faith with such Subtenant for a new lease for the Premises, provided that Landlord first determines, in its sole discretion, that the Premises remain suitable for leasing. Landlord shall notify Subtenant of its determination regarding the suitability of the Premises within thirty (30) days following the date of such written notice. Nothing in this Section shall be construed to require Landlord to enter into a new lease with Subtenant if the parties cannot reach a mutual agreement on terms or if Landlord determines the Premises are no longer suitable for lease or desires to use the Premises, in lieu of leasing the Premises, for governmental, economic development, recreational, educational or commercial purposes.

## **II. THE PREMISES**

**A. Use of Premises.** The Premises shall be used and occupied by Tenant only for Commercial Aviation Use limited to the following:

The Leased Hangar shall be used and occupied by Tenant only for general aviation operator purposes while performing construction, repair, maintenance, and services related to the construction of drones and the testing and inspection of drones as authorized to do so under the guidelines of the Federal Aviation Administration.

For purposes hereof, "**Commercial Aviation Use**" means the operation of a business enterprise providing aviation-related goods, services, or facilities for a commercial purpose (including any activity by the Tenant securing earning, income, compensation, [including exchange or barter of goods, and services], and/or profit from said activities, whether or not such objectives are accomplished). Tenant shall occupy and use the Premises only for the Permitted Use, and shall comply with all Laws relating to the use, condition, access to, and occupancy of the Premises.

Any use or occupancy of the Premises other than for the purposes set forth above is not permitted at any time without Landlord's prior written consent.

The Premises shall not be used or occupied for any concession for the sale or distribution of food, drinks, tobacco products, oil, gas, petroleum products or any activity of a similar character. Tenant agrees that no aircraft, vehicle or other equipment will be left unattended at any time outside the boundaries of the Premises or within any common area of the Airport, including the safety areas, operating areas and/or non-obstruction areas of the Airport without the prior written consent of the Airport Manager. Tenant further agrees to cooperate and coordinate with adjacent tenants and the Airport Manager, when necessary (as determined by Landlord), to facilitate and not to obstruct aircraft movement along nearby taxi lanes, especially during periods of construction, maintenance and repair of Airport facilities.

The Premises shall not be used for any purpose or activity that: (i) constitutes a violation of any Laws; (ii) in Landlord's opinion, creates or would create a nuisance or waste or unreasonably disturb, annoy or interfere with other tenants or users of the Airport, unless required for Tenant's Work; (iii) increases insurance costs for Landlord; or (iv) violates any FAA rule or regulation for use on a general aviation airport.

Tenant acknowledges that Landlord is bound by, and this Lease is subject to, the terms and conditions of any and all Federal Aviation Administration, Texas Department of Transportation, and other grant agreements, grant assurances and regulations regarding the Airport, including any grant, loan, regulation, or agreement under Section 22.055 of the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Tenant agrees not to act or fail to act in any way or manner that would cause Landlord to be in violation of any of the foregoing.

**B. Acceptance of Premises.** Tenant acknowledges that Tenant has fully inspected the Premises and accepts the Premises as suitable for the purposes for which the same are leased in their present condition, **"AS IS, WHERE IS, WITH ALL FAULTS AND PATENT AND LATENT DEFECTS"**. Without limiting anything in the foregoing, **LANDLORD HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS, AND THERE ARE NO, REPRESENTATIONS, PROMISES, COVENANTS, AGREEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, OF OR AS TO THE CONDITION, QUALITY, QUANTITY, SUITABILITY, MERCHANTABILITY, HABITABILITY OR FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE WHATSOEVER GIVEN IN CONNECTION WITH THIS LEASE, INCLUDING ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS OR ANY OTHER LAWS.**

**TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE PREMISES HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE**

**SUITABILITY OR FITNESS OF THE PREMISES, INCLUDING, WITH RESPECT TO SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER LAWS.**

**TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS SECTION ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE PREMISES TO TENANT AS SET FORTH IN THIS AGREEMENT WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS SECTION. TENANT FURTHER ACKNOWLEDGES THAT TENANT IS NOT IN A DISPARATE BARGAINING POSITION WITH RESPECT TO LANDLORD. TENANT ACKNOWLEDGES AND AGREES FURTHER THAT THIS LEASE IS SUBJECT TO ANY AND ALL CURRENTLY EXISTING TITLE EXCEPTIONS OR OTHER MATTERS OF RECORD OR VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE PREMISES.**

Notwithstanding anything to the contrary in this section or elsewhere in this Lease, Tenant's acceptance of Premises "AS IS, WHERE IS, WITH ALL FAULTS AND PARENT AND LATENT DEFECTS" shall not apply to, limit, or waive (i) any roof leaks, water intrusion, moisture damage, or mold conditions existing in or affecting the Premises or the building as of the Effective Date or Commencement Date, or (ii) Landlord's obligations with respect to roof repair, replacement, mold assessment, mold abatement, and mold remediation as expressly set forth in this Lease, or otherwise necessary to (a) repair or replace the roof so as to eliminate the water intrusion, and (b) assess, abate, remediate, and repair all resulting mold and moisture-related damage that materially affect the physical health or safety of an ordinary occupant.

Nothing in this Section B shall limit Tenant's rights regarding deferral of the Commencement Date due to roof leaks, water intrusion, or mold. For the avoidance of doubt, Tenant's sole remedy due to unsatisfactory roof repairs or replacement and mold or moisture-related damage remediation or repair shall be to delay the Commencement Date or terminate the Lease.

**C. Securing Governmental Approvals and Compliance with Law; Noise Abatement.**

1. Tenant, at Tenant's sole cost and expense, shall obtain any and all governmental licenses, permits and approvals required for the use and occupancy of the Premises, as set forth in Section A. of Article II., including but not limited to the issuance of a valid Certificate of Occupancy prior to Tenant occupying the Premises pursuant to Section M. of Article II.

2. Tenant shall promptly comply with all governmental orders and directives and all other Laws for the correction, prevention and abatement of nuisances caused by Tenant and arising out of the use and occupancy of the Premises, as set forth in Section A. of Article II.

3. Tenant shall comply with noise abatement standards at the Airport and shall notify any aircraft operator using the Premises of such standards.

**D. Assignment and Sublease.**

**MINERAL WELLS REGIONAL AIRPORT  
HANGAR LEASE FOR COMMERCIAL AVIATION USE**

Without the prior written consent of Landlord, Tenant shall have no power to and shall not, either voluntarily or involuntarily, by operation of law or otherwise, assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey (together, “**assign**” or “**assignment**,” and any person or entity to whom an assignment is made being an “**assignee**”) this Lease or any rights or obligations of Tenant hereunder, or sublease the whole or any part of the Premises. Any such assignment or any subleasing, without the prior written consent of Landlord, shall be null and void and may be deemed by Landlord (in Landlord’s sole discretion) an Event of Default under Article V., Section A. (Default by Tenant). For the purposes hereof, an assignment will be deemed to have also occurred if the person(s) who owns or has voting control of 51% or more of Tenant on the Effective Date ceases to own or have voting control of 51% or more of Tenant at any time during the Term. From time to time as requested by Landlord, Tenant shall provide to Landlord, in a form acceptable to Landlord, a written certification as to the ownership of voting securities or voting control of Subtenant. For the purposes hereof, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise.

Any assignment or subleasing shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Article II., Section A. pertaining to the use of the Premises. In the event of any Landlord-approved assignment or subleasing, Tenant shall not assign this Lease or sublease the Premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subleasing shall constitute a novation. In the event of the occurrence of an Event of Default while the Premises are assigned or sublease, Landlord, in addition to any other remedies provided in this Agreement or by Law, may, at Landlord’s option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subleasing and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant’s obligations hereunder. Landlord’s consent to any assignment or subleasing will not waive its rights or remedies, and it will not stop Landlord from exercising its rights or remedies, with respect to any other actual or proposed assignment or subleasing, and Landlord’s consent to any assignment or subleasing will not relieve Tenant or any guarantor of Tenant hereunder of any liability to Landlord under this Lease or otherwise.

Further, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under this Lease; that this consent does not constitute approval by Landlord of the terms of any such sublease; that nothing in this Agreement shall be deemed a waiver or release of any of the Landlord’s rights under this Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under this Lease including, the duty to make any and all payments of Rent. Any violation of any terms and conditions of this Lease by a subtenant will constitute an Event of Default by Tenant under this Lease.

Upon Landlord's written request, Tenant shall provide to Landlord the names and addresses of any subtenants, and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the Premises by Tenant or any subtenant.

**E. Property Taxes and Assessments.** Tenant shall pay, before they become delinquent, any and all property taxes or assessments, and any other governmental charges, fees or expenses, levied or assessed on: (i) all improvements, fixtures, equipment or personal property comprising a part of or located upon the Premises; (ii) Tenant's Work; and (iii), the leasehold estate of Tenant created hereby (hereinafter referred to as "**Tenant's Taxes**"). Upon the request of Landlord, Tenant shall, from time to time, furnish to Landlord "paid receipts" or other written evidence that all of Tenant's Taxes have been paid by Tenant. If any of Tenant's Taxes are included in tax notices and, or statements delivered to Landlord, Tenant has the right to legally protest or appeal, as provided for by Law, any tax levy or assessment of Tenant's Taxes provided Landlord has not already filed or does not intend to file such protest or appeal of (iii) the appropriateness of such tax and, or (iv) the taxable value as assessed by the respective taxing authority. If any of Tenant's Taxes are included in tax statements delivered to Landlord, Tenant shall pay to Landlord that portion representing Tenant's Taxes within ten (10) days after Tenant's receipt of an invoice from Landlord accompanied by evidence of Landlord's computation of the portion thereof representing Tenant's Taxes. In the event Tenant fails to pay any Tenant's Taxes, Landlord shall have the right (but not the obligation) to pay or cause to be paid such Tenant's Taxes, and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Article III., Section I. of this Lease shall be paid by Tenant on demand.

Current Assessment Per 2025:

**F. Maintenance and Repair of Premises.**

1. Except as provided by Article II., Section F.4., Tenant shall, throughout the Term be responsible for, to the Landlord's satisfaction, maintaining the Premises, including but not limited to, the Building Systems (defined herein) in good order, condition and repair throughout the Term of this Lease). Tenant shall be responsible for any alterations, additions or improvements made by Tenant to the Premises and/or any improvements thereon or therein. Tenant shall, throughout the term hereof, be responsible for all consumable supplies and repair of plumbing and water damage caused as a result of Tenant's failure to reasonably protect water pipes from freezing temperatures or misuse by Tenant or by Tenant's owners, employees, agents, contractors, guests or invitees. Tenant shall be responsible for keeping the Premises free from waste and nuisance and shall, upon the expiration of the Lease Term, or any earlier termination of this Lease or any repossession of the Premises by Landlord, deliver the Premises clean and free of trash and in good condition and repair, with all fixtures and equipment situated in or upon the Premises in the same condition as same existed on the Commencement Date, with reasonable wear and tear excepted.

Notwithstanding anything in this Lease to the contrary, Tenant shall bear the risk of complying with the Americans With Disabilities Act of 1990, any other federal or any state laws

governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such Laws, as amended from time to time, in or pertaining to the Premises.

Landlord shall not be responsible for Tenant's or any third party's equipment, fixtures, or personal property comprising a part of or located upon the Premises.

2. In the event Tenant fails to maintain or repair the Premises and/or the improvements, fixtures, equipment and personal property comprising a part of or located upon the Premises, and/or otherwise fails to comply with any of the provisions of subsection 1. or 3. of this Section F. or any other provision of this Lease requiring Tenant to maintain or repair the Premises or keep them in a particular condition, Landlord shall have the right (but not the obligation) to cause all such repairs or other maintenance or work to be made, and the reasonable costs therefor expended by Landlord plus interest thereon as provided in Article III., Section I. shall be paid by Tenant to Landlord on demand.

3. Tenant may not use or store Hazardous Materials on and at the Premises.

4. Building Systems; Condition at Delivery; Maintenance Responsibility. Landlord represents and warrants that, as of the Commencement Date, all Building systems serving the Premises, including, but not limited to, the heating, ventilation and air conditioning ("HVAC") systems, plumbing systems, electrical systems, lighting, water and sewer lines serving the Premises, mechanical systems, doors, windows, overhead doors, and all other building systems and components located within or exclusively serving the Premises (collectively, the "Building Systems"), shall be in good operating condition and repair and shall be fully functional for its intended purpose.

Prior to the Commencement Date, Landlord shall, at its sole cost and expense, inspect, repair, replace, or otherwise correct any deficiencies necessary to ensure that the Building Systems are in good working order as of the Commencement Date. Upon Tenant's acceptance of possession of the Premises on the Commencement Date, the Building Systems shall be deemed accepted by Tenant as being in the condition required by this subsection 4. of this Section F. and as contemplated by Article II.B. of this Lease, except for any latent defects that existed prior to the Commencement Date and were not reasonably discoverable by Tenant through a normal inspection.

From and after the Commencement Date, Tenant shall, at its sole cost and expense and without reimbursement, offset or rent reduction, be responsible for the operation, maintenance, repair, and replacement of the Building Systems, regardless of the cause of the need for such maintenance, repair, or replacement, except to the extent such damage or failure results from (i) a latent defect existing prior to the Commencement Date, (ii) Landlord's failure to satisfy its obligations under paragraph 1 of this Section 4., or (iii) the negligent or intentional acts or omissions of Landlord or its agents, contractors, employees, or invitees occurring after the Commencement Date.

**G. Alterations, Additions and Improvements.** Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Premises, without Landlord's prior written consent. Landlord shall not unreasonably withhold its consent for non-structural alterations, additions or improvements. Tenant shall have the right to erect or install shelves, bins, machinery, and trade fixtures, provided that Tenant complies with all Laws in connection therewith. All alterations, additions and improvements in and to the Premises shall be performed in accordance with this Lease, all Laws, and in a first-class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations that arise in connection therewith.

**H. Insurance.**

1. Tenant shall procure and maintain throughout the Term, without interruption, a policy or policies of insurance, at Tenant's sole cost and expense, to meet or exceed the insurance requirements listed in Insurance Requirements **Exhibit "D,"** which may be amended or modified by Landlord based upon the actual activities Tenant is engaging in at the Premises.

2. All insurance policies required under this Section H. of Article II. shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insureds the City of Mineral Wells, Texas (and/or such other person or entity that may be the Airport Manager) and their respective officials, officers, agents, and employees; (ii) in all liability policies, provide that such policies are primary insurance regardless of the application of any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted under this Lease, and that insurance applies separately to each insured against whom a claim is made or suit is brought; and (iii) a waiver of subrogation in favor of the City of Mineral Wells, Texas (and/or such other person or entity that may be the Airport Manager), and their respective officials, officers, agents, and employees, must be included in all liability and Workers Compensation policies. All such policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, if required, and shall be endorsed to provide for at least 30 days' advance written notice to Landlord of a material change in, non-renewal, or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

**I. Casualty Damage or Destruction of Premises.**

1. In case of any damage to or destruction of the buildings, structures, fixtures and equipment, or any other improvements, on or at the Premises, or any part thereof due to fire, flood or natural disaster, Tenant shall promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.



2. If the Premises (the hangar building or structure, excluding Tenant's Work or Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any assignee, subtenant or other occupant of the Premises) should be substantially, totally, or partially destroyed or damaged by fire, tornado or other casualty, this Lease shall not terminate, but Landlord may, at Landlord's sole option and at Landlord's sole cost, expense and risk, proceed forthwith and use reasonable diligence to rebuild or repair the Premises (the hangar building or structure, but excluding Tenant's Work or Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant or user of the Premises) to substantially the condition in which it existed prior to such destruction or damage; provided, however, that if Landlord elects not to rebuild or repair such damage or destruction and notifies Tenant in writing of such election, then this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease, effective from the date of actual receipt by Landlord of the written notification of the damage or destruction from Tenant. If Landlord elects to rebuild or repair the Premises and the Premises are untenantable in whole or in part following such destruction or damage, during the period of such rebuilding or repair the Rent payable hereunder shall be equitably adjusted for that period during which the Premises are untenantable. However, if the destruction or damage was caused by the negligence, gross negligence, or willful or wanton act or omission of Tenant, or any of Tenant's officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, or any other person for whom Tenant is responsible, Rent shall not be abated and Tenant shall have the continuing obligation to pay Rent during the period of such rebuilding or repair.

If Landlord elects to rebuild or repair the Premises (the hangar building or structure) as set forth above, Tenant shall, immediately upon notice from Landlord, remove from the Premises its equipment and property as reasonably required by Landlord to complete such rebuilding or repair. Upon the completion of such rebuilding or repair, Tenant shall restore the Premises and Tenant's property and promptly reopen for business. Tenant shall use the proceeds from Tenant's insurance policies for restoration of improvements made by Tenant to the Premises, for restoration and/or replacement of Tenant's equipment, trade fixtures, and inventory, and to cover any business interruption loss.

3. Landlord's election to pay for the cost of the repair or rebuilding of the Premises (the hangar building or structure) or any part thereof may, at Landlord's option, not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and actually collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by Landlord (whether or not such repair or rebuilding occurs or this Lease terminates).

#### **J. Condemnation.**

1. If, during the term hereof, any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Premises is not susceptible to efficient and economic occupation

and operation by Tenant, this Lease shall automatically terminate as of the date said condemning authority takes possession of the Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

2. If, after such taking by or sale to said condemning authority, the remainder of the Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the Base Rent due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the Term hereof the sum obtained by multiplying each monthly Base Rent installment due hereunder (as adjusted from time to time pursuant to Article I., Section C.8.) by a fraction, the numerator of which shall be the number of square feet remaining in the Premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the Premises. The Base Rent adjustment called for in this Agreement shall either not commence or be suspended until said condemning authority actually takes possession of the condemned portion of the Premises. All other terms and provisions shall remain unchanged unless otherwise provided for in this Agreement.

3. Landlord shall receive the entire award or payment from any condemnation and Tenant shall have no claim to that award or for the value to Landlord of any unexpired term of this Lease; provided, however, that Tenant shall have the right to appear in any condemnation proceeding or action to negotiate, prosecute and adjust any claim attributable to loss or damage to Tenant's trade fixtures and removable personal property, removal or relocation costs, and any loss to Tenant resulting from the unexpired portion of the Lease Term. If this Lease is not terminated pursuant to subsection 1. of this Section I., Landlord shall repair damage to the Premises caused by the condemnation (excluding Tenant's Work or Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant of the Premises), except that (i) Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority; and (ii) if the condemnation damages or payments received by Landlord are not sufficient to pay for such repair, Landlord shall have the right to terminate this Lease.

**K. Utilities.** Except where provided to the contrary below, Tenant shall be responsible, at Tenant's sole cost and expense, for obtaining all utility connections at or for the Premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees and services furnished to the Premises during the term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging on the Premises or the premises in and around the Premises. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

1. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge and agree to the terms and conditions contained in the Utility Addendum, attached as **Exhibit "B"** that sets forth which utility services will be provided and paid for by the Landlord and subsequently reimbursed by Tenant upon demand.

2. If Tenant is the responsible party for obtaining any of the utility connections at or for the Premises, any access or alterations to the Premises or to the Airport necessary to obtain any of such utility connections may be made only with Landlord's prior consent and at Tenant's sole expense.

3. In the event Tenant fails to pay any utility or connection charges for which Tenant is responsible, Landlord shall have the right (but not the obligation) to pay or cause to be paid such charges, fees or expenses, incurred by Tenant and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Section I. of Article III. shall be paid by Tenant upon written demand.

4. Prior to executing this Lease Tenant acknowledges that it has, at its sole costs and expense, determined that all necessary utilities are available to the Premises and are adequate for Tenant's intended commercial use, and that there are no other utility services needed or required by Tenant at the Premises in connection herewith.

5. Landlord shall in no event be liable or responsible for any cessation or interruption in any utility services to the Premises.

**L. Common Facilities.** So long as Tenant is not committing or permitting an Event of Default hereunder beyond any applicable cure period, Tenant and Tenant's owners, employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord at the Airport for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Premises, other Airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport ("**Common Facilities**"). All such Common Facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed, restricted, closed, or terminated from time to time at Landlord's sole discretion.

**M. Rules and Regulations.** Landlord has adopted the Airport Minimum Standards (as defined in Section H.1. of Article II.) and the "Mineral Wells Regional Airport Hangar Policy" attached as **Exhibit "E"** (the "**Rules and Regulations**") that govern Tenant's use of and conduct on the Premises and all Common Facilities, a copy of which has been or will be furnished to Tenant. The Airport Minimum Standards and the Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with them. Landlord shall have and reserves the right, in its sole discretion, to discontinue, amend, modify and alter the Airport Minimum Standards and the Rules and Regulations from time to time, and to adopt other rules, standards, or regulations applicable to the Airport, the Premises and Tenant as Landlord may deem necessary or appropriate, in its sole discretion, including for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants, users, and customers of the Airport.

**N. Signs and Equipment.** After first securing Landlord's approval, Tenant shall have the right from time to time to install signs depicting Tenant's name and to operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental Laws, and all changes to such Laws, including the Mineral Wells' sign regulations ordinance, the Commercial Aeronautical Activities, and the Airport Minimum Standards and the Rules and Regulations, with all provisions of this Lease, and do not interfere with the operation of any navigation facilities or Airport communications (including navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

**O. Landlord's Right of Entry.** Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises: (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Premises to any prospective tenant, purchaser, or lender, or (iv) for any other reasonable and lawful purpose. Landlord and Landlord's authorized representatives have the right to enter the Premises at any time to prevent an emergency or harm to public safety or in the event of an emergency or threat to public safety pertaining to the Premises or the Airport. During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the Premises customary signs advertising the Premises for lease.

**P. Indemnity and Exculpation and Release.**

1. Exculpation. Mineral Wells, Texas and all other Mineral Wells Persons and the Manager Persons (for purposes of this subsection 1., as the terms "Mineral Wells Persons" and "Manager Persons" are defined in Section P.2. of Article II.), shall not be liable to Tenant or to any Tenant Persons (for purposes of this Section P.1. of Article II., as the term "Tenant Persons" is defined in Section P.2. of Article II.), or to any other person whomsoever, for any death or injury to persons or damage to or destruction of property or any other harm on or about the Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant or any Tenant Persons or any other person entering the Premises under express or implied invitation of Tenant or any Tenant Persons, or arising out of the use or occupation of the Premises by Tenant or by any Tenant Persons, in the performance of Tenant's obligations hereunder.

2. Tenant's Indemnity Obligation. **TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY AND HOLD HARMLESS (I) THE CITY OF MINERAL WELLS, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, AND VOLUNTEERS OF THE CITY OF MINERAL WELLS, TEXAS, INDIVIDUALLY OR COLLECTIVELY, IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES (THE CITY OF MINERAL WELLS, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE CITY OF MINERAL WELLS, TEXAS EACH BEING A MINERAL WELLS REGIONAL AIRPORT HANGAR LEASE FOR COMMERCIAL AVIATION USE**

**“MINERAL WELLS PERSON” AND COLLECTIVELY THE “MINERAL WELLS PERSONS”) AND (II) AIRPORT MANAGER AND AIRPORT MANAGER’S OWNERS, OFFICERS, EMPLOYEES AND AGENTS (AIRPORT MANAGER AND AIRPORT MANAGER’S OWNERS, OFFICERS, EMPLOYEES AND AGENTS EACH BEING A “MANAGER PERSON” AND COLLECTIVELY THE “MANAGER PERSONS”), FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, PROCEEDINGS, CAUSES OF ACTION, DEMANDS, LOSSES, LIENS, HARM, DAMAGES, PENALTIES, FINES, LIABILITIES, EXPENSES, LAWSUITS, JUDGMENTS, COSTS, AND FEES (INCLUDING REASONABLE ATTORNEY FEES AND COURT COSTS) OF ANY KIND AND NATURE WHATSOEVER MADE UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY MINERAL WELLS PERSON OR ANY MANAGER PERSON OR THE PREMISES, WHETHER DIRECTLY OR INDIRECTLY, (COLLECTIVELY FOR PURPOSES OF THIS SUBSECTION 2., “DAMAGES”), THAT RESULT FROM, RELATE TO, OR ARISE OUT OF, IN WHOLE OR IN PART, (I) ANY CONDITION OF THE PREMISES CAUSED IN WHOLE OR IN PART BY TENANT OR BY ANY OF TENANT’S OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, CONCESSIONAIRES, OR ANY OTHER PERSON OR ENTITY FOR WHOM TENANT IS LEGALLY RESPONSIBLE, AND THEIR RESPECTIVE OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, AND CONCESSIONAIRES, OR ANY OTHER PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, TENANT’S TENANTS, OR ANY OTHER PERSON ENTERING THE PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT DURING THE LEASE TERM (COLLECTIVELY, “TENANT PERSONS”), (II) ANY CONSTRUCTION ON OR REPAIR TO THE PREMISES, OR THE PREMISES BECOMING OUT OF REPAIR DUE TO THE FAULT OF TENANT OR ANY TENANT PERSONS, FOR ANY REASON INCLUDING BY FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING, (III) REPRESENTATIONS OR WARRANTIES BY TENANT UNDER THIS LEASE, AND/OR (IV) ANY ACT OR OMISSION OF TENANT OR ANY TENANT PERSONS UNDER, IN CONNECTION WITH, OR IN THE PERFORMANCE OF, THIS LEASE. SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE CITY OF MINERAL WELLS, TEXAS, ANY OTHER MINERAL WELLS PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION BY THE CITY OF MINERAL WELLS, TEXAS, ANY OTHER**

**MINERAL WELLS PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.**

**TENANT SHALL PROMPTLY ADVISE LANDLORD IN WRITING OF ANY CLAIM OR DEMAND AGAINST THE CITY OF MINERAL WELLS, ANY MINERAL WELLS PERSON, ANY MANAGER PERSON, OR TENANT OR ANY TENANT PERSON RELATED TO OR ARISING OUT OF TENANT'S ACTIVITIES UNDER THIS LEASE AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT TENANT'S SOLE COST AND EXPENSE. THE MINERAL WELLS PERSONS AND MANAGER PERSONS, AS THE CASE MAY BE, SHALL HAVE THE RIGHT, AT THE MINERAL WELLS PERSONS' OR MANAGER PERSONS' (AS THE CASE MAY BE) OPTION AND AT THEIR OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING TENANT OF ANY OF ITS OBLIGATIONS HEREUNDER.**

**3. Release. TENANT HEREBY RELEASES THE CITY OF MINERAL WELLS, TEXAS AND ALL OTHER MINERAL WELLS PERSONS (AS THE TERM "MINERAL WELLS PERSONS" IS DEFINED IN SUBSECTION 2. OF THIS SECTION P.) AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBSECTION 2. OF THIS SECTION P.) FROM, AND AGREES THAT THE CITY OF MINERAL WELLS, TEXAS AND ALL OTHER MINERAL WELLS PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, SHALL NOT BE LIABLE TO TENANT OR ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBSECTION 2. OF THIS SECTION P.) FOR (I) ANY DEATH OR INJURY TO ANY PERSON OR PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OF ANY KIND RESULTING FROM THE PREMISES BECOMING OUT OF REPAIR OR BY DEFECT IN OR FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING OR FOR ANY OTHER REASON WHATSOEVER, AND FOR (II) ANY LOSS OR DAMAGE THAT MAY BE OCCASIONED BY OR THROUGH THE ACTS OR OMISSIONS OF OTHER TENANTS OF LANDLORD OR CAUSED BY OPERATIONS IN CONSTRUCTION OF ANY PRIVATE, PUBLIC OR QUASI-PUBLIC WORK.**

**4. THE PROVISIONS OF THIS SECTION P. SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE AGREEMENT.**

**Q. Environmental Compliance.**

**1. No Storage or Disposal. Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit, allow, or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant or by any Tenant Persons) on the Premises or any**  
**MINERAL WELLS REGIONAL AIRPORT**  
**HANGAR LEASE FOR COMMERCIAL AVIATION USE**

portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation and Recovery Act (42 U.S.C. §6901 *et seq.*, as amended or superseded), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 *et seq.*, as amended or superseded), the Hazardous Materials Transportation Act (49 U.S.C. §5101 *et seq.*, as amended or superseded), the Toxic Substances Control Act (15 U.S.C. §2601 *et seq.*, as amended or superseded), the Clean Air Act (42 U.S.C. §7401 *et seq.*, as amended or superseded), and/or the Clean Water Act (33 U.S.C. §1251 *et seq.*, as amended or superseded) (and any regulations promulgated pursuant to the foregoing Laws), or any other federal, state, county, regional, local or other governmental Laws, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Premises and/or any portions of the Common Facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under applicable Law; or (ii) in any manner which is prohibited or deemed unsafe under applicable Law. (The substances referred to in the foregoing (a), (b), (c) or (d) are collectively referred to hereinafter as “**Hazardous Materials**”).

2. Tenant shall purchase 100LL and Jet-A from the City. Tenant may purchase JP-5, JP-7 or JP-8 from the United States Military. All of the foregoing fuels must be placed in OSHA/NFPA-approved containers, stored in a detached or fire-rated hazard locker at least 50 feet from ignition sources, and kept below designated and airport approved volume limits per the Mineral Wells Airport Unmanned Aerial System’s (UAS) Standard Operating Procedures (SOP) and the **Mineral Wells Regional Airport Hangar Policy Exhibit “E,” Section 3.**

3 . Cleanup Laws; Tenant’s Indemnity Obligation.

- a. Tenant shall, at Tenant’s sole cost and expense, comply with any presently existing or hereafter enacted Laws (including all rules, standards, regulations, or policies relating to Hazardous Materials (collectively, “**Cleanup Laws**”). In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant’s sole cost and expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the “**Authority**”) under the Cleanup Laws. Should any Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of the existence of Hazardous Materials which were installed, stored, used, treated, transported, disposed of or discharged on the Premises and/or any portion of the Common Facilities by (i) Tenant, or by (ii) any of Tenant’s owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers,

consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or by (iii) any person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Premises under express or implied invitation of Tenant during the Term of this Lease, Tenant shall, at Tenant's own cost and expense, prepare and submit the required plans and financial assurances and carry out the approved plans in accordance with such Cleanup Laws and to Landlord's satisfaction. At no cost or expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of affidavits or other documents required by Landlord to determine the applicability of the Cleanup Laws to the Premises and/or any portion of the Common Facilities, as the case may be, and shall sign the affidavits promptly when requested to do so by Landlord.

- b. **Tenant's Indemnity Obligation. WITHOUT LIMITING ANY OTHER INDEMNITY, HOLD HARMLESS, AND DEFENSE OBLIGATION OF TENANT SET FORTH IN THIS LEASE, TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY, AND HOLD HARMLESS THE CITY OF MINERAL WELLS, TEXAS AND ALL OTHER MINERAL WELLS PERSONS (AS THE TERM "MINERAL WELLS PERSONS" IS DEFINED IN SUBSECTION 2. OF SECTION P.), AND THE MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBSECTION 2. OF SECTION P., ABOVE), FROM AND AGAINST, AND REIMBURSE THE MINERAL WELLS, TEXAS, ALL OTHER MINERAL WELLS PERSONS, THE AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE CASE MAY BE) FOR, ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, FEES, CHARGES, EXPENSES, ACTIONS, CAUSES OF ACTION, JUDGMENTS, LIABILITIES, SUITS, PROCEEDINGS, HARM, AND LOSSES OF WHATEVER KIND OR NATURE (INCLUDING ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS AND ALL ACTIONS OF ANY KIND, MADE UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY MINERAL WELLS PERSON OR ANY MANAGER PERSON OR THE PREMISES, WHETHER DIRECTLY OR INDIRECTLY, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN, ON, UNDER, ABOVE, OR TO THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES BY**



TENANT OR BY ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBSECTION 2. OF SECTION P.); AND FROM ALL FINES, PENALTIES, SUITS, JUDGMENTS, PROCEDURES, PROCEEDINGS, CLAIMS, ACTIONS, AND CAUSES OF ACTION OF ANY KIND WHATSOEVER ARISING OUT OF TENANT'S OR ANY OF TENANT PERSONS' FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER LAW, RULES, REGULATION, STANDARD, ORDER, OR POLICY (ENVIRONMENTAL OR OTHERWISE). SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE CITY OF MINERAL WELLS, TEXAS, ANY OTHER MINERAL WELLS PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE CITY OF MINERAL WELLS, TEXAS, ANY OTHER MINERAL WELLS PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

TENANT'S OBLIGATIONS AND LIABILITIES UNDER THIS SUBSECTION SHALL CONTINUE (AND SURVIVE THE TERMINATION OR EXPIRATION OF THIS LEASE) SO LONG AS THERE MAY BE HAZARDOUS MATERIALS AT THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES, THAT WERE INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OF OR DISCHARGED DURING THE LEASE TERM BY TENANT OR ANY OF TENANT PERSONS. IN ADDITION TO AND NOT IN LIMITATION OF LANDLORD'S OTHER RIGHTS AND REMEDIES, TENANT'S FAILURE TO ABIDE BY THE TERMS OF THIS SECTION T. SHALL BE RESTRAINABLE BY INJUNCTION.

4. Environmental Notices. Tenant shall promptly supply Landlord and Airport Manager with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, the FAA, TxDOT, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

5. Survival. Tenant's obligations and liability pursuant to the terms of this Section Q. shall survive the expiration or earlier termination of this Lease.

### **III. ADDITIONAL PROVISIONS**

**A. Title to Improvements.** The City of Mineral Wells, Texas, is the sole owner of the Premises. Any and all improvements made to the Premises by Tenant shall become the sole property of Landlord, at no cost to Landlord, upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not committing or permitting an Event of Default hereunder, Tenant shall have the right to remove all personal property, equipment, or removable trade fixtures owned by Tenant from the Premises, but Tenant shall be required to repair any damage to the Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements made to the Premises by Tenant and restore the Premises to the condition in which the same existed on the Commencement Date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense. If Tenant fails or refuses to remove any or all of Tenant's personal property, equipment, and trade fixtures from the Premises on or before the date of the termination of this Lease, the items which Tenant has failed or refused to remove: (A) shall be considered abandoned by Tenant, (B) shall become the property of Landlord, at no cost to Landlord, and (C) may be disposed of by Landlord in any manner desired by Landlord in Landlord's unfettered discretion.

**B. Mechanics' and Materialmen's Liens. TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD LANDLORD HARMLESS OF AND FROM ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING BY, THROUGH, OR UNDER TENANT; AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN ARTICLE III., SECTION I. AS ADDITIONAL RENT; PROVIDED, HOWEVER, THAT LANDLORD SHALL NOT SO SATISFY SUCH LIENS UNTIL THIRTY (30) DAYS AFTER WRITTEN NOTIFICATION TO TENANT OF LANDLORD'S INTENTION TO DO SO AND TENANT'S FAILURE DURING SUCH THIRTY (30) DAY PERIOD TO BOND SUCH LIENS OR ESCROW FUNDS WITH APPROPRIATE PARTIES TO PROTECT LANDLORD'S INTEREST IN THE PREMISES.**

**C. Title.** Tenant enters into this Lease and accepts the Premises subject to: (i) the Airport Minimum Standards and the Rules and Regulations as amended or modified from time to time; (ii) easements, rights-of-way, and other interests in or encumbrances on Property (whether or not recorded) that may affect the Premises; (iii) all Laws promulgated by any governmental authority having jurisdiction over the Premises, and (iv) all of the terms, conditions, and provisions of this Lease.

**D. Access and Egress.** Landlord entry is restricted to (i) reasonable prior notice except in true emergencies; (ii) escorted access only; and (iii) compliance with Tenant's security protocols, badging, and (iv) any government-mandated access controls. Landlord agrees to comply with such requirements and not enter controlled areas without Tenant's authorization. Notwithstanding the foregoing, Landlord's entry shall not be restricted when exercised in its capacity as a governmental entity pursuant to its police powers, including but not limited to when conducting emergency services or code enforcement activities, or pursuant to a validly issued warrant, writ, or court order directed to Landlord in its regulatory or law enforcement capacity or any other governmental entity.

**E. Rent on Net Return Basis.** It is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the Premises including maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with such intention.

**F. Holding Over.** Should Tenant, or any of Tenant's successors in interest fail to surrender the Premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days' prior written notice to the other, at a monthly rental equal to one hundred fifty percent (150%) of the Base Rent paid for the last month of the Term of this Lease.

**G. Financial Information.** Tenant agrees that Tenant will from time to time, upon the written request of Landlord during the term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

**H. Estoppel Certificates.**

1. Tenant agrees that from time to time, upon not less than thirty (30) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications); (ii) the dates to which rent and other charges have been paid; (iii) Landlord is not committing an Event of Default under any term or provision of this Lease or, if then committing an Event of Default, the nature thereof in detail in accordance with an exhibit attached thereto; (iv) that, if requested by Landlord, Tenant will not pay Rent more than one (1) month in advance; (v) that this Lease will not be amended without notice to Landlord's mortgagee (or such other person as Landlord may identify); (vi) that this Lease will not be terminated by Tenant without the same notice required by this Lease to be furnished by Tenant to Landlord also being furnished by Tenant to Landlord's mortgagee (or such other person as Landlord may identify), and Landlord's mortgagee (or such other person as Landlord may identify) shall have the same opportunity to cure such Event of Default within the curative period as allowed Landlord under this Lease; and (vii) any other information pertaining to Landlord, Tenant, this Lease or the Premises reasonably requested by Landlord.

2. Landlord agrees that from time to time, upon not less than thirty (30) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications); (ii) the dates to which Rent and other charges have been paid; and/or (iii) Tenant is not committing or permitting an Event of Default under any term or provision of this Lease or if an Event of Default then exists, the nature thereof in detail in accordance with an exhibit attached thereto.

**I. Interest on Tenant's Obligations and Manner of Payment.** All monetary obligations of Tenant to Landlord under this Lease remaining unpaid five (5) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest per annum at the lesser of ten percent (10%) or the highest non-usurious rate then allowed by Law (the "**Default Interest Rate**"), from and after said tenth (5th) day until paid. If more than twice during the term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

**J. Landlord's Lien.** In addition to the constitutional and statutory Landlord's liens, **TENANT HEREBY GRANTS TO LANDLORD A SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT DUE HEREUNDER FROM TENANT, UPON ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE AND OTHER PERSONAL PROPERTY OWNED BY TENANT AND SITUATED IN OR UPON THE PREMISES, TOGETHER WITH THE PROCEEDS FROM THE SALE OR LEASE THEREOF, EXCEPT PROPERTY OWNED BY A GOVERNMENTAL ENTITY, FOREIGN OR DOMESTIC. THUS, NO PROPERTY OWNED BY A GOVERNMENTAL ENTITY, REGARDLESS OF WHETHER FOREIGN OR DOMESTIC, IS GRANTED TO LANDLORD IN ANY WAY.** Such property shall not be removed without the consent of Landlord until all arrearages in rent then due to Landlord hereunder shall have been paid and discharged. Upon Tenant's failure to pay rent due within ten (10) days after the due date, Landlord may, in addition to any other remedies provided herein or by Law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Landlord has no right to and has no security interest in and may not take possession of any property which may be situated on the Premises but which is not owned by Tenant, including but not limited to property which may be owned by another and leased and/or loaned to Tenant. Unless otherwise required by Law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least thirty (30) days before the time of the sale. Any public sale made under this Section J. shall

be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Palo Pinto County, Texas, for five (5) consecutive days before the date of the sale. Landlord or Landlord's assigns may purchase at a public sale and, unless prohibited by Law, at a private sale. The proceeds from any disposition dealt with in this Section, less any and all expenses connected with the taking of possession, holding and selling of the property including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by Law, and Tenant shall pay any deficiency forthwith.

Upon request by Landlord, Tenant agrees to execute, as debtor, and deliver to Landlord financing statements in form sufficient as may be necessary to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Texas Business and Commerce Code. Landlord may at its election at any time file in the appropriate County records a copy of this Lease as a Financing Statement. Landlord, as Secured Party, has all of the rights and remedies afforded a secured party under the Texas Uniform Commercial Code in addition to and cumulative of the landlord's liens and rights provided by Law or by the other terms and provisions of this Lease. The constitutional and statutory liens for rent are expressly reserved; the security interest herein granted is in addition and supplementary thereto.

**K. Corporate Execution.** If Tenant is a corporation or if this Lease shall be assigned by Tenant to a corporation or if Tenant subleases all or a portion of the Premises to a corporation, such corporation hereby agrees to execute and deliver to Landlord from time to time during the Term of this Lease such instruments as Landlord may reasonably request to evidence of: (i) the authority of such corporation to transact business in the State of Texas; (ii) meeting all state franchise tax filing requirements and ad valorem and business personal property tax requirements; and (iii) the authority of the officers of such corporation to execute this Lease or other documents in connection with this Lease.

**L. Joint and Several Liability.** If more than one person or entity is defined as Tenant in this Lease, all of the duties, obligations, promises, covenants and agreements contained in this Lease to be paid and performed by Tenant shall be the joint and several obligation of all persons or entities defined as Tenant. Each person or entity defined as Tenant agrees that Landlord, in Landlord's sole discretion, may: (i) institute or bring suit against them, jointly and severally, or against any one or more of them; (ii) compromise or settle with any one or more of them for such consideration as Landlord may deem proper; and (iii) release one or more of them from liability hereunder, and that no such action by Landlord shall impair or affect Landlord's rights to collect costs, expenses, losses or damages incurred or suffered by Landlord from the other persons or entities defined as Tenant, or any of them, not so sued, compromised, settled with or released.

**M. Certificate of Occupancy.** Tenant may take possession of the Premises pursuant to the terms and conditions of this Lease, however may not occupy the Premises without first being issued a valid Certificate of Occupancy pursuant to the City of Mineral Wells, Texas Code of

Ordinances. Tenant may apply for a Certificate of Occupancy any time after the Effective Date of this Agreement. If for any reason, beyond the reasonable control of Tenant, Tenant is unable to secure a Certificate of Occupancy within thirty (30) days prior to the Commencement Date, Tenant may terminate this Lease provided Tenant has given Landlord written notice of all deficiencies preventing the issuance of said Certificate of Occupancy in favor of Tenant and Landlord fails to cure or otherwise resolve the deficiency(ies) within ten (10) business days of Landlord's receipt of Tenant's written notice. Nothing herein contained shall obligate Landlord to install any additional electrical wiring, plumbing or plumbing fixtures, or other fixtures or equipment or any other improvements whatsoever which are not presently existing in the Premises, or which have not been expressly agreed upon by Landlord in writing.

**N. Diagrams.** The Aerial Depiction of the Premises attached as **Exhibit "A"** merely evidences existing improvements and is included for informational purposes only and is not to be construed as accurate in area or dimension. Similarly, the Aerial Depiction of the IP Building attached as **Exhibit "C-1"** and the Aerial Depiction of the IP Auxiliary Building attached as **Exhibit "C-2"** merely evidence existing improvements and is included for informational purposes only and is not to be construed as accurate in area or dimension.

**O. Fees or Commissions.** Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained in this Agreement, **AND SUCH PARTY AGREES TO INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM THE PAYMENT OF ANY SUCH FEES OR COMMISSIONS.**

**P. No Recording.** Tenant agrees that Tenant will not record this Lease in the real property records of Palo Pinto County, Texas, without first securing the prior written consent of Landlord, which may be withheld at Landlord's sole discretion.

**Q. Time of Essence.** Time is of the essence in the payment and performance of the duties and obligations imposed upon Tenant by the terms and conditions of this Lease.

**R. Public Information.** Tenant acknowledges that City, as a government entity, is obligated to strictly comply with the Public Information Act, Chapter 552, Texas Government Code, in responding to any request for public information pertaining to this Agreement, as well as any other disclosure of information required by applicable Texas law. The City's compliance with the Texas Public Information Act shall not violate the Agreement. Upon City's written request, Tenant will promptly provide specified contracting information exchanged or created under this Agreement for or on behalf of City. The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Tenant agrees that the Agreement can be terminated if the Tenant knowingly or intentionally fails to comply with a requirement of that subchapter. To the extent any provision in the Agreement attempts to prevent the disclosure of information that is subject to public disclosure under federal or Texas law, including any provision that prohibits disclosure of the terms and conditions of the Agreement, such provision is invalid.

#### IV. QUIET ENJOYMENT

Landlord represents that Tenant, upon Tenant's payment of the Rent and other payments herein required and provided for, and Tenant's performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the full Term of this Lease.

#### V. EVENTS OF DEFAULT AND REMEDIES

**A. Default by Tenant.** Each of the following shall be deemed to be an Event of Default by Tenant under this Lease:

1. Failure of Tenant to pay any installment of Rent, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, insurance premiums, or any other sum payable to Landlord hereunder, on the date that same is due, and such failure shall continue thereafter for a period of ten (10) days (the "**10-day Grace Period**") and such failure shall not be cured within ten (10) days after written notice thereof (the "**Cure Period**") to Tenant (which Cure Period may overlap, in whole or in part, the 10 day Grace Period)

2. Failure of Tenant to comply with any term, condition or covenant of this Lease (other than the payment of Rent or other sum of money, or the payment of taxes, utilities or insurance premiums, or other payments Tenant is to make under this Lease) and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

3. Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.

4. Tenant, or any guarantor of Tenant hereunder, (i) becomes or is declared insolvent according to any Law, (ii) makes a transfer in fraud of creditors according to any applicable Law, or (iii) assigns or conveys all or a substantial portion of its property for the benefit of creditors.

5. Tenant or any guarantor of Tenant hereunder, files a petition for relief, or is the subject of an order for relief, under the United States Bankruptcy Code, as amended, or any other present or future federal or state insolvency, bankruptcy or similar Laws (collectively "**Applicable Bankruptcy Law**").

6. Appointment of a receiver or trustee for Tenant (or any guarantor of Tenant hereunder) or Tenant's (or any such guarantor's) property; or the interest of Tenant (or any such guarantor) under this Lease is levied on under execution or under other legal process; or any involuntary petition is filed against Tenant (or any such guarantor) under Applicable Bankruptcy Law (provided, however, that no action described in this subsection 6. or in subsections 4. or 5. shall constitute a default by Tenant if Tenant (or any guarantor of Tenant hereunder) shall

vigorously contest the action by appropriate proceedings and shall remove, vacate or terminate the action within sixty (60) days after the date of its inception.).

7. Abandonment by Tenant of any substantial portion of the Premises or cessation of use of the Premises for the purposes leased.

8. Tenant is in default of any other lease or agreement with, or any permit or license issued by, the City of Mineral Wells, Texas or any other regulatory entity, including the Federal Aviation Administration.

**B. Remedies of Landlord.** Upon the occurrence of any of the events of default listed in Article V., Landlord, without prejudice to any legal, equitable, or other (including contractual) right or remedy to which it may be entitled, shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever (and using lawful force if necessary or appropriate after providing written notice thereof, if any is required):

1. Terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Premises.

2. Terminate Tenant's right to occupy all or any part of the Premises without terminating this Lease and with or without reentering or repossessing the Premises.

3. Recover unpaid rent and any Breach Damages (as "Breach Damages" as defined in Article V., Section B.12.).

4. Change or pick the locks, access codes, or other access control devices, and take any other self-help or judicial action to exclude Tenant and other occupants from the Premises.

5. Remove and store (at Tenant's sole cost) any property on the Premises at Tenant's sole cost.

6. Sue for eviction, specific enforcement, equitable relief, rent, damages, or any other available remedy.

7. Apply the Security Deposit in any manner permitted by this Lease, and/or increase the amount of the Security Deposit.

8. Cure Tenant's default, and if Landlord so elects, Tenant must reimburse Landlord within thirty (30) days after Landlord delivers an invoice for the cure amounts paid or to be paid plus any reasonable expenses Landlord incurred effecting compliance with Tenant's obligations.

9. Withhold or suspend any payment that this Lease would otherwise require Landlord to make.



10. Charge interest on any amount not paid when due through the date of its payment at the Default Interest Rate (as set forth in Article III., Section I.).

11. Recover, but only if Tenant fails to pay Rent and Landlord terminates this Lease or Tenant's right of possession with more than twelve (12) months remaining in the Term of this Lease, liquidated rental damages for the period after any such termination equal to twelve (12) times the monthly Rent due at the time of termination in lieu of any other contractual or legal measure of damages (including re-letting costs) for Tenant's non-payment of Rent, and the parties agree this is a reasonable estimate of Landlord's damages for such a breach given the uncertainty of future market rental rates and of the duration of any vacancy.

12. Exercise all other remedies available to Landlord at Law, in equity, or otherwise (including injunctive relief and any other remedy available under applicable Law).

For purposes of this Subsection 12, "**Breach Damages**" means and includes all actual, incidental, and consequential damages, court costs, interest, and attorneys' fees arising from Tenant's breach or default of this Lease, including the cost to or incurred by Landlord of (a) recovering possession of the Premises, (b) removing and storing the property of Tenant and any other occupant or user of the Premises, (c) re-letting of the Premises (including the costs of brokerage commissions and cleaning, decorating, repairing, or altering the Premises for a substitute tenant or tenants), (d) collecting any money owed by Tenant or a substitute tenant, (e) repairing any damage to the Premises caused by any Tenant or other occupant or user of the Premises, (f) performing any obligation of Tenant under this Lease, (g) any other loss or cost reasonably incurred by Landlord as a result of, or arising from, Tenant's breach of this Lease or Landlord's exercise of its rights and remedies for such breach, (h) any contractual or liquidated type or measure of damages, including but not limited to Rental Deficiency as such is defined herein; and (i) any other type or measure of damages recoverable for any particular breach under applicable Law.

For purposes of this Section 12, "**Rental Deficiency**" means a contractual measure of Breach Damages for Tenant's non-payment of Rent measured by either the (a) actual Rental Deficiency, which is the difference (never less than zero) between (i) the Rent due for, and other Rent allocable under this Lease to, each month beginning with the first month with respect to which Landlord receives Rent from re-letting the Premises, and (ii) the proceeds, if any, that Landlord actually collects from any substitute tenant for any part of the Premises in each corresponding month in which the Term and the term of the substitute tenant's lease overlap; or (b) market Rental Deficiency, which is the present value, discounted at 6% simple annual interest, of the difference (never less than zero) between (i) the rent otherwise due under this Lease during any period after Tenant's breach in which Landlord may elect to recover this damage measure, and (ii) the fair rental value of the Premises during that period, *plus* any costs incurred in connection with any actual or attempted re-letting and any other Breach Damages.

In determining the market Rental Deficiency, the fair rental value will be the total rent that a comparable tenant would pay for comparable space in a building of substantially equivalent

quality, size, condition, and location, considering rental rates and concessions then prevalent in the marketplace, the remaining lease term, the expected vacancy, and any other relevant factors. An independent MAI appraiser selected by Landlord will determine the fair rental value of the Premises, and that determination will conclusively bind the parties in any computation of the market Rental Deficiency.

Unless Landlord delivers signed, written notice thereof to Tenant, no act or omission by Landlord or Airport Manager or their respective officials, officers, employees, or agents will constitute Landlord's acceptance of surrender of the Premises, termination of this Lease, or an actual or constructive eviction of Tenant (including Tenant's delivery of keys to any of Landlord's or Airport Manager's officials, officers, employees, or agents or Landlord's repossession, reentry, or re-letting of the Leased Premises).

Pursuit of any of the foregoing remedies or rights shall not preclude pursuit of any of the other remedies or rights herein provided or any other remedies or rights provided by Law, in equity, or otherwise; nor shall pursuit of any remedy or right herein provided constitute a forfeiture or waiver of any Rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained. If any of Tenant's property ("**Tenant Property**") remains upon the Premises upon the expiration of the Lease term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove such Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, unpaid rental and costs incurred by Landlord to repair the Premises.

**C. Default by Landlord.** No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or render Landlord liable for damages, of any kind or nature, or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay Rent) or grant Tenant any right of deduction, abatement, set-off or recoupment, or entitle Tenant to take any action whatsoever with regard to the Premises or Landlord, until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period, then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default.

In the event that Landlord fails to cure such default within the said thirty (30) day period, or within said the additional reasonable period of time, Tenant shall have the right, as its sole and exclusive remedy, to proceed to cure such default and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding Base Rent installment(s) due by Tenant to Landlord hereunder.

If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required herein to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

The liability of Landlord (and all other Mineral Wells Persons and all Manager Persons) for any default by Landlord under this Lease shall be limited to an amount equal to twelve (12) months of Base Rent (the amount of such Base Rent being the amount in effect at the time of such default), and Landlord (and all other Mineral Wells Persons and all Manager Persons) shall not be otherwise or personally liable for any deficiency, claim, harm, loss, judgment, liability, or for any other matter whatsoever, and Tenant (for itself and all Tenant Persons) fully waives all other rights of recovery against Landlord (and all other Mineral Wells Persons and all Manager Persons) and any assets of Landlord (and all Mineral Wells and all Manager Persons).

#### **D. Mitigation of Damages.**

1. Landlord and Tenant agree to the following criteria in connection with Landlord's mitigation of damages after a default by Tenant and abandonment of the Premises by Tenant under this Lease (such mitigation, being by means of marketing the Premises for lease, to commence not more than sixty (60) days after Tenant physically vacates the Premises and to continue until the Premises have been relet):

- a. Landlord will have no obligation to solicit or entertain negotiations with any other prospective tenant of the Premises until and unless Landlord obtains full and complete possession of the Premises, including the final and non-appealable legal right to relet the Premises free of any claim of Tenant.
- b. Landlord will not be obligated to offer the Premises to a prospective tenant when other premises suitable for that prospective tenant's use are (or soon will be) available in any other premises located at Mineral Wells Regional Airport.
- c. Landlord will not have any obligation to lease the Premises for any rental less than the current rate then prevailing for similar space at Mineral Wells Regional Airport (or if no similar space is available, the current fair market rental then prevailing for similar space in comparable buildings in the same market area as the Premises) nor shall Landlord be obligated to enter into a new lease under any terms or conditions that are unacceptable to Landlord.
- d. Landlord will not be obligated to enter into any lease with any prospective tenant whose reputation is not acceptable to Landlord, in Landlord's sole judgment and opinion.

- e. Landlord will not be obligated to enter into a lease with any prospective tenant: (i) which does not have, in Landlord's sole judgment and opinion, sufficient financial resources and operating experience to occupy and operate the Premises in a first class manner and meet its financial obligations; or (ii) whose proposed use of the Premises is not a permitted use under the terms of this Lease.
- f. Landlord will not be required to expend any amount of money to alter, remodel or otherwise make the Premises suitable for use by any prospective tenant.

If Landlord makes the Premises available for reletting under the criteria set forth herein, Landlord will be deemed to have fully satisfied Landlord's obligation to mitigate damages under this Lease and under any Law or judicial ruling in effect on the date of this Lease or at the time of Tenant's default, and Tenant hereby **waives and releases**, to the fullest extent legally permissible, any right to assert, in any action by Landlord to enforce the terms of this Lease, any defense, counterclaim, or rights of setoff or recoupment respecting the mitigation of damages by Landlord (or alleged failure by Landlord to adequately mitigate its damages), unless and to the extent Landlord maliciously or in bad faith fails to act in accordance with the requirements of this Subsection.

No rent collected from a substitute tenant for any month in excess of the Rent due under the Lease for that month will be credited or offset against unpaid Rent for any other month or any other Breach Damages. Tenant stipulates that the mitigation requirements expressed in this Subsection are objectively reasonable. **TO THE FULLEST EXTENT PERMITTED BY LAW, TENANT WAIVES ANY OTHER OBLIGATION BY LANDLORD TO MITIGATE ITS DAMAGES AFTER TENANT VACATES OR ABANDONS THE PREMISES.**

2. Tenant's right to seek damages as a result of a default by Landlord under this Lease shall be conditioned on Tenant taking all actions reasonably required, under the circumstances, to minimize any loss or damage to Tenant's property or business, or to any of Tenant's officials, officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

**E. Waiver of Default.** No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein. Landlord will not be deemed to have waived any right or remedy, or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant and explicitly relinquishing that right, remedy or breach. No custom or practice arising during the Term of this Lease will waive, or diminish, Landlord's right to insist upon strict performance of Tenant's obligations. No restrictive endorsement or other statement on or accompanying any check or payment will be deemed an accord and satisfaction or novation, and Landlord will be entitled to accept any such

check or payment, without prejudice, to Landlord's rights to recover the full amount due and to exercise its other remedies.

**F. Release of Landlord Upon Transfer.** All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the Premises by Landlord, provided that the obligations of Landlord under this Lease are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the Premises.

**G. Attorneys' Fees.** If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it shall become necessary for the other to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, and should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

**H. Waiver of Subrogation.** Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of the Premises, which loss or damage is covered by valid and collectible casualty, fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of casualty, fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

**I. No Waiver of Governmental Immunity.** Tenant expressly acknowledges that City is a political subdivision of the State of Texas and nothing in the Agreement will be construed as a waiver or relinquishment by City of its right to claim such exemptions, privileges, and immunities as may be provided by law. Neither the execution of the Agreement by City nor any other conduct, action, or inaction of any representative of City relating to the Agreement constitutes or is intended to constitute a waiver of City's immunity to suit. To the extent the Agreement requires the City to waive its rights or immunities as a government entity, any such requirement shall be null and void, is hereby deleted from the Agreement and shall have no force or effect.

## **VI. MISCELLANEOUS PROVISIONS**

**A. Independent Contractor.** It is understood and agreed that in leasing, occupying, and operating the Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of Landlord.

**B. Force Majeure.** In the event performance by either party of any term, condition or covenant in this Agreement is delayed or prevented by an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of the party, the period for performance of such term, condition or covenant shall be extended for a period equal to the period party is so delayed or hindered.

**C. Exhibits.** All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein. In the event of a conflict between any provision in this Agreement and any other provision in any other exhibit to the Agreement, the terms provided in this Agreement shall govern and control.

**D. Interpretation.** Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

- (i) Words importing the singular number shall include the plural number and vice versa.
- (ii) Words importing the feminine, masculine and neutral genders shall each include correlative words of the other genders.
- (iii) All references herein to a particular article, section or subsection without reference to a specific document are references to an article, section or subsection of this Agreement.
- (iv) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement in its entirety and not the particular article, section or subsection of this Agreement in which they appear; the term “hereafter” means after the Effective Date of this Agreement; and the term “heretofore” means before the date of this Agreement.
- (v) The word “including” means “including but not limited to”.
- (vi) All exhibits and appendices to this Agreement, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Agreement.

**E. Ambiguities.** The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

**F. No Third Party Beneficiaries.** Except as otherwise set forth in this Agreement, this Agreement and each of its provisions are solely for the benefit of the parties hereto and are not intended to and shall not create or grant any rights, contractual or otherwise, to any third person or entity.

**G. Captions.** The captions or headings or paragraphs in this Agreement are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

**H. Successors.** The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon the parties and their respective successors in interest and legal representatives except as otherwise expressly provided in this Agreement. All rights, powers, privileges, immunities and duties of Landlord under this Agreement including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

**I. Severability.** The terms and provisions of this Agreement are severable, and if any term or provision in this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and the invalid or unenforceable term or provision will be reformed to give effect (to the fullest extent possible) to the parties' intentions in a manner that is legal, valid, and enforceable. It is the parties' intent that the term of this Agreement not exceed any statutory limit; if it should be determined that the term of this Agreement exceeds such period of time, the term hereof shall be reformed so as to make the term hereof not exceed such period of time.

**J. Notices.** Any notice required by or permitted under this Agreement must be in writing and may be delivered in person or by regular mail, personal delivery, courier deliver, or e-mail and will be deemed delivered, whether actually received or not, the earlier of receipt or three (3) business days after being deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown below or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

TO LANDLORD:

City of Mineral Wells, Texas  
Attn: Jason Weeks, City Manager  
P.O. Box 460  
Mineral Wells, Texas 76068  
Email: Jweeks@mineralwellstx.gov

TO TENANT:

Avrex Aerospace, Inc.  
Attn: Clay S. Kroschel, CEO  

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Email: CKroschel@AvrexAerospace.com

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

**L. Governing Law and Venue.** This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the Laws of the State of Texas, without regard to conflict of law provisions of any jurisdiction; and Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Agreement or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Palo Pinto County, Texas, and the parties submit themselves to the jurisdiction of such courts.

**M Survival.** All duties and obligations imposed upon Tenant by the terms and conditions of this Agreement shall survive the termination or expiration of this Agreement until paid or performed.

**N. Consent.** Where Landlord consent or approval is required in this Agreement, such consent or approval may be given by the City Council of the City of Mineral Wells, Texas (“City Council”) or, if authorized by the City Council or the Mayor of the City of Mineral Wells, Texas, the City Manager of the City of Mineral Wells, Texas.

**O. Savings Clause.** If a court of competent jurisdiction finds any provision of the Agreement illegal, ineffective or beyond contractual authority of either party, then the offending provision will be stricken and the remainder of this Agreement will remain in effect.

**P. Authority to Execute.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

**Q. Entire Agreement and Amendments.** This Agreement and the exhibits, together with the recitals, and any other documents incorporated by reference (including the Rules and Regulations), embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Agreement, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

*[Signatures page follows on next page]*



**EXECUTED** to be effective as of the Effective Date.

**LANDLORD:**

**MINERAL WELLS, TEXAS**  
a home-rule municipal corporation

---

Jason Weeks, City Manager

**TENANT:**

**AVREX AEROSPACE, INC.,**  
a Wyoming corporation



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Clay Kroschel, Chief Executive Officer

STATE OF TEXAS                   §  
                                          §  
COUNTY OF PALO PINTO       §

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, City Manager of the Mineral Wells, Texas, a Texas home-ruled municipality, on behalf of the said municipality.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE**, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF WYOMING           §  
                                     §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE**, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

**EXHIBIT “A”**  
**Aerial Depiction of Premises**

This depiction of the Premises is for informational purposes only and  
is not to be construed as accurate in area or dimension.

The boundaries marked in red indicate the unoccupied portions of the Downing Hangar and the adjoining surface parking lot.



**EXHIBIT “B”**  
**Utility Addendum**

Tenant shall pay the utilities charges and fees for the utilities that serve the Premises, including any related connection/disconnection charges assessed by the service provided. Tenant (i) may select or change the utility service provider from time to time over the term of the Lease, and (ii) shall be responsible, at its sole cost and expense, for obtaining and maintaining said utility connections at or for the Premises.

**EXHIBIT “C-1”  
Aerial Depiction of IP Building**

This depiction of the IP Building is for informational purposes only and  
is not to be construed as accurate in area or dimension.

The area marked in yellow indicates the IP Building, which is an improvement measuring approximately 80 x 140 feet or 22,000 square feet, and the adjoining surface parking lot.



**EXHIBIT “C-2”**  
**Aerial Depiction of IP Auxiliary Building**

This depiction of the IP Auxiliary Building is for informational purposes only and is not to be construed as accurate in area or dimension.

The area marked in blue indicates the IP Auxiliary Building, which is an improvement measuring approximately 50 x 150 feet or 7,500 square feet, and the adjoining surface parking lot.



**EXHIBIT “C-3**  
**Aerial Depiction of 50-Acre Pad Site**

The boundaries marked in red indicate the northwest section of the 50-acre pad, which is an area measuring approximately 20 acres or 875,259 square feet. The final location is to be determined by Landlord.



Name: 20 ACRE FUTURE Site

Description | Style, Color | View | Altitude | Measurements

Perimeter: 0.62 Nautical Miles  
Area: 20 Acres

Name: 20 ACRE FUTURE Site

Description | Style, Color | View | Altitude | Measurements

Perimeter: 0.62 Nautical Miles  
Area: 875,259 Square Feet



**EXHIBIT “D”  
Insurance Requirements**

| <b><u>Coverage</u></b>                     | <b><u>Recommended Limit</u></b>                                                       |
|--------------------------------------------|---------------------------------------------------------------------------------------|
| Commercial General Liability               | <b>\$2,000,000 per occurrence / \$4,000,000 aggregate</b>                             |
| Products & Completed Operations            | Included within CGL with <b>\$2,000,000 aggregate</b>                                 |
| Commercial Automobile Liability            | <b>\$1,000,000 combined single limit</b>                                              |
| Workers' Compensation                      | Statutory Texas limits                                                                |
| Employers Liability                        | \$1,000,000 each accident                                                             |
| Umbrella/Excess Liability                  | <b>\$5,000,000</b> minimum                                                            |
| Property Insurance                         | Replacement cost on building improvements, equipment, and tenant property             |
| Aviation General Liability                 | <b>\$5,000,000</b> minimum (higher depending on testing)                              |
| Aircraft Hull Insurance                    | Full value of owned aircraft                                                          |
| Aircraft Products Liability                | Included if manufacturing aircraft/components                                         |
| Hangarkeepers Liability                    | If storing or servicing third-party aircraft                                          |
| Pollution Liability                        | \$2,000,000 minimum if batteries, fuels, chemicals, or hazardous materials are stored |
| Cyber Liability                            | \$2,000,000 minimum (recommended for autonomous systems/software)                     |
| Professional/Technology Errors & Omissions | \$2,000,000 if providing engineering or software services                             |

**EXHIBIT “E”**  
**Mineral Wells Regional Airport Hangar Policy**



**HANGAR POLICY**

This Hangar Policy ("Policy") covers the procedures required of aircraft tenants or prospective tenants in their use of hangars at the Mineral Wells Regional Airport ("Airport").

Purpose: It is the intent of the City of Mineral Wells ("City") to manage the use of hangars at the Airport in a consistent, reasonable and responsible manner, and in accordance with applicable sections of the City Code of Ordinances ("Code"). This Policy is intended to provide the Airport Manager and hangar tenants alike with guidelines that all parties can follow to assure proper leasing and safe use of T-Hangars and privately-owned hangars at the Airport.

It is not the intent of this policy to make provisions that are contrary to the Code, the policies of the Texas Department of Transportation Aviation Division ("TxDOT") or the Federal Aviation Administration ("FAA"), and in the event that there is a discrepancy or conflict between the policies, the Code shall govern in instances that are not provided for by TxDOT or FAA policies.

Policy Statements:

- The leasing of hangars shall be in accordance with the current Code and the current Aircraft Hangar Waiting List Policy adopted by the Airport Advisory Board.
- Aircraft owners wishing to lease a T-hangar at the Airport shall execute a T-Hangar Lease Agreement ("Lease") in a form provided by the City and shall abide at all times by the terms and provisions of the Lease.
- It is the intent of the City that those leasing a hangar at the Airport will use the hangar for aircraft purposes only, except with written consent of the Airport Manager to do otherwise. To that end, the following provisions further define appropriate use of a hangar.
  1. Pursuant to the Lease Agreement, only airworthy or operational aircraft, or an aircraft under active refurbishment or final assembly, can be stored in the hangar. The Airport Manager may, at his/her discretion, permit limited, non-aeronautical items to be stored in hangars, provided those items do not interfere with the aeronautical use of the hangar.
  2. Non-commercial construction of amateur-built or kit-built aircraft is considered an aeronautical activity. The Airport Manager shall agree with the tenant on suitable, measurable construction progress targets to ensure that the hangar will only be

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used for final assembly and storage of an operational aircraft within a reasonable term after the project starts. The tenant will report the status of construction to the Airport Manager at least every 90 days. For further information related to hangar use, please refer to the FAA Policy on the Non-Aeronautical Use of Airport Hangars published on June 15, 2016, in the Federal Register and available online at:  
<https://www.gpo.gov/fdsys/pkg/FR-2016-06-15/pdf/2016-14133.pdf>

3. The storage, use, or handling of flammable/combustible liquids shall be conducted in a limited manner appropriate to FAA-approved owner maintenance activity, an aircraft restoration, or home-built aircraft project. In all cases, the quantity of such liquids shall be limited as described in applicable Code. Painting of aircraft, and cleaning with flammable solvents is prohibited inside the hangars.

4. The aircraft in a hangar must be owned in part, fully-owned, or leased by the tenant who signed the Lease. All other Lease provisions also apply. The Airport Manager may approve reasonable requests to store other aircraft in his hangar outside of this policy on a case-by-case basis, provided the ownership of the aircraft can be documented. The Hangar lease may be prematurely terminated by Lessor if Lessee abandons or leaves the hangar vacant or unoccupied for 90 consecutive days.

5. Permission for construction of structures and/or lofts within a hangar is subject to the limitations of paragraph 1. and requires the prior approval of the Airport Manager. Also, construction of these kinds of facilities must be done under the auspices of the City's Building Inspection Department, with an associated Building Permit obtained and displayed during construction.

6. Hangars are subject to an annual inspection by the City Fire Marshal, other City staff, and Airport staff for the purpose of determining full compliance with all applicable provisions of this Policy, the Code and the Lease. Any discrepancies shall be noted and provided to the tenant for correction within a reasonable period of time acceptable to the Airport Manager. In the event of a possible safety issue, an emergency, or an unforeseen circumstance, City staff and/or the Airport Manager may enter a hangar at any time, provided the tenant is advised as quickly as possible of the entry, the purpose for the entry, and actions taken once inside the hangar. Tenant shall provide the Airport Manager with any keys or access codes required to gain entry to his/her hangar.

7. Approval by the Airport Manager is required for installation of additional wiring for lighting and/or equipment, and such installation must be done in conformance with all applicable Codes. The use of extension cords is limited to UL Listed cords in good condition used in compliance with the manufacturers' instructions. Extension cords may not be used in lieu of permanent wiring. Any extension cord that is permitted for use must be unplugged when the hangar is unoccupied. The exception to this requirement is when the extension cord is being used to power a battery charger, crankcase heater or a similar item. Each extension cord must be plugged into a circuit-breaker-protected power outlet or power strip rated at a minimum of 15 amps and equipped with 15 amp "maximum" overcurrent protection.

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8. Space heaters of any type are not permitted in the hangars unless they are UL listed for interior use, they are used only when the tenant is present in the hangar, and the heater is always disconnected before exiting the hangar.

9. No objects may be hung from, or attached to, the structural members of the T-Hangar without the prior written approval of the Airport Manager.

10. The dumpster near the Airport Terminal is open during the day for the disposal of trash and materials appropriate to the ownership, storage, and use of an aircraft. The dumpster shall not be used for the disposal of other debris or stored items not related to the aircraft's presence in the hangar and appropriate aviation activity. Used oil can only be deposited in the barrel provided for such purpose near the terminal at the north end of the T-Hangars. Tenants are provided the combination to the lock on the barrel.

It is the intent of this Policy to ensure an appropriate, safe and clean environment in which aircraft can be housed at the Airport. If the Airport Manager determines that an unsafe situation is present in a hangar, the tenant will be notified and shall immediately correct that situation in consultation with, and approval of, the Airport Manager. Failure to comply with this policy and other directives will be grounds for terminating the Lease. The tenant may appeal the determination rendered, but only after correcting the situation as directed by the Airport Manager.

#### Deviations

It is recognized that not every situation that someone may encounter in the lease of a hangar can be reasonably covered by this Policy. In the case where a tenant wants to deviate from this Policy, or perform an activity not covered by this Policy, prior approval shall be obtained in writing from the Airport Manager, who shall attempt to accommodate the request within policy and using common sense, as the situation may dictate.

#### Appeals Process

In the case where a hangar tenant does not agree with a determination made by the Airport Manager, the tenant and the Airport Manager shall bring the issue to the attention of the City Manager, who shall make its best efforts to find a solution acceptable to the tenant. Should this effort be unsuccessful, the tenant is entitled to a formal appeal to the Airport Advisory Board.

This Policy shall govern all existing Leases as of the approval date shown below, and all new Leases at the Airport executed after the approval date shown below.

**This Policy was approved by the Airport Advisory Board at its meeting held on August 8, 2017.**

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## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action on an After-Action Report on the tornadic event on April 28, 2026.

### **INITIATOR/STAFF INFORMATION SOURCE**

Ryan Dunn, Fire Chief

### **BACKGROUND**

On the April 28, 2026, tornado was one of the most significant natural disasters to affect the City of Mineral Wells in recent history. The event tested the City's emergency response capabilities, personnel, infrastructure, intergovernmental partnerships, and ability to transition rapidly from emergency operations to recovery. While no response to a disaster of this magnitude is without challenges, the overall response demonstrated the dedication, professionalism, and resilience of City employees, emergency responders, county partners, civic organizations, and members of the community.

The most significant strength identified during this incident was the willingness of personnel and partner organizations to work collectively toward a common objective. Fire/EMS, Police, Public Works, City administration, county partners, and community organizations responded with a shared commitment to protecting life, restoring essential services, and assisting residents. This collaborative approach allowed the city to address immediate life safety concerns while simultaneously beginning the recovery process.

The incident reinforced the importance of regional cooperation. No municipality should expect to manage a catastrophic event entirely with its own resources. Continued development of mutual-aid agreements, county partnerships, regional response capabilities, and relationships with private and nonprofit organizations will improve the City's ability to manage future emergencies. These relationships should be maintained and exercised before they are needed during an actual disaster.

Perhaps the most important lesson from this event is that recovery and preparedness are interconnected. We should review the lessons identified through this After-Action Report to guide future budgeting, capital improvement planning, grant applications, training, staffing decisions, and emergency management planning. Identified deficiencies should not simply be documented; they should become opportunities for measurable improvement.

The April 28 tornado demonstrated that Mineral Wells has a strong foundation of dedicated employees, capable responders, committed community partners, and resilient citizens. At the same time, it provided an opportunity to examine where the city can improve before the next

major emergency occurs. Our responsibility as public servants are not only to respond effectively when disaster strikes, but to learn from every incident and use those lessons to build a safer, stronger, and more resilient community.

## **EXHIBITS**

1. Tornado After Action
2. Tornado Presentation

**ITEM NUMBER 14.**  
**MEETING DATE 8/4/2026**

## April 28<sup>th</sup> Tornado, After Action Report:

### Statement of Effect:

The purpose of this After-Action Report is to drive continuous improvement by documenting lessons learned, organizational adaption in strategies, update emergency planning, and provide needed training. This is a proactive approach to build greater organizational resilience and making our city more capable of withstanding and recovering from future incidents.

### Mission Statement:

The City of Mineral Wells mission is to serve the community with integrity, foster economic vitality, and create a safe, sustainable, and attractive place to live, work, and visit.

### **Executive Summary**

On April 28, 2026, at approximately 1700 hours, the City of Mineral Wells experienced an EF-3 tornado that struck the northeastern portion of the city. The tornado caused catastrophic damage to homes, businesses, public infrastructure, and critical utilities, resulting in local and county disaster declarations. City departments, supported by mutual aid partners and surrounding jurisdictions, responded immediately to protect life, stabilize the incident, and initiate emergency operations. In accordance with the National Incident Management System (NIMS), an Incident Command System (ICS) structure was established to coordinate response efforts, manage resources, and support effective decision making.

Due to the extensive damage to critical infrastructure, law enforcement secured the impacted area while utility providers activated emergency response plans to restore electrical, natural gas, water, and other essential services. The City of Mineral Wells Public Works Department worked continuously to clear roadways and restore access to critical facilities, enabling emergency responders and utility crews to operate safely and efficiently.

Throughout the incident, responder accountability and personnel safety remained paramount during this complex, multi-agency response.

In the days following the tornado, the City of Mineral Wells, Palo Pinto County, state agencies, volunteer organizations, and community partners collaborated to implement both short- and long-term recovery strategies. These efforts included providing temporary housing for displaced residents, coordinating volunteer resources, managing donations, and supporting long-term community recovery initiatives. Through the resilience and dedication of City staff, elected officials, emergency responders, community organizations, volunteers, and residents, Mineral Wells successfully overcame what was likely the most significant natural disaster in the city's history.

Overall, the response was successful, as demonstrated by the preservation of life, coordinated emergency operations, and the exceptional support provided by neighboring communities and partner agencies throughout Texas. Consistent with the purpose of the After-Action Report/Improvement Plan (AAR/IP) process,





opportunities for improvement were identified through analysis of operational activities, ICS 214 Unit Logs, and observations from local, regional, and state partners. Key areas for enhancement include strengthening the establishment and operation of the Incident Command Post and Emergency Operations Center (EOC), improving radio communications and communications infrastructure, modernizing the outdoor warning siren system, clarifying incident roles and responsibilities, developing a formal Donations Assistance Center, and expanding citywide NIMS and ICS training. The lessons identified in this report will strengthen the City's preparedness, improve operational coordination, and enhance its ability to respond effectively to future disasters.

## **Incident Overview**

### **Weather Monitoring and Warning**

On April 28, 2026, the City of Mineral Wells began monitoring forecasts indicating the potential for severe weather during the afternoon hours. As weather conditions deteriorated, the National Weather Service (NWS) placed Palo Pinto County under a Tornado Watch until 2100 hours. At approximately 1655 hours, a severe thunderstorm approaching from the Possum Kingdom Lake area prompted the issuance of a Severe Thunderstorm Warning for the City of Mineral Wells.

Public Safety personnel continuously monitored weather conditions from the Communications Center while tracking the storm's movement. As the storm rapidly intensified, the City's outdoor warning sirens were activated to alert residents of imminent severe weather. Shortly thereafter, the National Weather Service issued a Tornado Warning for the City of Mineral Wells.

### **Initial Response**

At 1703 hours, the first 9-1-1 call reporting down power lines was dispatched. As emergency responders traveled from the western portion of the city toward the east, they encountered progressively more severe damage. At approximately 1712 hours, emergency crews were dispatched to reports of tornadic debris and an individual suffering an eye injury. Upon arriving on scene, responders quickly recognized that a large-scale tornadic event had occurred, resulting in widespread



structural damage, hazardous debris, and significant impacts to public infrastructure.

Recognizing the magnitude of the incident, an Incident Command Post (ICP) was established outside the primary impact area at Auto World Chevrolet. The location was selected because of its close proximity to the incident while providing protection from continuing hail and severe weather.

### **Incident Command Operations**

Fire, EMS, and law enforcement personnel immediately initiated search and rescue operations throughout the impacted area. As additional mutual aid resources arrived from Palo Pinto County ESD #1, Sacred Cross EMS, Parker County ESD #1, and Parker County ESD #8, the incident expanded into a multi-jurisdictional response requiring the implementation of Unified Command in accordance with the National Incident Management System (NIMS).

Ryan Dunn, Fire/EMS Chief, served as Incident Commander. Police Chief Tim Denison directed law enforcement operations, perimeter security, and responder safety. Scott Clasby of Sacred Cross EMS supervised Emergency Medical Services operations, while Dusty Benthall directed search and rescue operations. Unified Command coordinated the deployment of personnel, equipment, and resources while maintaining responder accountability throughout the incident.

### **Search and Rescue Operations**

Primary and secondary searches were completed throughout the affected area. These operations confirmed there were no fatalities as a result of the tornado. Five individuals sustained injuries requiring medical attention.

To improve operational efficiency, the impacted area was divided into four operational sectors (North, South, East, and West). Search teams systematically evaluated each sector to identify trapped victims, eliminate immediate life hazards, and conduct rapid damage assessments. Throughout these operations, responder safety remained the highest operational priority.



As response operations continued into the evening, Mayor Pro-Tem Beth Watson issued a Local Disaster Declaration on behalf of the City of Mineral Wells. Palo Pinto County Judge Shane Long and Parker County Judge Pat Deen subsequently issued county disaster declarations to support ongoing response and recovery operations.

### **Utility Restoration and Recovery Transition**

Numerous utility providers and supporting agencies responded to assist with infrastructure restoration. Oncor restored electrical service while Texas Gas Service mitigated natural gas hazards and repaired damaged infrastructure. These organizations worked in close coordination with Unified Command to safely restore critical services and reduce hazards to the public.

Simultaneously, the American Red Cross established a Reunification Center to assist displaced residents and reunite families. The City's Marketing and Communications Manager, Brittany Brown, served as the Public Information Officer (PIO), coordinating public messaging, media briefings, and community information throughout the incident. Approximately twelve hours after the tornado, operational priorities transitioned from life safety and incident stabilization to debris removal, infrastructure restoration, and community recovery.

### **Emergency Operations Center**

On April 29, 2026, at 0700 hours, the city activated its Emergency Operations Center (EOC) at Holiday Hills Golf Club to coordinate recovery operations. Under the leadership of City Manager Jason Weeks, the EOC operated in close coordination with the Texas Division of Emergency Management (TDEM), Palo Pinto County Emergency Management, and numerous local, regional, and state partners.

All EOC personnel were assigned specific functional responsibilities consistent with NIMS principles and were instructed to complete appropriate ICS documentation while tracking personnel time, equipment usage, contracts, and disaster-related expenditures to support potential state and federal reimbursement.

### **Primary EOC assignments included:**

- Jason Weeks, City Manager: EOC Director; recovery operations, debris management, and logistical support.
- Aaron Bovos, Assistant City Manager/Finance Director: Finance, purchasing, disaster cost documentation, volunteer resource coordination, and financial reporting.
- Howard Huffman, Executive Director of Public Works: Public works operations, debris removal, and infrastructure restoration.
- Ryan Dunn, Fire/EMS Chief: Incident Commander, liaison with county emergency management and the Texas Division of Emergency Management, and logistical coordination.
- Tim Denison, Police Chief: Law enforcement operations, perimeter security, and volunteer access control.
- Richard Glass, Development Services Director: Damage assessments, logistics, coordination with OSHA and the State Asbestos Response Team.
- Brittany Brown, Marketing and Communications Manager: Public Information Officer responsible for media relations, public messaging, and emergency communications.
- Carrie Stevenson, Community Services Manager: Volunteer coordination, feeding operations, and establishment of the community call center.
- Kristin Jaworski, Main Street Manager: Donations coordination, civic organization liaison, assistance with public information activities, and establishment of the Donations Assistance Center.

### **Volunteer and Donations Management**

As recovery efforts expanded, the volume of volunteers and donated resources quickly exceeded the City's ability to effectively coordinate and track available



assistance. In response, civic organizations, Palo Pinto General Hospital, and numerous community partners collaborated to establish a coordinated volunteer management system.

The Volunteer Resource Center, managed by Assistant City Manager Aaron Bovos, Community Service Manager Carries Stevenson, and City staff, served as the central point for registering volunteers, identifying available resources, and assigning personnel to locations where assistance was needed.

Similarly, donated goods initially arrived at multiple locations throughout the city, making inventory management and accountability difficult. Working with the United Way, TDEM, Palo Pinto County Emergency Management, and community volunteer Hannah Burkhall, the City established a centralized Donations Assistance Center (DAC). The DAC became the single collection and distribution point for donated goods, significantly improving accountability, inventory management, and equitable distribution of resources to affected residents.

### **Financial Summary**

As for the preparation of this report, the City of Mineral Wells has documented \$194,730.34 in disaster-related response and recovery expenditures. The majority of expenditures were associated with personnel costs, contracted debris removal, equipment rentals, supplies, and operational support. We also filed a claim with TML on damage sustained to the Pollard Waster Water facility in the amount of \$203,852.08. Additional costs may continue to accrue as long-term recovery efforts progress.

### **Conclusion**

The EF-3 tornado of April 28, 2026, represents one of the most significant natural disasters in the history of the City of Mineral Wells. Despite widespread damage to homes, businesses, utilities, and public infrastructure, the coordinated efforts of City staff, mutual aid agencies, county and state partners, volunteer organizations, and community members resulted in an effective response that preserved life and initiated a rapid transition to recovery.



As with any large-scale disaster, challenges and opportunities for improvement were identified throughout the response and recovery operations. The observations and recommendations documented in this After-Action Report/Improvement Plan will strengthen the City's emergency preparedness, improve interagency coordination, and enhance the community's resilience during future disasters.

## **Analysis and Operations**

### **Incident Command and Emergency Management**

The City of Mineral Wells implemented the Incident Command System (ICS) shortly after severe weather threatened the community. The Emergency Operations Center (EOC) was activated to provide centralized coordination among city departments and supporting agencies. Unified command between the Fire Department, Police Department, Public Works, and Emergency Management allowed resources to be prioritized and deployed quickly as multiple incidents developed across the city.

Incident objectives focused on life safety, rapid damage assessment, restoration of critical infrastructure, and protection of public property. Command staff maintained situational awareness through continuous weather monitoring, field reports, and communication with the National Weather Service.

Overall, command and control functions operated effectively. Personnel demonstrated familiarity with NIMS and ICS principles, allowing operational decisions to be made quickly despite numerous simultaneous incidents. However, the incident identified the need to ensure additional personnel receive and maintain required NIMS training to strengthen depth within the command structure during prolonged emergency operations.

### **Strengths**

- Rapid activation of ICS and EOC.
- Effective coordination between city departments.

- Clear incident objectives and resource prioritization.
- Timely decision making.

#### **Areas for Improvement**

- Increase NIMS compliance among personnel assigned emergency management responsibilities.
- Continue ICS refresher training for supervisory personnel.

#### **Communications**

Communication between responding agencies remained effective throughout the incident. Public safety radio systems functioned without interruption, allowing responders to coordinate storm response, traffic control, utility hazards, and damage assessments.

The City also utilized public information methods to notify citizens of hazardous weather conditions and post-storm safety information. Internal communication between departments supported coordinated restoration efforts.

Although radio communications performed well, opportunities exist to improve interoperability documentation and redundant communication capabilities should primary systems fail during future disasters.

#### **Strengths**

- Reliable radio communications.
- Good interdepartmental coordination.
- Timely dissemination of operational information.

#### **Areas for Improvement**

- Review backup communication procedures.



- Continue interoperability planning with county partners.

### **Emergency Response Operations**

Fire, EMS, Police, and Public Works personnel responded simultaneously to numerous incidents including downed power lines, damaged structures, roadway obstructions, and public safety hazards. Crews quickly establish priorities based on life safety and coordinated responses to restore normal operations.

Public Works personnel were instrumental in debris removal and roadway clearance, while utility providers worked alongside city personnel to restore essential services.

Response operations were completed efficiently with no responder injuries. Personnel demonstrated professionalism and adaptability despite rapidly changing conditions.

### **Strengths**

- Rapid deployment.
- Excellent interagency cooperation.
- Effective resource allocation.
- Safe operational practices.

### **Areas for Improvement**

- Develop additional staffing plans for extended operational periods.
- Continue cross training personnel for emergency assignments.

### **Resource Management**

Resources were mobilized efficiently throughout the event. Existing city equipment met most operational needs; however, the incident highlighted deficiencies in several critical emergency response assets.





The review identified the need to replace aging emergency equipment and acquire additional infrastructure capable of supporting prolonged emergency operations. Future capital improvement planning should prioritize these purchases through municipal budgeting, state and federal grant opportunities, and regional partnerships.

### **Strengths**

- Existing resources adequately supported initial response.
- Mutual cooperation among city departments.

### **Areas for Improvement**

- Replace aging equipment.
- Improve emergency power capabilities.
- Continue pursuing grant funding for capital improvements.

### **Damage Assessment and Recovery**

Initial damage assessments began immediately following passage of the storm. City personnel evaluated critical infrastructure, public facilities, transportation routes, and utilities to identify hazards and prioritize recovery efforts.

Recovery operations focused on debris removal, restoration of transportation corridors, utility coordination, and returning city services to normal operations as quickly as possible.

The incident demonstrated strong cooperation among city departments, although standardized documentation procedures could improve future reimbursement opportunities and historical record keeping.

### **Strengths**

- Rapid damage assessments.
- Efficient restoration of services.



- Strong coordination with utility providers.

### **Areas for Improvement**

- Standardized documentation for FEMA reimbursement.
- Expand damage assessment training.

### **Public Works Recovery Operations**

The Public Works Department played a critical role in the City's recovery efforts following the severe weather event. Personnel responded immediately after the storm to assess infrastructure damage, remove debris from roadways, establish safe travel routes for emergency responders, and coordinate repairs to damaged public infrastructure. Their prompt actions significantly reduced hazards to the public while enabling emergency responders to access affected areas without unnecessary delay.

Public Works worked collaboratively with utility providers, the Fire Department, Police Department, and Emergency Management to prioritize roadway clearance, mitigate debris concerns, and support the reestablishment of essential city services. Their ability to rapidly transition from routine operations to emergency response demonstrated a high level of preparedness, professionalism, and adaptability.

The department's efforts greatly accelerated the City's recovery timeline and minimized disruptions to residents and businesses. Their performance exemplified the value of interdepartmental coordination and reinforced the importance of Public Works as a vital component of emergency management and disaster recovery operations.

### **Strengths**

- Rapid deployment of personnel and equipment following the storm.
- Efficient debris removal and roadway clearance.
- Strong coordination with emergency responders and utility providers.



- Timely restoration of critical infrastructure and public services.
- Effective prioritization of work based on life safety and community needs.

### **Areas for Continued Enhancement**

Although Public Works performed exceptionally well throughout the incident, the after-action review identified opportunities to further strengthen future disaster operations:

- Evaluate the acquisition of additional heavy equipment or specialized attachments to improve debris clearance during large-scale events.
- Expand cross training opportunities with emergency response agencies to strengthen unified disaster operations.
- Continue developing disaster documentation procedures to support reimbursement through state and federal disaster assistance programs.
- Assess emergency fuel, equipment maintenance, and resource sustainability plans for prolonged operations.
- Explore state and federal grant opportunities to enhance disaster response equipment and infrastructure resilience.

### **Overall Assessment**

The City of Mineral Wells demonstrated an effective and coordinated response to a rapidly developing severe weather event. Personnel successfully implemented the National Incident Management System and effectively coordinated operations among city departments to protect life and property.

While the response was successful, the incident identified opportunities to strengthen emergency preparedness through enhanced NIMS training, improved documentation practices, investment in critical infrastructure and equipment, and continued development of regional partnerships. Addressing these improvements will further enhance the City's ability to respond to future emergencies while increasing operational resilience.



## **Strengths and Best Practices**

The City of Mineral Wells and its response partners demonstrated exceptional coordination and professionalism during one of the most significant disasters in the city's history. City staff worked together with a unified purpose to protect lives, restore critical services, and support residents and visitors throughout the incident. The response efforts of first responders, Public Works, Parks, and supporting agencies have been widely recognized by neighboring jurisdictions, with several requesting information on the strategies and practices utilized during the response.

The early implementation of the National Incident Management System (NIMS) and the Incident Command System (ICS), including the establishment of a Unified Command, proved to be a critical strength. This organizational structure allowed city departments and partner agencies to communicate effectively, establish common objectives, and coordinate operational priorities in real time. Continuous incident assessments and the assignment of functional, goal oriented operational sectors ensured that resources were deployed efficiently, and responders maintained situational awareness throughout the event.

Communication is often one of the greatest challenges during large scale disasters; however, communication throughout this incident remains a significant organizational strength. The City's recently established Communications Manager position served as an invaluable resource while also fulfilling the responsibilities of the Public Information Officer (PIO). This position coordinated media relations, provided timely and accurate information to the public, monitored social media for emerging issues and resource requests, and helped maintain consistent messaging throughout the response.

One of the most notable accomplishments during the response was the dedication of the Public Works and Parks Departments. Despite widespread debris, downed trees, and blocked roadways, these employees worked tirelessly to restore access for emergency responders and residents. Through coordinated planning and sustained operations, the majority of roadways were cleared and access to affected homes was restored within 48 hours. Their commitment and



professionalism were instrumental in accelerating response and recovery operations and were recognized by both the community and partnering agencies.

The City's response to this tornadic event demonstrated the value of preparedness, interdepartmental collaboration, and employee dedication. Although the incident presented unprecedented operational challenges, city staff remained focused on serving the community while adapting to rapidly changing conditions. Their perseverance, professionalism, and commitment to public service contributed significantly to the successful response and laid a strong foundation for the community's recovery efforts.

### **Areas for Improvement**

While the City of Mineral Wells and its partner agencies demonstrated an effective response to this disaster, the After-Action Review identified several opportunities to strengthen future preparedness, response, and recovery operations. Many of the identified improvements involve critical infrastructure, emergency management capabilities, and organizational preparedness. Addressing these needs will require continued planning, capital investment, grant funding, and collaboration with local, regional, state, and federal partners.

An internal review of Emergency Operations Center (EOC) staffing identified that several employees who may be assigned EOC responsibilities have not completed the recommended National Incident Management System (NIMS) training required for their operational roles. Ensuring that personnel receive the appropriate FEMA training will enhance EOC operations, improve coordination during disasters, and strengthen compliance with state and federal emergency management standards. Because federal reimbursement and disaster assistance often require adherence to NIMS principles, the City should establish policies requiring applicable personnel to complete the appropriate training prior to assignment in an emergency management role. Although the State of Texas did not meet the federal disaster declaration threshold for this event, maintaining compliance will better position the city for future incidents that may qualify for state or federal assistance.



In conjunction with additional training, the City should establish preassigned EOC positions and clearly defined responsibilities for all personnel who may be activated during a disaster. Developing and exercising these assignments before an emergency occurs will improve efficiency, reduce confusion during activation, and create a smoother transition into sustained emergency operations.

Protecting life remains the City's highest priority during any emergency. The City's outdoor warning system has reached the end of its service life and requires significant upgrades. During this tornadic event, one portion of the community did not receive outdoor warning due to equipment limitations. Although that area was not directly impacted by the EF-3 tornado, the event highlighted a critical vulnerability that could have resulted in severe consequences under different circumstances. The city has begun pursuing grant opportunities to assist with replacement costs while also working with American Communications to identify repair options for the existing system. Replacing or modernizing the outdoor warning system should remain a high priority infrastructure project.

The After-Action Review also identified the need for a dedicated Incident Command Post (ICP) and Emergency Operations Center capable of supporting large scale incidents. During this event, Chevrolet Auto World generously provided space for an Incident Command Post, which allowed operations to continue effectively. However, the location presented operational challenges, including limited security and the presence of bystanders, reducing the ability of Unified Command to conduct uninterrupted planning and decision making. The city should continue evaluating options for a dedicated or mobile command post through partnerships, regional cost sharing agreements, and grant funding opportunities.

Similarly, the city currently lacks a permanent Emergency Operations Center designed to support prolonged disaster operations. Holiday Hills Golf Club graciously provided space for a temporary EOC during this incident, allowing City staff and partner agencies to coordinate response efforts effectively. While this arrangement proved successful, reliance on an external facility presents inherent risks, as the resource may not be available during future disasters. The



development of a permanent, purpose-built EOC capable of supporting all hazards should remain a long-term strategic priority. As future capital improvement projects are considered, including the potential construction of a new public safety facility, the incorporation of a dedicated EOC should be included in the planning and design process.

Overall, the City of Mineral Wells demonstrated resilience, professionalism, and exceptional teamwork throughout this disaster. The lessons identified through this After-Action Review provide a roadmap for continuous improvement and will strengthen the City's ability to prepare for, respond to, and recover from future emergencies. By addressing these identified gaps while building upon the many strengths demonstrated during this incident, the City will continue to enhance the safety and resilience of the community it serves.

### **Incident Highlights**

Through the tornadic event, City of Mineral Wells employees, county partners, state agencies, and civic organizations responded to and mitigated one of the largest natural disasters in the City's history. The following highlights summarize key aspects of the incident and recovery efforts.

- A Tornado Warning was issued on April 28, 2026, at 4:57 p.m., and the City's outdoor warning sirens were activated.
- The tornado was confirmed by the National Weather Service as an EF-3, with estimated peak winds of 145 mph.
- The tornado traveled 4.69 miles over approximately 10 minutes, according to the National Weather Service.
- This was the strongest tornado to impact Palo Pinto County since May 12, 1982, according to the National Weather Service.
- This was the strongest tornado to impact Parker County since April 25, 1990, according to the National Weather Service.
- Twenty-two mutual aid agencies assisted during the initial response, including:

- 6 Fire/EMS agencies
  - 12 law enforcement agencies
  - 4 state agencies
- Emergency responders managed numerous fire related incidents and 10 EMS responses, resulting in five reported injuries and no fatalities.
- Law enforcement secured the impacted area while partner agencies established drone operations to support situational awareness and damage assessments.

### **Damage Assessment**

- Residential Structures
  - Destroyed: 9
  - Major Damage: 12
  - Minor Damage: 34
  - Affected: 27
    - Total: 82
- Commercial Structures
  - Destroyed: 14
  - Major Damage: 17
  - Minor Damage: 9
  - Affected: 10
    - Total: 50

### **Public Works Operations**

Public Works led the City's recovery operations and restored access to most roadways within 12 hours.



- Coordinated restoration efforts with Oncor and Texas Gas Service.
- Coordinated debris removal with contracted waste management companies.
- Responded to more than 100 requests for debris removal assistance.
- Deployed 47 pieces of equipment.
- 58 employees assigned to recovery operations.
- Logged 1,908 personnel hours during the first seven days of recovery.

### **Finance Operations**

The Finance Department played a critical role by supporting emergency purchasing, tracking disaster expenditures, and maintaining documentation for potential reimbursement.

### **Disaster Expenditures**

- Salaries: \$124,321.19
- Professional Services: \$58,975.32 (*anticipated to increase as recovery efforts continue*)
- Vehicle Maintenance: \$594.54
- Mileage Reimbursement: \$60.90
- Clothing/Safety Supplies: \$510.78
- Minor Tools: \$4,071.24
- Operating Supplies: \$2,689.52
- Motor Vehicle Fuel: \$68.35
- Equipment Rentals: \$3,483.50

**Total Disaster Expenditures: \$194,730.34**



Additionally, the City sustained damage to its wastewater system and submitted an insurance claim through TML totaling \$203,852.08.

#### **Volunteer and Community Assistance**

The City established a Volunteer Assistance Center under the leadership of the Assistant City Manager, Community Services Manager, and supporting staff.

- Hundreds of volunteers expressed interest in assisting the community.
- More than 70 volunteers registered on April 29, 2026, during the first day of operations.

#### **Community Partnerships**

The Main Street Manager, Palo Pinto General Hospital staff, and community organizations collaborated to establish the Donation Assistance Center.

Partner organizations included:

- United Way
- American Red Cross
- Center of Life
- Helping Hands
- Envision Mineral Wells

United Way and the Texas Division of Emergency Management (TDEM) provided leadership and coordination for donation management efforts.

#### **Long-Term Recovery**

Recovery partners continued supporting impacted residents well beyond the initial response by:

- Distributing more than \$200,000 in direct financial assistance to tornado-affected families.

- Providing financial assistance for temporary housing, security deposits, closing costs, insurance deductibles, home and vehicle repairs, utilities, food, storage, and other essential recovery needs.
- Partnering with local construction and roofing companies to fully fund the replacement of six damaged roofs.
- Operating a Disaster Resource Center for approximately three months, providing furniture, household goods, cleaning supplies, and essential items.
- Coordinating volunteers, donations, contractors, and community resources to reduce barriers to recovery.
- Providing long-term case management, advocacy, and recovery support throughout the rebuilding process.

## **Public Information**

Timely and accurate public information proved essential throughout the incident.

The City's Public Information Officer coordinated media relations, escorted media representatives through affected areas, managed public messaging, and provided regular updates to elected officials and the community.

Media engagement included:

- International news media: 2 stations
- National news media: 15+ media outlets
- Local news media: 25+ local and regional media outlets
- Nationwide syndication through The Associated Press
- Widespread social media coverage by major weather broadcasters and storm chasers
- SITREP releases: 8
- Numerous press releases and social media posts



# AFTER-ACTION REPORT:

**EF-3 TORNADO: APRIL 28,  
2026**







## OBJECTIVES

- Identifying Strengths and areas of weakness.
- Fostering continuous improvement and organizational resilience.
- Ensuring accountability and compliance.

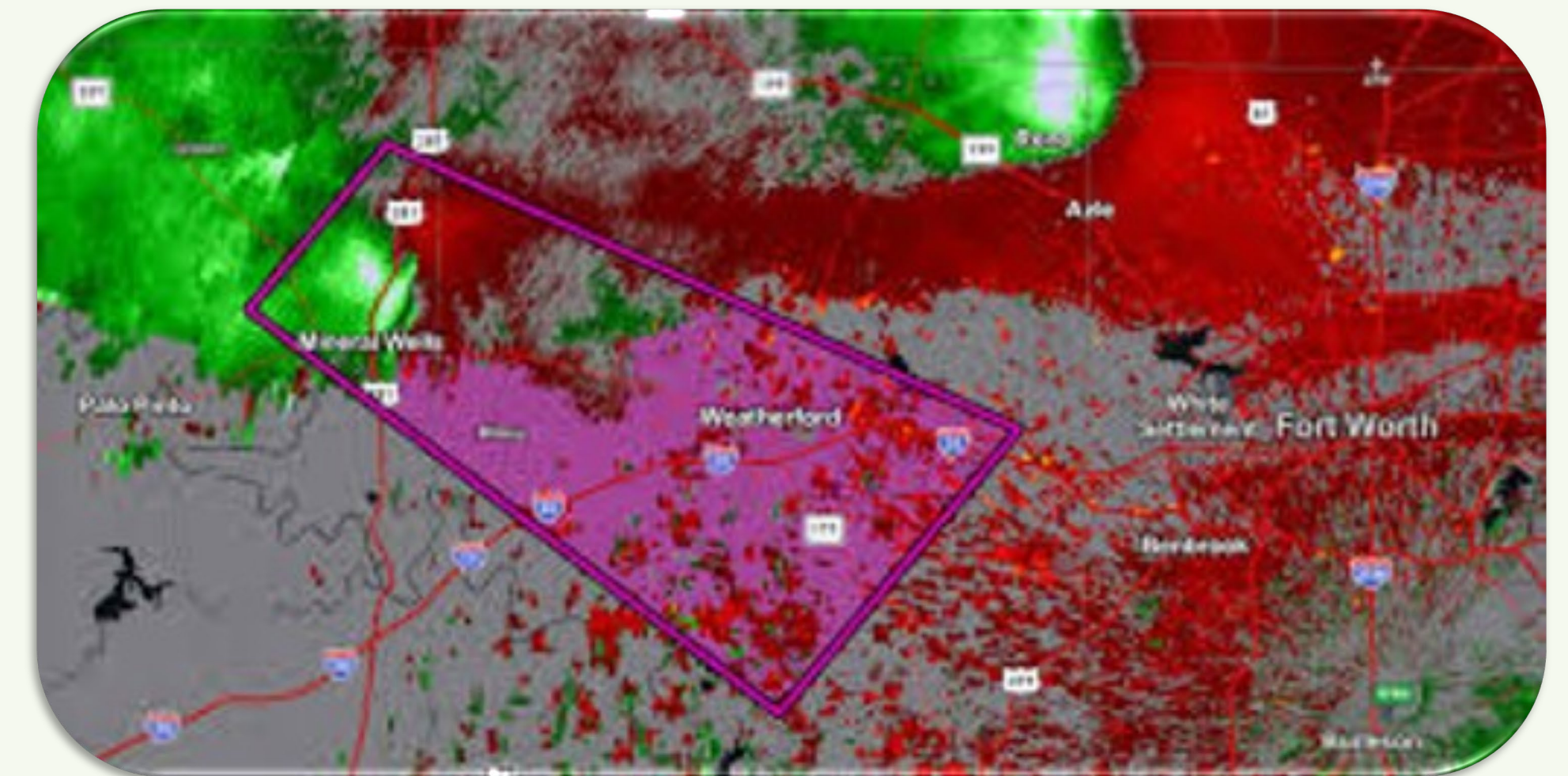
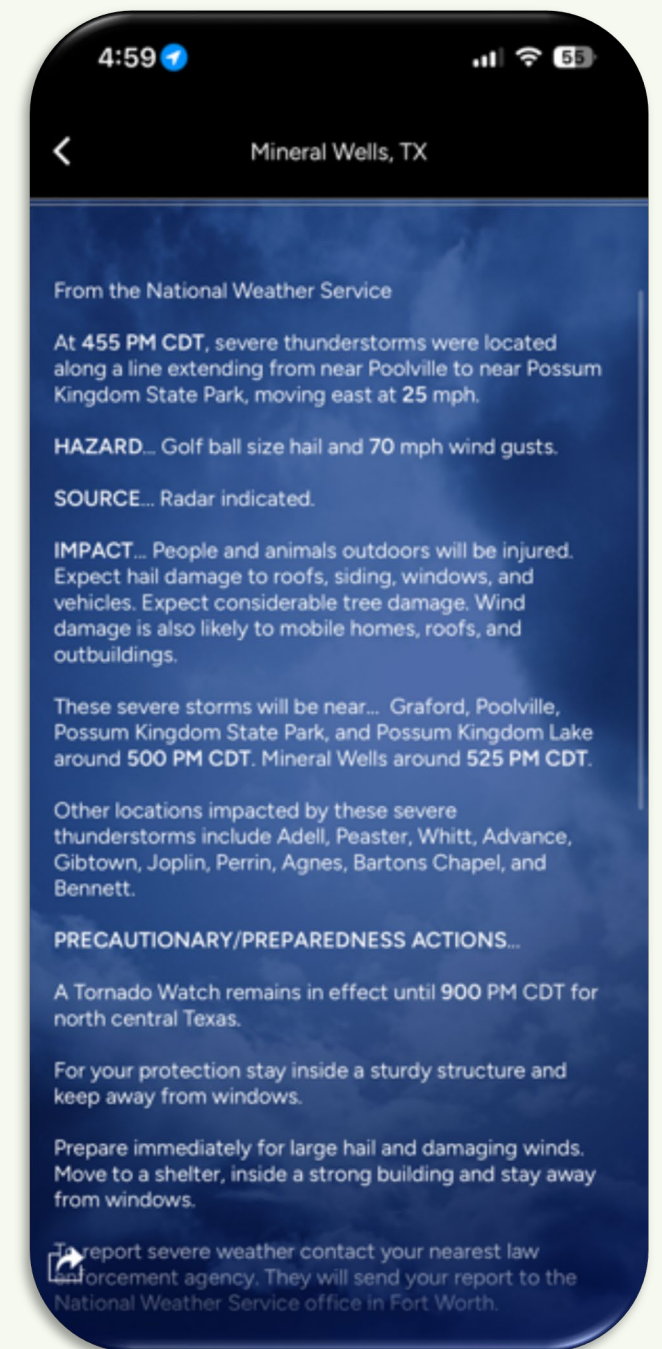




# INCIDENT OVERVIEW

## Weather Monitoring and Warning

- April 28, 2026, the National Weather Service sent a weather bulletin, stating severe storms could impact our area.
- Public Safety staff started monitoring weather events.
- Tornado Warning issues at 4:57 p.m.
- Emergency warning sirens activated.
- Approximately at 5:00 p.m. and EF-3 tornado touched down causing a large area of destruction.







# TORNADO FACTS

## Historical and analytical data:

- The tornado was classified as an EF-3.
  - Estimated winds of 145 mph.
  - EF-3 wind speeds range: 136 mph to 165 mph.
- Palo Pinto County's strongest tornado since May 12, 1982 (NWS).
- Parker County's strongest tornado since April 25, 1990 (NWS).
- Tornado duration is estimated to have lasted 10 minutes.
- Destruction path of 4.69 miles.







# PRELIMINARY DAMAGE SURVEY RESULTS



**NATIONAL WEATHER SERVICE**  
OCEANIC AND ATMOSPHERIC ADMINISTRATION



**Preliminary**  
Damage Survey Results

|            |                              |
|------------|------------------------------|
| Tornado #3 |                              |
| Location   | Mineral Wells                |
| County     | Palo Pinto/Parker            |
| Time       | 5:00 PM - 5:10 PM            |
| Rating     | EF-3 (est. winds of 145 mph) |
| Path       | 4.69 mi                      |
| Fatalities | 0                            |
| Injuries   | 5                            |

**Palo Pinto & Parker County Tornado**  
**Tuesday April 28, 2026**



**#3 Mineral Wells**  
**Palo Pinto & Parker Co**



Photo by NWS Fort Worth Survey Team

Photo by NWS Fort Worth Survey Team

Weather Forecast Office  
Fort Worth, TX

Issued May 4, 2026 5:24 PM CT







# FIRST RESPONSE

Neighboring agencies that assisted in efforts.

- Fire/EMS:
  - Mineral Wells Fire/EMS, Palo Pinto County ESD #1, Sacred Cross EMS, Palo Pinto OEM, Parker County ESD #1, and Parker County ESD #8.
- Law Enforcement:
  - Mineral Wells PD, Palo Pinto County SO, Parker County SO, Springtown PD, White Settlement PD, Haltom City PD, Stephenville PD, Granbury PD, Bridgeport PD, Weatherford PD, Boyd PD, and Jacksboro PD.
- State Resources:
  - TDEM, Game Wardens, DPS, and Texas State Park Police.
- Total: 22 agencies



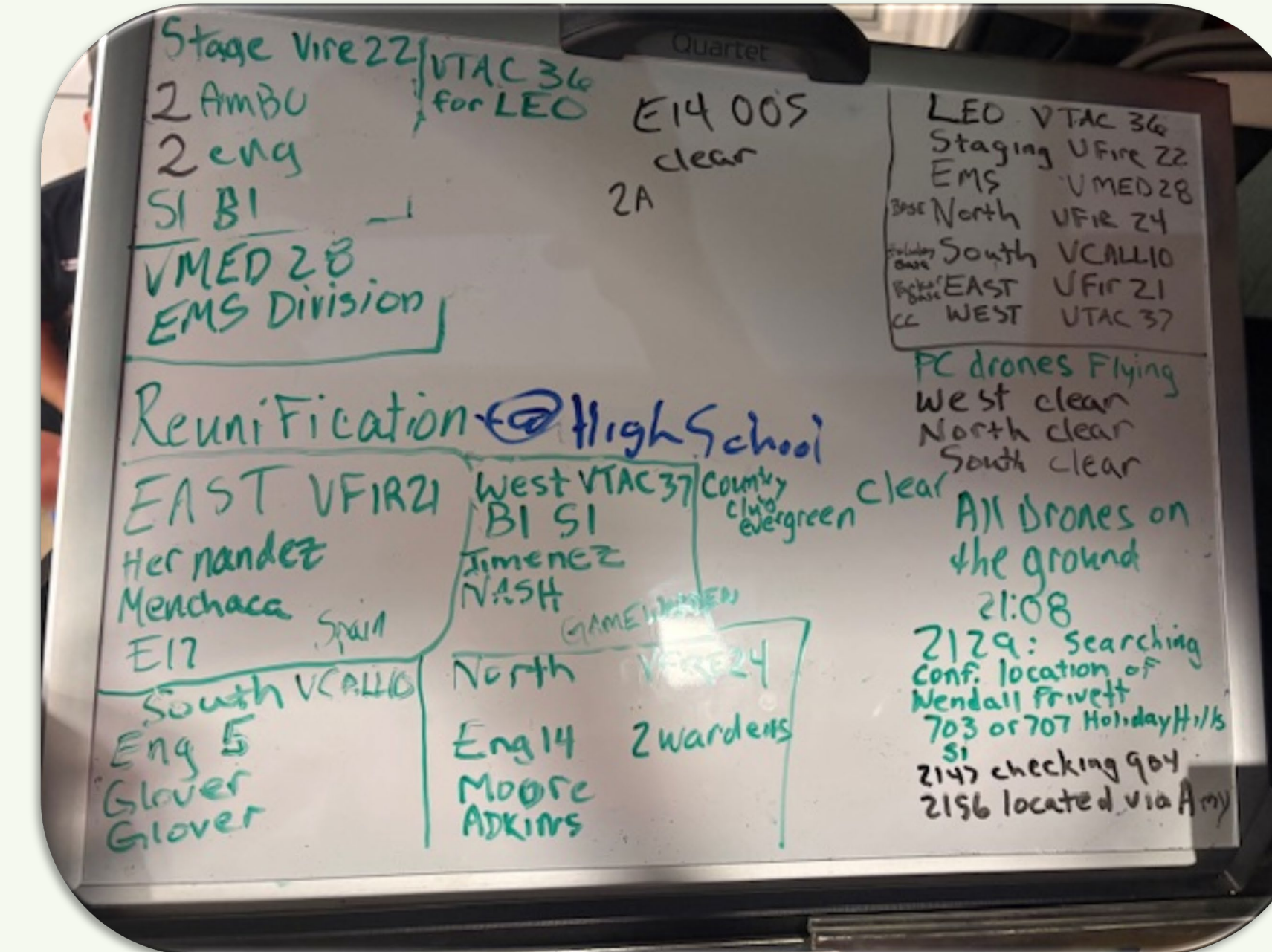
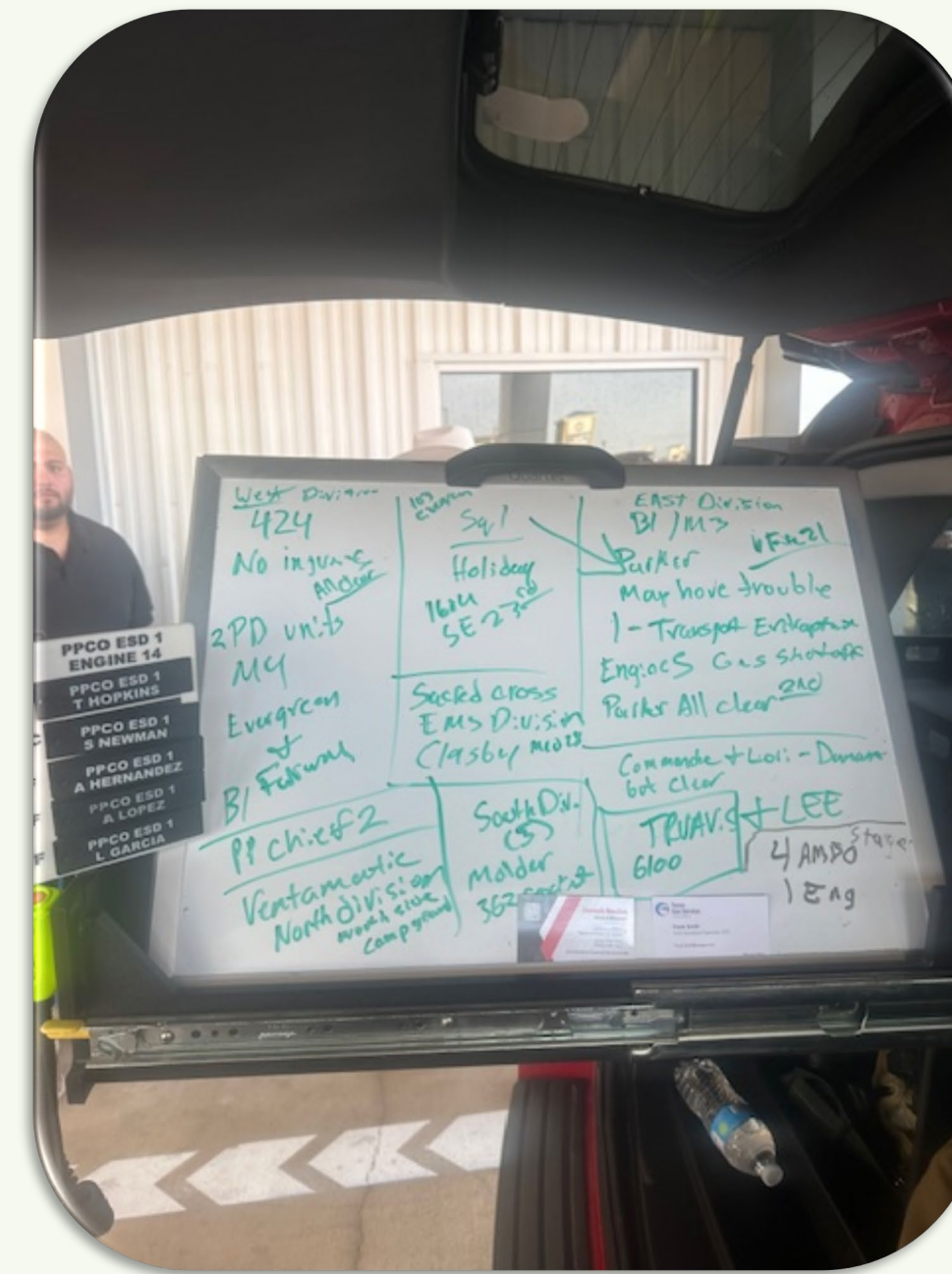




# FIRST RESPONSE

## Life safety and incident stabilization efforts

- The initial response:
  - 10 EMS calls
  - Numerous fire related calls.
    - 5 injuries
    - 0 deaths
  - Three total searches of the affected area.
- Law enforcement secured the disaster area from all directions.
  - Assisted in search and rescue.
- Drone missions flown by Texas Game Wardens and Parker County ESD #1 FMO.



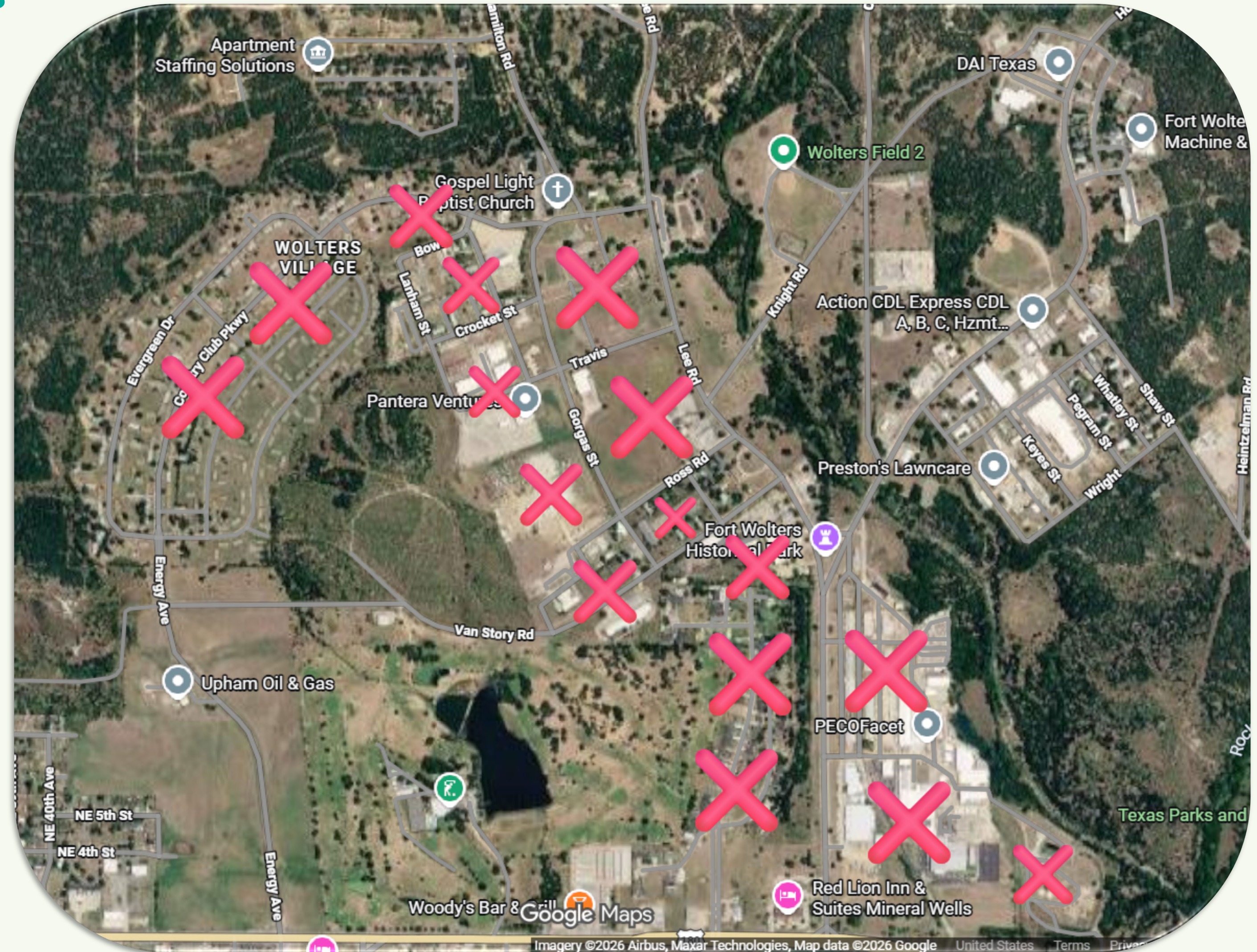




# FIRST RESPONSE

## Life safety and incident stabilization efforts

- Damage Assessment:
  - Residents
    - 9 destroyed
    - 12 major
    - 34 minor
    - 27 affected
      - Total: 82
  - Businesses
    - 14 destroyed
    - 17 major
    - 9 minor
    - 10 affected
      - Total: 50







## EOC TEAM

### Moving into recovery

- **Jason Weeks, City Manager:** EOC Director; recovery operations, debris management, and logistical support.
- **Aaron Bovos, Assistant City Manager/Finance Director:** Finance, purchasing, disaster cost documentation, volunteer resource coordination, and financial reporting.
- **Howard Huffman, Executive Director of Public Works:** Public works operations, debris removal, and infrastructure restoration.
- **Ryan Dunn, Fire/EMS Chief:** Incident Commander, liaison with county emergency management and the Texas Division of Emergency Management, and logistical coordination.
- **Tim Denison, Police Chief:** Law enforcement operations, perimeter security, and volunteer access control.
- **Richard Glass, Development Services Director:** Damage assessments, logistics, coordination with OSHA and the State Asbestos Response Team.
- **Brittany Brown, Marketing and Communications Manager:** Public Information Officer responsible for media relations, public messaging, and emergency communications.
- **Carrie Stevenson, Community Services Manager:** Volunteer coordination, feeding operations, and establishment of the community call center.
- **Kristin Jaworski, Main Street Manager:** Donations coordination, civic organization liaison, assistance with public information activities, and establishment of the Donations Assistance Center.





# PUBLIC WORKS

## Recovery Efforts

- Played the most significant role in recovery efforts
  - Most roads were most accessible in 12 hours.
    - Coordination with Oncor and Texas Gas.
    - Coordination with numerous waste removal companies.
    - Over 100 calls for assistance from residents and businesses.
  - Public works efficiency through recovery was unprecedented. From removing debris, reestablishing water, and many other tasks.
    - Deployed 47 pieces of equipment.
    - 58 employees rendered services.
    - 1,908 work hours in 7-days







## RECOVERY FINANCE & VOL. ASSISTANCE CENTER

- Finance Team played a pivotal role in providing needs to mitigate recovery efforts.
  - Salaries: \$124,321.19
  - Professional Services: \$58,975.32 (May see an increase in this line item)
  - Vehicle Maintenance: \$594.54
  - Mileage Reimbursement: \$60.90
  - Clothing Supplies (Safety Vest): \$510.78
  - Minor Tools: \$4,071.24
  - Operating Supplies: \$2,689.52
  - Motor Vehicle Fuel: \$68.35
  - Rentals: \$3,483.50
    - Total: \$194,730.34







# RECOVERY FINANCE & VOL. ASSISTANCE CENTER

## Damage to City property & Creation of the Vol. Assistance Center

- The City sustained damage to our waste-water system and filled a claim with TML:
  - \$203,852.08
- Establishment of the Volunteer Assistance Center.
  - Oversight by Asst. City Manager, Community Service Manager, and Staff.
  - Hundreds of volunteers wanted to aid Mineral Wells.
  - On 04/29/2026, we had over 70 volunteers sign up to help.







# DONATION ASSISTANCE CENTER

## Civic Organizations within the Community

- Main Street Manager & PPGH Staff
  - Civic Organizations
    - United Way
    - Red Cross
    - Center of Life
    - Helping Hands
    - Envision Mineral Wells
  - The group would form the Donation Assistance Center.
  - United Way & TDEM would lead the group.







# DONATION ASSISTANCE CENTER

## Civic Organizations within the Community

- Recovery and long-term efforts
  - Distributed more than \$200,000 in direct financial assistance to tornado-affected families, ensuring donations went directly to those with the greatest need.
  - Provided funding for critical recovery expenses, including temporary housing, security deposits and closing costs on new homes, insurance deductibles, home and vehicle repairs, utilities, food, storage, and other essential needs.
  - Partnered with local construction and roofing companies to fully fund and replace six damaged roofs, allowing families to return to safe, secure homes.
  - Operated a Disaster Resource Center for three months following the storm, supplying essential household items, furniture, cleaning supplies, and daily necessities as families worked to rebuild their homes and lives.
  - Connected survivors with community resources and partner agencies, coordinating volunteers, donations, contractors, and services to reduce barriers to recovery.
  - Served as a trusted long-term recovery partner, providing ongoing guidance, advocacy, and compassionate support to families throughout the rebuilding process, not just in the immediate aftermath of the disaster.



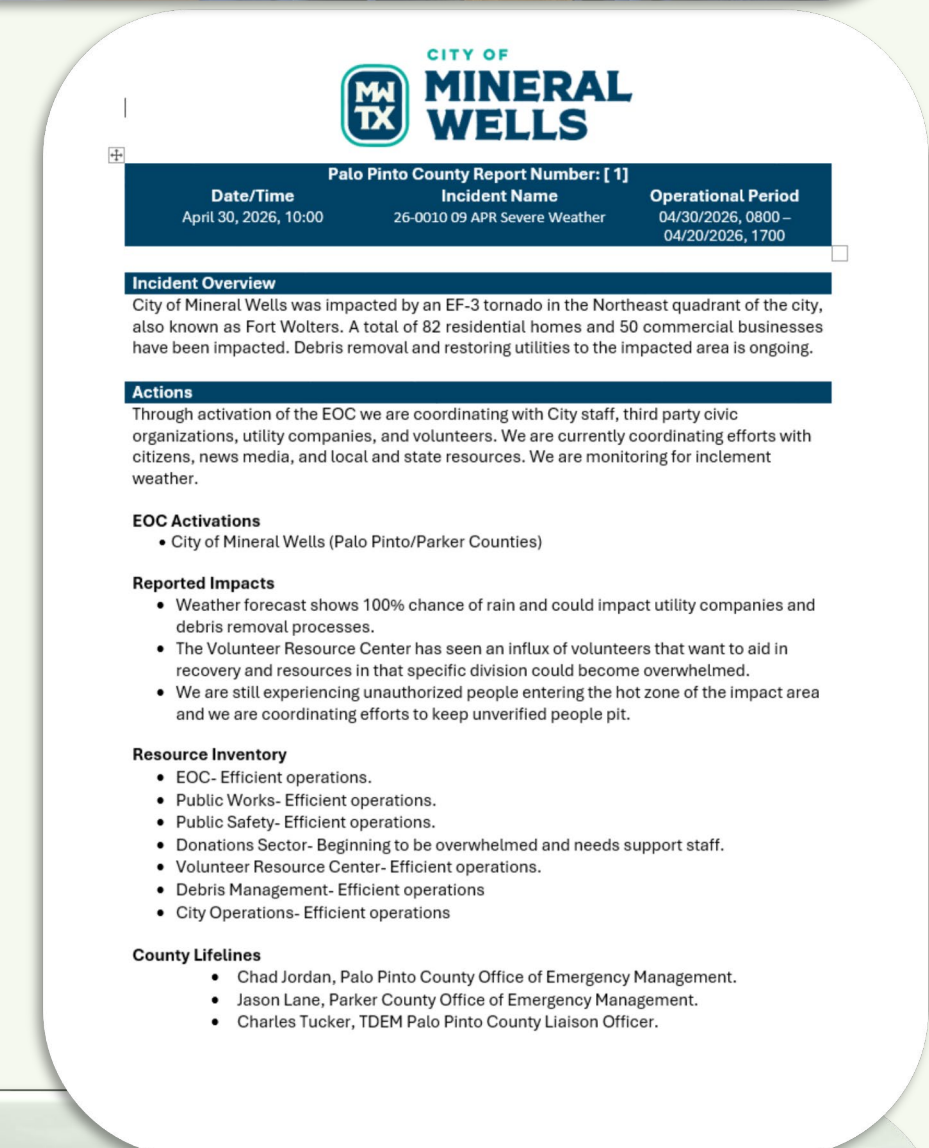


After-Action Report  
EF-3 Tornadoic Event

# COMMUNICATIONS

## Public Information Officer (PIO)

- Communications are essential for complexed incidents. Providing real time information to our citizens and media.
  - Our PIO was essential in scheduling media releases, managing and escorting media crews through the disaster site, and relaying information to our government officials and citizens.
    - International news media: 2 stations
    - National news media: 15+ media outlets
    - Local news media: 25+ local and regional media outlets
    - Nationwide syndication through The Associated Press
    - Widespread social media coverage by major weather broadcasters and storm chasers
    - SITREP releases: 8
    - Numerous press releases and social media post.
      - Generated more than 870,000 social media views in the month following the incident providing critical updates to the community.



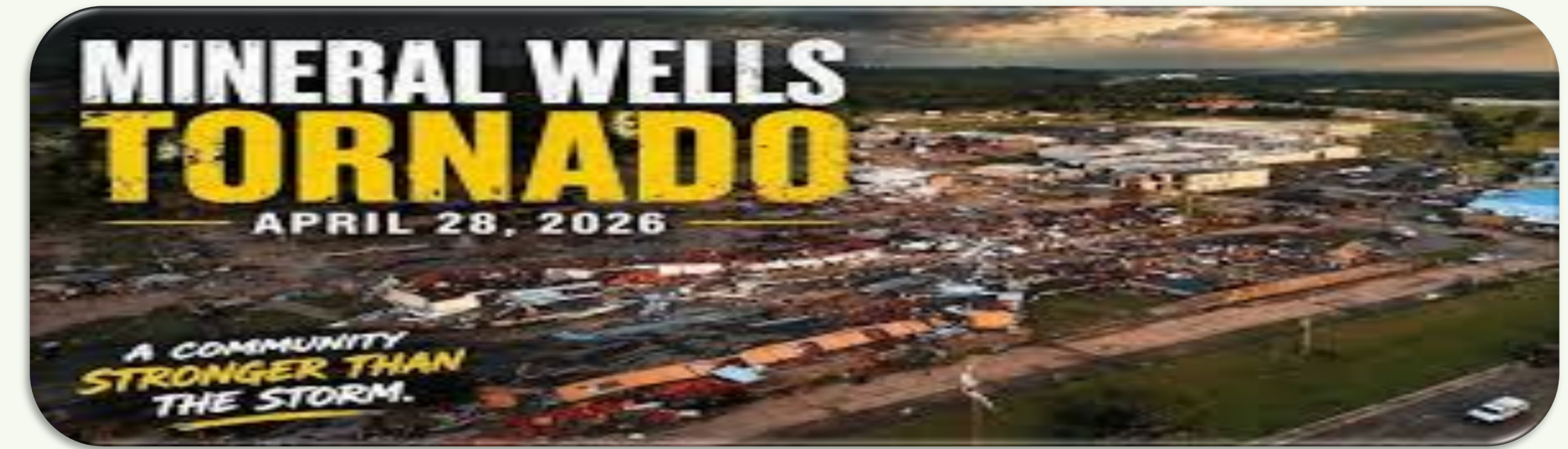




# UNSUNG HEROS

The entire City of Mineral Wells

- All employees deserve recognition and in this 38,000-foot view we could not include everyone.
  - There are many not mentioned in this presentation that went above beyond.
    - City employees
    - Numerous volunteers
    - Donations
    - Citizens wanting to aid fellow citizens
- We are a community stronger than the storm.



**SCAN TO VIEW THE  
DOCUMENTARY BY  
JONNY GOODDAY:**

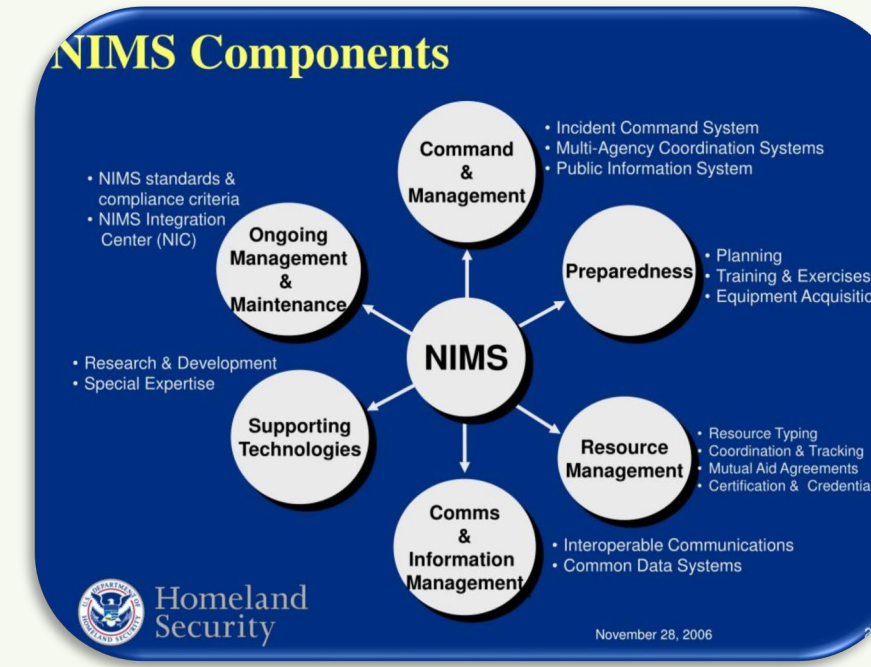
Over 700,000 social  
media views on two posts







# AERAS OF IMPROVEMENT



- National Incident Management Systems Training.
  - Pre-assigned EOC assignments
- Update outdoor emergency sirens.
- An established EOC that meets best practice standards.
- Mobile command apparatus.
- Working with civic organizations and establishing protocols for the DAC and the VAC .
  - In process.







# THANK YOU- QUESTIONS?

Ryan Dunn, Fire/EMS Chief  
940-328-7741  
[rdunn@mineralwellstx.gov](mailto:rdunn@mineralwellstx.gov)



## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Discuss and approve amending Chapter 86 “Traffic and Vehicles”, Article III “Operation of Vehicles” of the Mineral Wells Code of Ordinances to add Section 86-68 “Operation of Vehicles on Approach of A Utility Services Vehicle” of the Code to require drivers to slow down or move over when approaching utility service vehicles when using visual signals that comply with Texas Transportation Code § 547.105.

### **INITIATOR/STAFF INFORMATION SOURCE**

Howard Huffman, Executive Director of Public Works

### **BACKGROUND**

The Mineral Wells Public Works Department is requesting City Council amend the City’s traffic ordinance to include municipal water, wastewater, and Public Works vehicles (identified in Ordinance as "Utility"), in accordance with Senate Bill 1363 and House Bill 61 of the 86th Texas Legislature, effective September 1, 2019. Recently, the Public Works Department assisted on a project to clean out a homeless encampment that was located along Garrett Morris Parkway. Public Works Department vehicles were parked on the side of the road and motorist failed to move over because of this incident. Mineral Wells Police Department assisted them in making sure our vehicles and employees were not hit by a motorist traveling along Garrett Morris Parkway. A change to the below Ordinance will provide legal assistance to further protect our vehicles and staff in the future.

“Sec. 86-68. – Operation of Vehicles on Approach of A Utility Services Vehicle.

(a) Upon the immediate approach of a utility services vehicle as defined by Texas Transportation Code Section 203.091 making use of visual signals that meet the requirements of Texas Transportation Code Section 547.105, the operator of every other vehicle, unless otherwise directed by a police officer, shall:

(1) Vacate the lane closest to the utility services vehicle when driving on a highway or street with two or more lanes traveling in the direction of the utility services vehicle; or

(2) Slow to a speed not to exceed:

a. Twenty miles per hour less than the posted speed limit when the posted speed limit is 25 miles per hour or more; or

b. Five miles per hour less than the posted speed limit when the posted speed limit is less than 25 miles per hour.

(b) This section shall not operate to relieve the operator of a utility services vehicle from the duty to drive with due regard for the safety of all persons using a highway or street.”

### **EXHIBITS**

1. Ord - Public Works Vehicles - Slow Down Move Over - LM - 7.1.26 (1)
2. Email Thread-Chief Denison

**ITEM NUMBER 15.**  
**MEETING DATE 8/4/2026**

**ORDINANCE NO. 2026-20**

**AN ORDINANCE OF THE CITY OF MINERAL WELLS, TEXAS, AMENDING CHAPTER 86 “TRAFFIC AND VEHICLES”, ARTICLE III “OPERATION OF VEHICLES” OF THE MINERAL WELLS CODE OF ORDINANCES; ADDING SECTION 86-68 “OPERATION OF VEHICLES ON APPROACH OF A UTILITY SERVICES VEHICLE” TO REQUIRE DRIVERS TO MOVE OVER OR SLOW DOWN UPON APPROACH OF A UTILITY SERVICES VEHICLE; PROVIDING FOR A PENALTY NOT EXCEEDING \$500.00 FOR VIOLATIONS OF THIS ORDINANCE OR \$2,000 FOR VIOLATIONS IMPACTING FIRE SAFETY, ZONING, OR PUBLIC HEALTH AND SANITATION; PROVIDING FOR SAVINGS, REPEALER AND SEVERABILITY CLAUSES; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.**

**WHEREAS**, the City of Mineral Wells (the “City”) is a Home Rule Municipality acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Texas Local Government Code;

**WHEREAS**, the City Council of the City of Mineral Wells (the “City Council”) adopted Chapter 86, “Traffic and Vehicles”, Article III. “Operation of Vehicles” of its Code of Ordinances to regulate the operation of vehicles within the city;

**WHEREAS**, staff recommends amending Chapter 86 “Traffic and Vehicles”, Article III “Operation of Vehicles” of the Mineral Wells Code of Ordinances to add Section 86-68 “Operation of Vehicles on Approach of A Utility Services Vehicle” of the Code to require drivers to slow down or move over when approaching utility services vehicles when using visual signals that comply with Texas Transportation Code § 547.105; and

**WHEREAS**, the City Council has concluded that the adoption of this Ordinance is in the best interest of the health, safety, and welfare of the citizens of the City of Mineral Wells, Texas.

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

**SECTION 1. INCORPORATION OF PREMISES.** The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

**SECTION 2. FINDINGS.** After due deliberations, the City Council has concluded that the adoption of this Ordinance is in the best interest of the City of Mineral Wells, Texas, and of the public health, safety, morals, and welfare of its citizens.

**SECTION 3. AMENDMENT OF CHAPTER 86.** Chapter 86, “Traffic and Vehicles”, Article III, “Operation of Vehicles” of the Mineral Wells Code of Ordinances is hereby amended by adding a new Section 86-68 “Operation of Vehicles on Approach of A Utility Services Vehicle” to read as follows, and all other articles, chapters, sections, paragraphs, sentences, phrases and words not expressly amended hereby are hereby ratified and affirmed.

**“Sec. 86-68. – Operation of Vehicles on Approach of A Utility Services Vehicle.**

- (a) Upon the immediate approach of a utility services vehicle as defined by Texas Transportation Code Section 203.091 making use of visual signals that meet the requirements of Texas Transportation Code Section 547.105, the operator of every other vehicle, unless otherwise directed by a police officer, shall:
  - (1) Vacate the lane closest to the utility services vehicle when driving on a highway or street with two or more lanes traveling in the direction of the utility services vehicle; or
  - (2) Slow to a speed not to exceed:
    - a. Twenty miles per hour less than the posted speed limit when the posted speed limit is 25 miles per hour or more; or
    - b. Five miles per hour less than the posted speed limit when the posted speed limit is less than 25 miles per hour.
- (b) This section shall not operate to relieve the operator of a utility services vehicle from the duty to drive with due regard for the safety of all persons using a highway or street.”

**SECTION 4. SAVINGS/REPEALING CLAUSE.** All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

**SECTION 5. PENALTY.** Any person, firm, entity or corporation who violates any provision of this Ordinance shall be deemed guilty of a misdemeanor, and upon conviction therefore, shall be subject to a fine in a sum not exceeding five hundred dollars (\$500.00) for each offense, and each continuing day’s violation shall constitute a separate offense provided, however, that in all cases involving violation of any provision of this Ordinance governing the fire safety, zoning, or public health and sanitation shall be subject to a fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense. The penal provisions imposed under this Ordinance shall not

preclude Mineral Wells from filing suit to enjoin the violation. Mineral Wells retains all legal rights and remedies available to it pursuant to local, state and federal law.

**SECTION 6. OPEN MEETINGS.** It is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that a public notice of the time, place, and purpose of said meeting was given, all as required by Section 551.041, Texas Government Code.

**SECTION 7. SEVERABILITY.** Should any section, subsection, sentence, clause, or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council of the City of Mineral Wells hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

**SECTION 8. EFFECTIVE DATE.** This Ordinance shall become effective immediately upon its adoption and after publication as required by law.

**PASSED AND APPROVED** on this the 4th day of August 2026.

APPROVED:

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Regan Johnson, Mayor

ATTEST:

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Sharon McFadden, City Clerk



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**Fw: Mineral Wells: DRAFT Ordinance for Operation of Vehicles on Approach of Certain City Vehicles**

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**From** Howard Huffman <hhuffman@mineralwellstx.gov>

**Date** Mon 7/27/2026 8:26 AM

**To** Marisa Martin <mmartin@mineralwellstx.gov>



**CITY OF  
MINERAL  
WELLS**

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**WHERE TEXAS RUNS DEEP**

**HOWARD HUFFMAN**

**EXECUTIVE DIRECTOR OF  
PUBLIC WORKS**

 **O: 940.328.7780**

**C: 940.593.9132**

 **1301 S Oak Ave Mineral Wells, TX 76067**

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**From:** Lisa Mares <lmares@txmunicipallaw.com>

**Sent:** Thursday, July 23, 2026 3:18 PM

**To:** Howard Huffman <hhuffman@mineralwellstx.gov>; Tim Denison <tdenison@mineralwellstx.gov>

**Cc:** Eileen Hayman <eileen@txmunicipallaw.com>; Lauren Trejo <lauren@txmunicipallaw.com>

**Subject:** Re: Mineral Wells: DRAFT Ordinance for Operation of Vehicles on Approach of Certain City Vehicles

Hello, Howard

Yes, it is ok to place it on the calendar for 8/4. Eileen is available to cover the CCM on that day.

Thanks

Lisa

Lisa D. Mares  
Associate Attorney  
Messer Fort PLLC

---

**From:** Howard Huffman <hhuffman@mineralwellstx.gov>

**Sent:** Thursday, July 23, 2026 2:46 PM

**To:** Tim Denison <tdenison@mineralwellstx.gov>; Lisa Mares <lmares@txmunicipallaw.com>

**Cc:** Eileen Hayman <eileen@txmunicipallaw.com>; Lauren Trejo <lauren@txmunicipallaw.com>

**Subject:** Re: Mineral Wells: DRAFT Ordinance for Operation of Vehicles on Approach of Certain City Vehicles

Lisa

Is it ok if I put this on the 08/04 agenda



CITY OF  
**MINERAL  
WELLS**

**WHERE TEXAS RUNS DEEP**

**HOWARD HUFFMAN**

**EXECUTIVE DIRECTOR OF  
PUBLIC WORKS**



O: 940.328.7780

C: 940.593.9132



1301 S Oak Ave Mineral Wells, TX 76067

---

**From:** Tim Denison <tdenison@mineralwellstx.gov>

**Sent:** Wednesday, July 22, 2026 4:22 PM

**To:** Lisa Mares <lmares@txmunicipallaw.com>; Howard Huffman <hhuffman@mineralwellstx.gov>

**Cc:** Eileen Hayman <eileen@txmunicipallaw.com>; Lauren Trejo <lauren@txmunicipallaw.com>

**Subject:** Re: Mineral Wells: DRAFT Ordinance for Operation of Vehicles on Approach of Certain City Vehicles

Hello,

I think this looks good and will be a good addition to the ordinances. It is in line with State law, Texas Transportation Code - 545.157 - Passing Certain Vehicles.

Chief Denison

---

**From:** Lisa Mares <lmares@txmunicipallaw.com>

**Sent:** Wednesday, July 22, 2026 4:00 PM

**To:** Howard Huffman <hhuffman@mineralwellstx.gov>; Tim Denison <tdenison@mineralwellstx.gov>

**Cc:** Eileen Hayman <eileen@txmunicipallaw.com>; Lauren Trejo <lauren@txmunicipallaw.com>

**Subject:** Fw: Mineral Wells: DRAFT Ordinance for Operation of Vehicles on Approach of Certain City Vehicles

Hello

I am resending to include Chief Denison's email address.

The attached ordinance amends chapter 86, Article III of the City Code to require a driver to slow down or move over upon approach of certain city vehicles.

Please advise on which upcoming agenda this item will be included.

Thanks  
Lisa

Lisa D. Mares

---

**From:** Lisa Mares <lmares@txmunicipallaw.com>  
**Sent:** Wednesday, July 22, 2026 3:07 PM  
**To:** Howard Huffman <hhuffman@mineralwellstx.gov>; policechief@mineralwellstx.gov  
<policechief@mineralwellstx.gov>  
**Cc:** Eileen Hayman <eileen@txmunicipallaw.com>; Lauren Trejo <lauren@txmunicipallaw.com>  
**Subject:** Mineral Wells: DRAFT Ordinance for Operation of Vehicles on Approach of Certain City Vehicles

Hello

It was great meeting you both in person at the council meeting. I am attaching an ordinance for review and approval / feedback. The initial draft ordinance amends chapter 86, Article III of the City Code to require a driver to slow down or move over upon approach of certain city vehicles.

Please see attached. And please advise on which upcoming agenda this item will be included.

Thanks  
Lisa

Lisa D. Mares  
Associate Attorney



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6371 PRESTON RD | STE 200 | FRISCO, TX 75034  
PHONE: 972.668.6400 | FAX: 972.668.6414  
LMares@TxMunicipalLaw.com | [www.txmunicipallaw.com](http://www.txmunicipallaw.com)

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## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take possible action on a resolution establishing a Hilltop Water Treatment Plant CIP Subcommittee for the City of Mineral Wells and appointing members thereto.

### **INITIATOR/STAFF INFORMATION SOURCE**

Jason Weeks, City Manager

Aaron J. Bovos, Director of Finance & Assistant City Manager

### **BACKGROUND**

The water provided by the City of Mineral Wells serves as a significant element for economic development, public safety, and community growth. As the City and surrounding water user groups are challenged with evolving development opportunities and infrastructure planning, staff believes it is beneficial to establish a focused committee to assist with the strategic evaluation of water-related matters.

The proposed Hilltop Water Treatment Plant & CIP Subcommittee would serve in an advisory capacity to the Mayor and City Council and provide a collaborative forum for the design, engineering & construction of the new Hilltop Water Treatment Plant Capital Improvement Project.

The proposed committee would consist of:

1. Three (3) members of the City Council who shall be nominated, accepted, and appointed by majority vote of the Mayor and City Council
2. Four (4) City staff members, consisting of:
  - The City Manager;
  - The Assistant City Manager / Director of Finance;
  - The Executive Director of Public Works and
  - Director of Public Works
  1. Staff as needed

The committee would function in an advisory role only and would not possess independent authority to obligate the City financially or contractually unless specifically authorized by the Mayor and City Council.

The establishment of the committee is intended to improve coordination among elected officials, advisory board members, and staff while helping facilitate informed recommendations regarding the design, engineering and construction of the new Hilltop Water Treatment Plant capital improvement project.

### **COST**

There is no direct fiscal impact associated with the approval of this resolution beyond normal administrative staff time associated with meetings and coordination activities.

**FUNDING SOURCE**

N/A

**RECOMMENDATION**

Staff recommends approval of the Resolution establishing the Hilltop Water Treatment Plant Subcommittee.

**EXHIBITS**

1. HDR Task Order 2
2. Hilltop Water Treatment Plant Subcommittee Resolution

**ITEM NUMBER 16.**  
**MEETING DATE 8/4/2026**



## **TASK ORDER 02**

This Task Order pertains to an Agreement by and between City of Mineral Wells, (“OWNER”), and HDR Engineering, Inc. (“ENGINEER”), dated April 1, 2025, (“the Agreement”). Engineer shall perform services on the project described below as provided herein and in the Agreement. This Task Order shall not be binding until it has been properly signed by both parties. Upon execution, this Task Order shall supplement the Agreement as it pertains to the project described below.

TASK ORDER NUMBER: **2**

PROJECT NAME: **City of Mineral Wells Drinking Water State Revolving Fund (DWSRF) Support - Planning**

### **PART 1.0 PROJECT DESCRIPTION:**

OWNER has been selected by the Texas Water Development Board (TWDB) to receive financial support under a Drinking Water State Revolving Fund Loan for improvements to and expansion of the Hilltop Water Treatment Plant, the Brazos Pump Station, and the raw water transmission main from Brazos to Hilltop. ENGINEER has been selected to support the OWNER with professional services in support of the project. Task Order 2 is for providing the necessary services to accomplish the planning stage of the TWDB requirements and includes:

- Coordinate with the City and its SRF team,
- Coordinate with the TWDB,
- Development and submittal of an Environmental Information Document (EID),
- Development and submittal of an Engineering Feasibility Report (EFR),
- Evaluation of delivery methods for the construction of the project, and
- Perform other allied tasks to support the City through the SRF management process.

Design services will be authorized under a subsequent Task Order.

### **PART 2.0 SCOPE OF SERVICES TO BE PERFORMED BY ENGINEER ON THE PROJECT:**

ENGINEER will perform the following professional services:

#### **1 Project Management, Meetings, and Coordination**

1. Establish and manage the project in HDR's financial, quality, and project management systems.
2. Provide monthly progress reports and invoices to OWNER.
3. Coordinate with City and their SRF team, as needed, virtually and in person.
4. Coordinate with the TWDB as needed to answer questions and support the overall management of the process.

## **2 Field Surveys and Documentation**

The following environmental on-site assessments will be required to complete the EID. Historic/Cultural resource Phase I intensive investigations and assessments are described in Task 3. HDR will perform the following subtasks for one (1) preferred approximately 4-mile pipeline alignment (100-foot-wide corridor), the Hilltop WTP, and Brazos Pump Station Site.

### **2.1 Delineation of Aquatic Resources and Delineation Report**

1. Delineation of Wetlands / Waters of the U.S. including streams and other waters (i.e. wetlands) boundaries will be conducted in accordance with the 1987 U.S. Army Corps of Engineers (USACE) Wetlands Delineation Manual, the USACE Regional Supplement to the USACE Wetland Delineation Manual: Great Plains Region (Version 2.0) and guidance from the Fort Worth District.
2. A combination of off-site remote sensing and on-site pedestrian method will be used to collect point and boundary data. It is assumed transects will not be necessary or practical at this site. Potential Waters of the United States (WOTUS) boundaries will be mapped using submeter GPS devices. Photographic data will also be collected during the delineation. Coordination with the USACE for a Preliminary or Approved Jurisdictional Determination or a permit application is not included in this scope.
3. An Aquatic Resource Delineation Report (ARDR) will be prepared to include in agency coordination and as an attachment to the EID.

### **2.2 Threatened & Endangered Species Habitat Assessment**

1. Evaluation of the study area for the potential for federally and state listed Threatened & Endangered Species habitat, including a review of United States Fish and Wildlife Services (USFWS) Information for Planning and Consultation (IPaC) and Texas Parks and Wildlife Department (TPWD) Rare, Threatened, and Endangered Species of Texas lists.
2. A habitat assessment report and table of potential impacts to federal and state listed species will be prepared to facilitate agency coordination and to include in the EID.
3. Avian habitat assessment for potential nesting habitat for planning related to Migratory Bird Treaty Act compliance will be completed.

### **2.3 Phase I Environmental Site Assessment (ESA)**

1. HDR will prepare a Phase I ESA, in general conformance with ASTM E-1527-21, for the project area. The proposed Phase I ESA will conform to the ASTM Phase I investigative process, including the following elements:
  - a. Research into the environmental regulatory history of the sites (using a subcontracted records search firm, ERIS). Follow-up review of regulatory hard files may be required.
  - b. Performance of a site reconnaissance by a qualified Environmental Professional (as defined by ASTM and USEPA), including photographic documentation of current site conditions. HDR will coordinate with the client for site access and assumes that access will be complete and unfettered.
  - c. Review of historical information sources as required by ASTM.
  - d. Performance of interviews with persons familiar (up to 5) with the area, either in person, by telephone, or by mailed or emailed environmental questionnaire.
  - e. Identification of data gaps.
2. Preparation of a report of findings. This report will be included as an attachment to the EID.

### **2.4 TWDB Documentation**

Provide environmental support for TWDB documentation requirements for DWSRF compliance with 31 Texas Administrative Code Rules §371, Subchapter E. HDR will perform the following task for one (1) preferred approximately 4-mile pipeline alignment (100-foot-wide corridor), the Hilltop WTP and Brazos Pump Station Site.

HDR shall prepare the Federal Environmental Review EID using form TWDB-0801 for compliance with the National Environmental Policy Act. The EID will include the following tasks.

#### **2.4.1 Prepare one EID using TWDB Form-0801 evaluating the proposed project (pipeline, Hilltop WTP, and Brazos Pump Station) with the following sections and information:**

1. Preparation of the standard attachments
2. Project description (with standard maps, up to 8) including project background and project need and purpose
3. Alternatives analysis summarizing findings of preliminary route evaluation, a description of the Preferred Action Alternative, a qualitative description and an environmental impact analysis of the No Action Alternative and up to one Alternative Not Selected
  - i. HDR will rely on the routing information provided by the Preliminary Engineering Report for the improvements to the Brazos Pumpstation and raw water transmission main.

4. Description of existing conditions and an impact assessment based on the Preferred Action Alternative alignment to the following resource areas:
  - i. Land use
  - ii. Geology
  - iii. Soils and prime and important farmland
  - iv. Water resources
  - v. Topography and floodplains
  - vi. Wetlands, streams and waters of the U.S. This does not include support for USACE Section 404 permitting or a Preliminary or Approved Jurisdictional Determination.
  - vii. Biological elements
  - viii. Cultural resources (as described in Task 3)
  - ix. Hazardous Materials
  - x. Social implications and environmental justice. Demographic data of the community will be provided, however impacts related to environmental justice will not be discussed per recent Executive Orders.
  - xi. Air quality, scenic views, and traffic control. Up to one other potential impact will be discussed.
  - xii. Secondary and cumulative impacts
5. Proposed mitigation measures and best management practices
6. HDR will provide assistance for the public meeting, including preparing the public meeting notice, preparing a public meeting notification letter to send to interested agencies and/or stakeholders (HDR will prepare these documents in PDF format to be submitted to the publication, agencies or stakeholders by the Client). HDR will assist with preparation of meeting materials (PDF format) including up to four figures, and 15 slides. The Client will be responsible for all other aspects of the public meeting including hosting the event, paying all associated fees, including publication of the public meeting notice, and preparing a summary of the public meeting. HDR could provide these services under additional scope.

#### **2.4.2 Facility agency correspondence through performance of the following:**

1. Prepare agency correspondence to Bureau of Reclamation, Bureau of Land Management (BLM), City, Mayor, or County Judge (as applicable), TPWD, Texas Historical Commission (THC), USACE, and USFWS for inclusion in the draft EID.

2. Provide circumstantial agency coordination (e.g. floodplain coordination, other public entities, etc.) as necessary (up to three agencies).
3. Agency coordination letters will be sent using U.S. Postal Service certified mail with return receipt.

#### **2.4.3 Coordinate EID revisions in consultation with the TWDB.**

##### **Coordination is expected to include:**

1. Phone and/or email correspondence with TWDB.
2. Revision of the EID and exhibits based on agency coordination.
3. Refinement of proposed mitigation measures.
4. Submittal of Final Draft EID to TWDB and coordination with TWDB environmental reviewers.
5. Revision of document and exhibits and submittal of supplemental information to develop the Final EID.

#### **Task 2 – Assumptions**

- The field visit for all tasks included under Task 2 will be completed concurrently.
- Presence/absence surveys for threatened and endangered species, as well as freshwater mussels, are not included in this scope. Should these surveys be necessary, they could be accomplished under an additional scope.
- It is assumed that the project would not adversely affect federally listed threatened or endangered species or their critical habitat and a formal Section 7 consultation would not be required.
- It was assumed that the project would not trigger a pre-construction notification or individual permit under Clean Water Act, Section 404. Coordination with the USACE includes agency coordination and request for a No Permit Required Letter only.
- Should a Preliminary or Approved Jurisdictional Determination or WOTUS permitting be required, this could be accomplished under an additional scope.
- Delays due to changes in the alignment, inclement weather, or parcel access issues may increase field costs and result in supplemental fee requests.
- Modification to the scope of services mandated by regulatory authorities may necessitate supplemental fee requests.
- This scope of work assumes up to 2 rounds of comments will be addressed per deliverable.
- All parcels will be accessible for the site visit, with prior arrangements made through current property owners/agencies for the site visit.
- A Phase I ESA has been included in this scope. No Phase II investigative services, including subsurface soil or groundwater sampling, are included in this scope.



Should conditions indicate the need for these services, they can be provided under additional scope.

- HDR's assistance with the required public meeting is limited to drafting the public meeting notice, drafting letters notifying agencies or stakeholders of the public meeting, and providing materials including up to four digital (4) figures and 15 PowerPoint slides. The client will be responsible for all other aspects of the public meeting, including hosting, publication of the public meeting notice, sending letters to agencies and stakeholders regarding the public meeting, and paying all fees associated with the public meeting. Should additional assistance with the public meeting be requested, that can be accomplished under additional scope.
- The current scope assumes 1 mobilization and that right of entry will be granted by the client to all parcels prior to the time of survey.

## **Task 2 – Deliverables**

1. Digital files of the OHWM
2. Aquatic resource delineation report
3. Habitat assessment report
4. Phase I ESA
5. Public Meeting Notice and figures
6. Agency Coordination Letters (Bureau of Reclamation, BLM, City Mayor or County Judge, as applicable), TPWD, USFWS, THC, USFWS, and up to 3 others, as needed)
7. Draft EID
8. Final EID

## **3.0 Cultural Resources Services**

### **3.1 Cultural Resources Agency Coordination**

As federal funding through the U.S. Environmental Protection Agency (EPA) DWSRF (administered by TWDB) is anticipated, the Project would be considered a federal undertaking requiring coordination under Section 106 of the National Historic Preservation Act (Section 106; 54 United States Code § 306108). Additionally, as a political subdivision of the State of Texas, the City of Mineral Wells is required to coordinate with the Texas Historical Commission (THC) under the Antiquities Code of Texas (ACT; 13 Texas Administrative Code [TAC] 26) regarding the Project.

As a basis for Section 106 consultation, HDR will coordinate with the EPA, or TWDB on behalf of the EPA, to establish an Area of Potential Effects (APE) that considers the Project's potential to impact archaeological (below ground) and built environment (aboveground) cultural resources.

HDR will conduct a basic desktop database review of the Texas Historical Commission's (THC's) Archeological Sites Atlas, Historical Sites Atlas, Texas Department of

Transportation's Historic Resources Aggregator, Texas General Land Office, and the City of Mineral Wells' Historical Marker Program in order to determine the presence or absence of previously recorded cultural resources in the APE and within a 1-mile buffer of the APE. The records search will define previous cultural resources management projects, archaeological sites, National Register properties, cemeteries, historic markers, or other cultural resources located within either the APE or the surrounding buffer area.

Additionally, HDR will consult data from the U.S. Department of Agriculture Natural Resources Conservation Service Soil Service, the Geologic Map of Texas, and the Texas Department of Transportation's Potential Archaeological Liability Maps to assess the potential of the project area for containing preserved archaeological deposits.

HDR will also review historical maps and aerial photography to identify potential historic-age archaeological sites and architectural resources, in addition to documenting the degree of landscape modification that has occurred since the early twentieth century period. For built environment resources, the historic period is defined to include resources that meet the 50-year threshold of NRHP eligibility from the year of this background study (2026), plus an additional 5-year buffer that allows Project planning. Accordingly, the historic period is defined as any resource 45 years old or older (constructed in 1981 or earlier).

### **3.2 Cultural Resources Survey and Reporting**

HDR will obtain a Texas Historical Commission Antiquities Permit. An intensive archaeological investigation will be carried out to determine the presence/absence of archaeological resources within the project area as per the Antiquities Code of Texas (13 TAC 26) and to evaluate identified resources for their eligibility for inclusion in the National Register of Historic Places (NRHP) or as a designated State Antiquities Landmark (SAL).

HDR will prepare a Final Report in compliance with the guidelines published by the Council of Texas Archeologists, the THC, and the Secretary of the Interior's Guidelines. All records and materials generated by this project will be permanently curated at the Center for Archaeological Research at the University of Texas at San Antonio. All work will be performed in compliance with guidelines published by the Council of Texas Archeologists, the THC, and the Secretary of the Interior's Guidelines.

The built environment survey will document historic-age resources in the APE in accordance with the THC's *Historic Resources Survey Manual*. After field documentation and archival research of the identified historic-age resources, HDR will make recommendations as to the NRHP eligibility of these resources. HDR will base its NRHP eligibility recommendations on guidelines published by the National Park Service and NRHP evaluation criteria found in 36 Code of Federal Regulations Part 60.4. If any NRHP listed or eligible properties are identified within the APE, HDR will provide analysis of the Project's effects on such properties. All built environment results and analysis will be included in the Final Report.

The surveys will be conducted by professional archaeologists and historians that meet Secretary of Interior (SOI) Professional Qualifications Standards under the supervision of an SOI-qualified Principal Investigator.

### **Task 3 Assumptions:**

- HDR assumes the EPA, or TWDB on behalf of the EPA, will provide guidance on the proposed APE during Task 3.1.
- The current cost estimate assumes no major design changes.
- The current cost estimate assumes 2 mobilizations of 5 and 6 days, respectively, and that right of entry will be granted by the client to all parcels prior to the time of survey.
- A maximum of 1 new archaeological site no larger than 0.5 acres will be recorded. When archaeological sites are identified, their delineation will not extend beyond the project area boundaries. If additional sites are located, their recordation would be covered under a scope amendment.
- Up to 10 built environment resources will be recorded. If additional resources are located, their recordation would be covered under a scope amendment.
- Costs for the analysis of up to 50 artifacts have been included in the current proposal. Should analysis of additional artifacts be necessary, additional funding will be required.
- HDR assumes that deep testing will be necessary, and that the need for utility location will be limited to coordination with Texas811.
- HDR assumes no human burials will be encountered. If human burials are encountered, burial exhumation, osteological analysis, and reporting would be covered under a scope amendment.
- The current cost estimate does not include NRHP/SAL testing or mitigation.
- Any delays due to changes in the alignment, inclement weather, or parcel access issues may increase field costs and result in supplemental fee requests.
- Any modification to the scope of services mandated by regulatory authorities will necessitate an updated scope and fee estimate.
- The scope assumes 2 rounds of revisions based on client/agency comments.

### **Task 3 Deliverables & Schedule:**

1. HDR shall provide a draft THC permit application within 4 weeks of NTP.
2. HDR shall perform field surveys within 3 weeks of receiving a THC Antiquities Permit and Right of Entry.
3. HDR shall provide a draft report within 45 days of field survey completion.

## **4 Engineering Feasibility Report**

1. HDR will develop an Engineering Feasibility Report (EFR) to satisfy the requirements of the TWDB DWSRF program.

2. HDR will rely on the Preliminary Engineering Reports developed for the Hilltop Water Treatment Plant and the Brazos Pumpstation and water transmission main.
3. HDR will perform additional engineering analysis as needed to support the development of the EID and the EFR.
4. HDR will develop the draft EFR for review by the OWNER.
5. HDR will respond to comments from the OWNER and submit the final EFR to the TWDB.
6. HDR will respond to comments from the TWDB and finalize the EFR.
7. This Task Order does not include any design activities.

## **5 Alternative Delivery Evaluation**

1. HDR will coordinate with the OWNER on options for alternative delivery.
2. HDR will lead an in-person workshop with the OWNER to discuss various alternative delivery options available for these projects. Workshop will look at advantages and disadvantages of each and will include comparisons of schedule, cost, risk, and compatibility with TWDB SRF funding program requirements.
3. HDR will develop a draft technical memorandum summarizing the methods, discussion from the workshop, and providing a recommendation for next steps.

### **PART 3.0 OWNER'S RESPONSIBILITIES:**

The OWNER will provide information in accordance with Section 6 of the Terms and Conditions of the Master Service Agreement.

### **PART 4.0 PERIODS OF SERVICE:**

This Task Order is expected to complete in 12 months or when the design phase of the project is initiated.

### **PART 5.0 ENGINEER'S FEE:**

Compensation for ENGINEER'S services under this Agreement shall be on the basis of Direct Labor Costs times a factor of 3.3 for the services of ENGINEER'S personnel engaged on the Project, plus Reimbursable Expenses, for a maximum, not-to-exceed amount of \$400,000.00.

Direct Labor Cost shall mean salaries and wages, (basic and overtime) paid to all personnel engaged directly on the Project. The Direct Labor Costs and the factor applied to Direct Labor Costs will be adjusted annually as of the first of every year to reflect equitable changes to the compensation payable to Engineer.

Reimbursable Expense shall mean the actual expenses incurred directly or indirectly in connection with the Project for transportation travel, subconsultants, subcontractors, technology charges, telephone, telex, shipping and express, and other incurred expense. ENGINEER will add ten percent (10%) to expenses and invoices received from subconsultants and subcontractors to cover administrative expenses and vicarious liability.

PART 6.0      OTHER: NONE



This Task Order is executed this 21st day of July, 2026.

City of Mineral Wells

"OWNER"

BY:

NAME:

Regan L. Johnson

TITLE:

Mayor

ADDRESS:

Mineral Wells, Texas 78068

HDR ENGINEERING, INC.

"ENGINEER"

BY:

NAME:



Cory Shockley

TITLE:

Vice President

ADDRESS:

4401 West Gate Blvd. Ste. 400

Austin, Texas 78745

**EXHIBIT B**  
**TERMS AND CONDITIONS**

# HDR Engineering, Inc. Terms and Conditions for Professional Services

## 1. STANDARD OF PERFORMANCE

The standard of care for all professional engineering, consulting and related services performed or furnished by ENGINEER and its employees under this Agreement will be the care and skill ordinarily used by members of ENGINEER's profession practicing under the same or similar circumstances at the same time and in the same locality. ENGINEER makes no warranties, express or implied, under this Agreement or otherwise, in connection with ENGINEER's services.

## 2. INSURANCE/INDEMNITY

ENGINEER agrees to procure and maintain, at its expense, Workers' Compensation insurance as required by statute; Employer's Liability of \$250,000; Automobile Liability insurance of \$1,000,000 combined single limit for bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of \$1,000,000 combined single limit for personal injury and property damage; and Professional Liability insurance of \$1,000,000 per claim for protection against claims arising out of the performance of services under this Agreement caused by negligent acts, errors, or omissions for which ENGINEER is legally liable. If flying an Unmanned Aerial System (UAS or drone), ENGINEER will procure and maintain aircraft unmanned aerial systems insurance of \$1,000,000 per occurrence. OWNER shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the OWNER. ENGINEER agrees to indemnify OWNER for third party personal injury and property damage claims to the extent caused by ENGINEER's negligent acts, errors or omissions. However, neither Party to this Agreement shall be liable to the other Party for any special, incidental, indirect, or consequential damages (including but not limited to loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; and/or fines or penalties), loss of profits or revenue arising out of, resulting from, or in any way related to the Project or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, errors or omissions, strict liability or breach of contract. The employees of both parties are intended third party beneficiaries of this waiver of consequential damages.

## 3. OPINIONS OF PROBABLE COST

Any opinions of probable project cost or probable construction cost provided by ENGINEER are made on the basis of information available to ENGINEER and on the basis of ENGINEER's experience and qualifications, and represents its judgment as an experienced and qualified professional engineer. However, since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' methods of determining prices, or over competitive bidding or market conditions, ENGINEER does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost ENGINEER prepares.

## 4. CONSTRUCTION PROCEDURES

ENGINEER's observation or monitoring portions of the work performed under construction contracts shall not relieve the contractor from its responsibility for performing work in accordance with applicable contract documents. ENGINEER shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work and shall not manage, supervise, control or have charge of construction. ENGINEER shall not be responsible for the acts or omissions of the contractor or other parties on the project. ENGINEER shall be

entitled to review all construction contract documents and to require that no provisions extend the duties or liabilities of ENGINEER beyond those set forth in this Agreement. OWNER agrees to include ENGINEER as an indemnified party in OWNER's construction contracts for the work, which shall protect ENGINEER to the same degree as OWNER. Further, OWNER agrees that ENGINEER shall be listed as an additional insured under the construction contractor's liability insurance policies.

## 5. CONTROLLING LAW

This Agreement is to be governed by the law of the state where ENGINEER's services are performed.

## 6. SERVICES AND INFORMATION

OWNER will provide all criteria and information pertaining to OWNER's requirements for the project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations. OWNER will also provide copies of any OWNER-furnished Standard Details, Standard Specifications, or Standard Bidding Documents which are to be incorporated into the project.

OWNER will furnish the services of soils/geotechnical engineers or other consultants that include reports and appropriate professional recommendations when such services are deemed necessary by ENGINEER. The OWNER agrees to bear full responsibility for the technical accuracy and content of OWNER-furnished documents and services.

In performing professional engineering and related services hereunder, it is understood by OWNER that ENGINEER is not engaged in rendering any type of legal, insurance or accounting services, opinions or advice. Further, it is the OWNER's sole responsibility to obtain the advice of an attorney, insurance counselor or accountant to protect the OWNER's legal and financial interests. To that end, the OWNER agrees that OWNER or the OWNER's representative will examine all studies, reports, sketches, drawings, specifications, proposals and other documents, opinions or advice prepared or provided by ENGINEER, and will obtain the advice of an attorney, insurance counselor or other consultant as the OWNER deems necessary to protect the OWNER's interests before OWNER takes action or forebears to take action based upon or relying upon the services provided by ENGINEER.

## 7. SUCCESSORS, ASSIGNS AND BENEFICIARIES

OWNER and ENGINEER, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither OWNER nor ENGINEER will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other. No third party beneficiaries are intended under this Agreement.

## 8. RE-USE OF DOCUMENTS

All documents, including all reports, drawings, specifications, computer software or other items prepared or furnished by ENGINEER pursuant to this Agreement, are instruments of service with respect to the project. ENGINEER retains ownership of all such documents. OWNER may retain copies of the documents for its information and reference in connection with the project; however, none of the documents are intended or represented to be suitable for reuse by OWNER or others on extensions of the project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER will defend, indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses, including attorney's fees,

arising or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

#### **9. TERMINATION OF AGREEMENT**

OWNER or ENGINEER may terminate the Agreement, in whole or in part, by giving seven (7) days written notice to the other party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all services and expenses associated with the project up to the effective date of termination. An equitable adjustment shall also be made to provide for termination settlement costs ENGINEER incurs as a result of commitments that had become firm before termination, and for a reasonable profit for services performed.

#### **10. SEVERABILITY**

If any provision of this agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

#### **11. INVOICES**

ENGINEER will submit monthly invoices for services rendered and OWNER will make payments to ENGINEER within thirty (30) days of OWNER's receipt of ENGINEER's invoice.

ENGINEER will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by OWNER's auditors upon request.

If OWNER disputes any items in ENGINEER's invoice for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER will promptly notify ENGINEER of the dispute and request clarification and/or correction. After any dispute has been settled, ENGINEER will include the disputed item on a subsequent, regularly scheduled invoice, or on a special invoice for the disputed item only.

OWNER recognizes that late payment of invoices results in extra expenses for ENGINEER. ENGINEER retains the right to assess OWNER interest at the rate of one percent (1%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date OWNER receives ENGINEER's invoice. In the event undisputed portions of ENGINEER's invoices are not paid when due, ENGINEER also reserves the right, after seven (7) days prior written notice, to suspend the performance of its services under this Agreement until all past due amounts have been paid in full.

#### **12. CHANGES**

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. Any proposed fees by ENGINEER are estimates to perform the services required to complete the project as ENGINEER understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. ENGINEER will inform OWNER of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional services, or suspension of services results in an increase or decrease in the cost of or time required for performance

of the services, an equitable adjustment shall be made, and the Agreement modified accordingly.

#### **13. CONTROLLING AGREEMENT**

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document.

#### **14. EQUAL EMPLOYMENT AND NONDISCRIMINATION**

In connection with the services under this Agreement, ENGINEER agrees to comply with the applicable provisions of federal and state Equal Employment Opportunity for individuals based on color, religion, sex, or national origin, or disabled veteran, recently separated veteran, other protected veteran and armed forces service medal veteran status, disabilities under provisions of executive order 11246, and other employment, statutes and regulations, as stated in Title 41 Part 60 of the Code of Federal Regulations § 60-1.4 (a-f), § 60-300.5 (a-e), § 60-741 (a-e).

#### **15. HAZARDOUS MATERIALS**

OWNER represents to ENGINEER that, to the best of its knowledge, no hazardous materials are present at the project site. However, in the event hazardous materials are known to be present, OWNER represents that to the best of its knowledge it has disclosed to ENGINEER the existence of all such hazardous materials, including but not limited to asbestos, PCB's, petroleum, hazardous waste, or radioactive material located at or near the project site, including type, quantity and location of such hazardous materials. It is acknowledged by both parties that ENGINEER's scope of services do not include services related in any way to hazardous materials. In the event ENGINEER or any other party encounters undisclosed hazardous materials, ENGINEER shall have the obligation to notify OWNER and, to the extent required by law or regulation, the appropriate governmental officials, and ENGINEER may, at its option and without liability for delay, consequential or any other damages to OWNER, suspend performance of services on that portion of the project affected by hazardous materials until OWNER: (i) retains appropriate specialist consultant(s) or contractor(s) to identify and, as appropriate, abate, remediate, or remove the hazardous materials; and (ii) warrants that the project site is in full compliance with all applicable laws and regulations. OWNER acknowledges that ENGINEER is performing professional services for OWNER and that ENGINEER is not and shall not be required to become an "arranger," "operator," "generator," or "transporter" of hazardous materials, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA), which are or may be encountered at or near the project site in connection with ENGINEER's services under this Agreement. If ENGINEER's services hereunder cannot be performed because of the existence of hazardous materials, ENGINEER shall be entitled to terminate this Agreement for cause on 30 days written notice. To the fullest extent permitted by law, OWNER shall indemnify and hold harmless ENGINEER, its officers, directors, partners, employees, and subconsultants from and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from hazardous materials, provided that (i) any such cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or injury to or destruction of tangible property (other than completed Work), including the loss of use resulting therefrom, and (ii) nothing in this paragraph shall obligate OWNER to indemnify any individual or entity from and against the consequences of that individual's or entity's sole negligence or willful misconduct.

#### **16. EXECUTION**

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between ENGINEER and

OWNER, supersedes and controls over all prior written or oral understandings. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

#### **17. ALLOCATION OF RISK**

**OWNER AND ENGINEER HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING ENGINEER'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS, SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF ENGINEER (AND ITS RELATED CORPORATIONS, SUBCONSULTANTS AND EMPLOYEES) TO OWNER AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE LESSER OF \$1,000,000 OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF ENGINEER'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. ENGINEER'S AND SUBCONSULTANTS' EMPLOYEES ARE INTENDED THIRD PARTY BENEFICIARIES OF THIS ALLOCATION OF RISK.**

#### **18. LITIGATION SUPPORT**

In the event ENGINEER is required to respond to a subpoena, government inquiry or other legal process related to the services in connection with a legal or dispute resolution proceeding to which ENGINEER is not a party, OWNER shall reimburse ENGINEER for reasonable costs in responding and compensate ENGINEER at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearings, and trial.

#### **19. NO THIRD PARTY BENEFICIARIES**

Except as otherwise provided in this Agreement, no third party beneficiaries are intended under this Agreement. In the event a reliance letter or certification is required under the scope of services, the parties agree to use a form that is mutually acceptable to both parties.

#### **20. UTILITY LOCATION**

If underground sampling/testing is to be performed, a local utility locating service shall be contacted to make arrangements for all utilities to determine the location of underground utilities. In addition, OWNER shall notify ENGINEER of the presence and location of any underground utilities located on the OWNER's property which are not the responsibility of private/public utilities. ENGINEER shall take reasonable precautions to avoid damaging underground utilities that are properly marked. The OWNER agrees to waive any claim against ENGINEER and will indemnify and hold ENGINEER harmless from any claim of liability, injury or loss caused by or allegedly caused by ENGINEER's damaging of underground utilities that are not properly marked or are not called to ENGINEER's attention prior to beginning the underground sampling/testing.

#### **21. UNMANNED AERIAL SYSTEMS**

If operating UAS, ENGINEER will obtain all permits or exemptions required by law to operate any UAS included in the services. ENGINEER's operators have completed the training, certifications and licensure as required by the applicable jurisdiction in which the UAS will be operated. OWNER will obtain any necessary permissions for ENGINEER to operate over private property, and assist, as necessary, with all other necessary permissions for operations.

#### **22. OPERATIONAL TECHNOLOGY SYSTEMS**

OWNER agrees that the effectiveness of operational technology systems and features designed, recommended or assessed by ENGINEER (collectively "OT Systems") are dependent upon OWNER's continued operation and maintenance of the OT Systems

in accordance with all standards, best practices, laws, and regulations that govern the operation and maintenance of the OT Systems. OWNER shall be solely responsible for operating and maintaining the OT Systems in accordance with applicable laws, regulations, and industry standards (e.g. ISA, NIST, etc.) and best practices, which generally include but are not limited to, cyber security policies and procedures, documentation and training requirements, continuous monitoring of assets for tampering and intrusion, periodic evaluation for asset vulnerabilities, implementation and update of appropriate technical, physical, and operational standards, and offline testing of all software/firmware patches/updates prior to placing updates into production. Additionally, OWNER recognizes and agrees that OT Systems are subject to internal and external breach, compromise, and similar incidents. Security features designed, recommended or assessed by ENGINEER are intended to reduce the likelihood that OT Systems will be compromised by such incidents. However, ENGINEER does not guarantee that OWNER's OT Systems are impenetrable and OWNER agrees to waive any claims against ENGINEER resulting from any such incidents that relate to or affect OWNER's OT Systems.

#### **23. FORCE MAJEURE**

ENGINEER shall not be responsible for delays caused by factors beyond ENGINEER's reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, government ordered industry shutdowns, power or server outages, acts of nature, widespread infectious disease outbreaks (including, but not limited to epidemics and pandemics), failure of any governmental or other regulatory authority to act in a timely manner, failure of the OWNER to furnish timely information or approve or disapprove of ENGINEER's services or work product, or delays caused by faulty performance by the OWNER's or by contractors of any level or any other events or circumstances not within the reasonable control of the party affected, whether similar or dissimilar to any of the foregoing. When such delays beyond ENGINEER's reasonable control occur, the OWNER agrees that ENGINEER shall not be responsible for damages, nor shall ENGINEER be deemed in default of this Agreement, and the parties will negotiate an equitable adjustment to ENGINEER's schedule and/or compensation if impacted by the force majeure event or condition.

#### **24. EMPLOYEE IMMUNITY**

The parties to this Agreement acknowledge that an individual employee or agent may not be held individually liable for negligence with regard to services provided under this Agreement. To the maximum extent permitted by law, the parties intend i) that this limitation on the liability of employees and agents shall include directors, officers, employees, agents and representatives of each party and of any entity for whom a party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a party. Specifically, in the event that all or a portion of the services is performed in the State of Florida, the following provision shall be applicable:

**THE PARTIES ACKNOWLEDGE THAT PURSUANT TO APPLICABLE FLORIDA STATUTES AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE WITH REGARD TO SERVICES PROVIDED UNDER THIS AGREEMENT. To the maximum extent permitted by law, the Parties intend i) that this limitation on the liability of employees**



and agents shall include directors, officers, employees, agents and representatives of each Party and of any entity for whom a Party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a Party. The Parties further acknowledge that the Florida statutes referred to above include but are not limited to: §558.0035(1)(a)-(e); §471.023(3) (an engineer is personally liable for negligence except as provided in § 558.0035); §472.021(3) (surveyor and mapper); §481.219(11) (architect and interior designer); §481.319(6) (landscape architect); and §492.111(4) (geologist).

## **CITY OF MINERAL WELLS, TEXAS**

### **RESOLUTION NO. 2026-**

#### **A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF MINERAL WELLS, TEXAS, ESTABLISHING A HILLTOP WATER TREATMENT PLANT CIP SUBCOMMITTEE; PROVIDING FOR THE PURPOSE, MEMBERSHIP, AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Mineral Wells intends to move forward with the design, engineering and construction of the new Hilltop Water Treatment Plant and associated capital improvements; and

**WHEREAS**, the Mayor and City Council desire to establish a Hilltop Water Treatment Plant CIP Project Subcommittee to provide strategic guidance, coordination, and recommendations regarding the design, engineering and construction of the new water treatment plant and associated water projects; and

**WHEREAS**, the Mayor and City Council find that the creation of such a subcommittee is in the best interest of the citizens of the City of Mineral Wells.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINERAL WELLS, TEXAS:**

#### **SECTION 1. CREATION OF SUBCOMMITTEE**

The Mayor and City Council hereby establish the "Hilltop Water Treatment Plant Subcommittee" (the "Committee") for the purpose of providing oversight on matters related to the design, engineering, and construction of the new Hilltop Water Treatment Plant and associated capital projects.

#### **SECTION 2. MEMBERSHIP**

The Committee shall consist of:

1. Three (3) members of the City Council who shall be nominated, accepted, and appointed by majority vote of the Mayor and City Council
2. Four (4) City staff members, consisting of:
  - o The City Manager;
  - o The Assistant City Manager / Director of Finance;
  - o The Executive Director of Public Works and
  - o Director of Public Works
  1. Staff as needed

#### **SECTION 3. DUTIES AND RESPONSIBILITIES**

The committee shall evaluate proposed design & engineering decisions as well as assist with oversight on the new Hilltop Water Treatment Plant capital improvement project from a policy-maker point-of-view and make recommendations to the City Council that promote safe, reliable, sustainable, and cost-effective water service for the community.

The Subcommittee cannot direct staff or consultants or authorize expenditures independently.

**SECTION 4. MEETINGS**

The Committee shall meet as needed at the call of the City Manager or designated chairperson. Meetings shall be conducted in accordance with applicable provisions of the Texas Open Meetings Act, as applicable.

**SECTION 5. TERMS OF SERVICE**

Councilmembers appointed to the Committee shall serve until replaced by action of the Mayor and City Council or until the expiration of their respective council terms.

Staff members shall serve by virtue of their position with the City.

**SECTION 6. EFFECTIVE DATE**

This Resolution shall take effect immediately upon its passage and approval.

**PASSED AND APPROVED THIS 4TH DAY OF AUGUST 2026.**

**CITY OF MINERAL WELLS, TEXAS**

\_\_\_\_\_  
REGAN JOHNSON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON MCFADDEN, City Clerk

## **AGENDA ITEM COMMENTARY**

### **ITEM TITLE**

Consider and take appropriate action on an Interlocal Agreement between the City of Mineral Wells and the Palo Pinto County Municipal Water District #1 regarding staffing-related matters.

### **INITIATOR/STAFF INFORMATION SOURCE**

Howard Huffman, Executive Director of Public Works

### **BACKGROUND**

On April 1, 2026, the City of Mineral Wells hired Howard Huffman as the Executive Director of Public Works. Part of his job description outlined his continued responsibility to the Palo Pinto County Municipal Water District No. 1. Also, Mr. Huffman resigned on April 1, 2026, as the General Manager of PPCMWD#1. Therefore, the City of Mineral Wells and PPCMWD#1 Board has asked that an interlocal agreement be prepared to outline the roles and responsibilities for daily operations of the PPCMWD#1. In this agreement, the City agrees that it will provide a City employee to serve as part-time general manager of the Water District ("Water District Manager") to fulfill all the day-to-day operations of the Water District. The Water District Manager shall perform the services described in the attached Exhibit "A" (the "Services") for no more than an average of twenty (20) hours per week. Due to the timing of these events, the interlocal agreement has been backdated to April 1, 2026, since this is the date when Howard Huffman began filling the role of Water District Manager. Additionally, both the City and the Districts legal counsel has reviewed and the District's Board has approved this agreement.

### **EXHIBITS**

1. Interlocal Agmt PPCMWD#1

**ITEM NUMBER 17.**  
**MEETING DATE 8/4/2026**

**INTERLOCAL AGREEMENT**  
**CITY OF MINERAL WELLS AND PALO PINTO COUNTY**  
**MUNICIPAL WATER DISTRICT NO. 1**

This Interlocal Agreement (“Agreement”) is made by and between the City of Mineral Wells (“City”) and Palo Pinto County Municipal Water District No. 1 (“Water District”), both being political subdivisions of the State of Texas. City and Water District are individually referred to as a “Party” and collectively referred to as the “Parties” in this Agreement.

**Recitals**

**WHEREAS**, Water District was created in June 1961 to, among other things, provide or acquire a source or sources of water supply for municipal, domestic, industrial, and mining uses and processing and transporting the same;

**WHEREAS**, City purchases its water from the Water District, appoints all board members of the Water District, and funds the Water District’s budget through the City’s water sales; therefore, although technically separate political subdivisions, the City and the Water District are dependent on each other and rely on a cooperative relationship;

**WHEREAS**, City and Water District desire to enter into this Agreement to allow the City to provide a part time general manager to oversee the Water District’s day-to-day operations;

**WHEREAS**, Chapter 791 of the Texas Government Code authorizes City and Water District to enter into this Agreement to perform governmental functions and services that either Party could perform individually; and

**WHEREAS**, the Parties desire to enter into this Agreement pursuant to Chapter 791 of the Government Code.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the City and Water District agree as follows:

**Article I.**  
**Incorporation of Recitals**

- 1.1 Recitals. The Parties agree that the recitals set forth above are true and correct and form the basis upon which the Parties have entered into this Agreement.

**Article II.**  
**General Manager Services**

- 2.1 Part-Time General Manager. The City agrees that it will provide a city employee to serve as part-time general manager of the Water District (“Water District Manager”) to fulfill all of the day-to-day operations of the Water District. The Water District Manager shall



perform the services described in the attached **Exhibit “A”** (the “Services”) for no more than an average of twenty (20) hours per week. Beginning April 1, 2026, Howard Huffman (“Huffman”) shall fill the role of Water District Manager.

- 2.2 Replacement of Huffman. If Huffman’s employment with the City is terminated for any reason, the City shall appoint another City employee to serve as Water District Manager. Any person appointed by the City to act as Water District Manager, other than Huffman, must receive approval of a majority of the board of directors of the Water District (the “Water District Board”).
- 2.3 Compensation. The Water District Manager shall receive all compensation, including without limitation salary, insurance, retirement contributions, and other benefits, directly from the City. A reasonable portion of the benefits provided to the Water District Manager by the City shall be accounted for through an offset in amounts the City must pay the Water District for the purchase of water and other compensation, but the Water District will not transfer any funds to the City as reimbursement for the any part of the compensation paid to the Water District Manager by the City.
- 2.4 Conflicts of Interest. The goal of this Agreement is for the City to assist the Water District with day-to-day administrative functions. In the event that there is a dispute between the City and the Water District, as determined by the Water District Manager in his reasonable judgment, the Water District Manager shall not participate in discussions with, or assist, the Water District in the disputed matter.
- 2.5 Duty to the Parties. As an employee of the City, the employee serving as Water District Manager shall protect all private, proprietary, and confidential information of the City and shall not disclose that information to the Water District. While serving the Water District, the Water District Manager shall protect all private, proprietary, and confidential information of the Water District which does not involve the City, including any attorney-client information and all information and communications discussed in executive session of the Water District Board. The Water District does not waive the attorney-client privilege or any other rights or privileges it may have by entering into this agreement and receiving the Services of the Water District Manager.

### **Article III. Term**

- 3.1 Term of Agreement. This Agreement shall be effective as of April 1, 2026 and shall expire on September 30, 2026. Thereafter, the Agreement shall automatically renew for one-year terms, beginning on October 1<sup>st</sup>, unless either Party provides written notice at least ninety (90) days prior to the end of the then-current term that it does not wish to renew, or desires to terminate, as provided by Sections 3.2 and 3.3 herein.
- 3.2 Termination by Water District.
  - A. If the Water District resumes construction of any aspect, part, or phase of Turkey Peak Reservoir, this Agreement shall automatically terminate and the Water District shall interview and hire and full-time general manager of its choosing, which may include Huffman, to oversee the construction of Turkey Peak Reservoir.

B. If a person, other than Huffman, is designated by the City to serve as Water District Manager pursuant to this Agreement and said person is not approved by the Water District Board as provided in Section 2.2, this Agreement shall automatically terminate.

### 3.3 Termination by City.

A. The City may terminate this Agreement, for no cause and at its discretion, with thirty (30) days' written notice to the Water District.

B. Should a dispute described by Section 2.4, above, rise to the level where the benefits to be derived from this Agreement would be thwarted, defeated, or rendered impossible to achieve, the City may terminate this Agreement with immediate effect by providing written notice to the Water District.

### 3.4 Nonappropriation. Each Party's financial contribution to the arrangement described by this Agreement must be made from current revenues available to the contributing Party and are based upon each Party's governing body budgeting adequate funds to comply with the obligations under this Agreement. Should either Party's governing body fail to budget sufficient funds to comply with this Agreement, the Agreement shall terminate at the end of the last fiscal year in which funds were so appropriated.

## **Article IV. Independence of Parties**

### 4.1 Independence. The governing body of each Party retains its ability to act independently, retains its full budget authority (except to the extent that the City is required to approve the annual budget of the Water District), and retains its ability to provide and/or contract for services, fund, purchase, acquire, employ employees, retain volunteers, equip, and plan independently of the other Party in relation to funding, budgeting (except to the extent that the City is required to approve the budget of the Water District), and other financial priorities or powers as authorized under State law. Subject only to the agreements set forth herein or other agreements between the Parties, each Party retains full and separate ownership of its real and personal property, and control of its employees, volunteers, assets, indebtedness and debts, if any, and its taxing authority and other legal authority or powers.

## **Article V. Term, Termination, and Miscellaneous Provisions**

### 5.1 Interlocal Agreement. City and Water District, acting in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code, as amended, desire to work cooperatively to fulfill their respective public and governmental purposes, needs, objectives, and programs under this Agreement.

### 5.2 Entire Agreement. The terms and provisions of this Agreement contain the entire agreement between the Parties with respect to the subject matters addressed herein and supersede all previous communications, representations or agreements, either oral or written, with respect to the matters addressed herein. In case of conflict between this



Agreement and any other agreement or contract now existing or later entered into by either Party with other entities, this Agreement shall prevail.

- 5.3 Assignment. No rights, duties, or obligations under this Agreement may be assigned nor may any interest or options contained herein be made available or otherwise assigned to any third party without the prior written consent of the Parties, which may be withheld in either Party's absolute and sole discretion.
- 5.4 Severability. If any provision or application of this Agreement is held illegal, invalid, or unenforceable by any Court of competent jurisdiction, the invalidity of such provision will not affect or impair any of the remaining provisions of this Agreement, except as expressly set forth herein.
- 5.5 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue over any dispute arising from this Agreement shall be in Palo Pinto County, Texas. This Agreement shall be interpreted and construed as broadly as possible and consistent with the purposes stated herein.
- 5.6 Amendments. No subsequent alteration, amendment, change, deletion or addition to this Agreement will be binding upon City or Water District unless made in writing and signed by both Parties.
- 5.7 Notices. All notices allowed or required to be given hereunder must be in writing and must be personally delivered or dispatched by United States certified mail, postage prepaid, return receipt requested, to the addresses shown at the following addresses:

For City:

Jason Weeks, City Manager (or successor)  
P.O. Box 460  
Mineral Wells, TX 76067

For Water District:

Howard Huffman, General Manager (or successor)  
P.O. Box 387  
Mineral Wells, TX 76068

- 5.8 Public Records. It will be the independent responsibility of the Parties to comply with Chapter 552, Texas Government Code (the "Public Information Act"), as it applies to the Parties' respective information. The City is not authorized to receive public information requests or take any action under the Public Information Act on behalf of the Water District. Likewise, the Water District is not authorized to receive public information requests or take any other action under the Public Information Act on behalf of the City.
- 5.9 Construing Agreement. The Parties each acknowledge and agree that, while this Agreement was created by Water District's General Counsel, Warren Fonville PLLC

("Firm"), the terms of this Agreement are not to be construed against the drafter, that the Firm does not represent the City, and that the City has asked the City Attorney to review the Agreement on its behalf.

5.10 No Effect on Other Agreements. This Agreement operates independently and does not override, nullify, or replace prior contracts between the Parties. The provisions of this Agreement are meant to stand alone. Its provisions do not conflict with or change existing rights and obligations between the Parties as established in other documents.

5.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, and all of which shall constitute one instrument.

IN WITNESS WHEREOF, the Parties hereto make and enter into this Agreement on the dates set forth below, to be effective as of April 1, 2026.

CITY OF MINERAL WELLS

By: \_\_\_\_\_  
Regan Johnson, Mayor

Date: \_\_\_\_\_

Attest:

By: \_\_\_\_\_  
Sharon McFadden, City Clerk

PALO PINTO COUNTY MUNICIPAL WATER  
DISTRICT NO. 1

By: David R. Turk  
Dr. David Turk, Board President

Date: \_\_\_\_\_

Attest:

By: Rich Kidwell  
Rich Kidwell, Board Secretary